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**Notice of Critical and Declining Status  
for  
Ironworkers Local Union 16 Pension Fund**

EBSA/PUBLIC DISCLOSURE  
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This is to inform you that on March 30, 2018 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning January 1, 2018. Federal law requires that you receive this notice.

**Critical and Declining Status**

Critical and declining status is a category of pension plan funding status created by the recent Multiemployer Pension Reform Act of 2014. The Plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan is projected to be insolvent within the next 20 years.

One of the primary reasons that the Plan is in such a precarious financial position is the dramatic decrease in the hours worked for Contributing Employers for which contributions are required to be made to the Plan. The Plan is not yet insolvent however, so there are steps that can be taken and time to improve the funding status of the Plan, as explained below.

**Rehabilitation Plan**

Federal law requires pension plans in critical or critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Plan was in critical status for the 2012, 2013, and 2014 plan years. A pension plan in critical status is permitted under the law to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On or about March 23, 2012, you were notified that the Plan reduced or eliminated adjustable benefits, and that the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. On or about November 12, 2013, May 28, 2014, and December 1, 2015, you were notified that the Plan further reduced or eliminated adjustable benefits.

This is the fourth year the Plan has been in critical and declining status (and the seventh year that the plan has been in critical status). With the certification as a critical and declining plan, there are additional benefit adjustments the Trustees are permitted to make to improve the financial health of the plan. The law permits the Trustees, in addition to reducing or eliminating adjustable benefits, to propose suspending accrued benefits for participants, including those in pay status (retirees). There are limits on how much accrued benefits may be suspended and before they can be suspended the law requires the proposed benefit suspension be submitted to and approved by the Secretary of the Treasury and be submitted to a vote of the participants, including retirees.

Any reduction of adjustable benefits, as allowed for critical status plans, will not reduce the level of a participant's accrued benefit payable at normal retirement. However, reductions in the participant's accrued benefit payable at normal retirement may occur if benefits are suspended, as allowed for critical and declining status plans.

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In March 2016, the Plan filed an application for benefit suspensions with the U.S. Treasury Department. This application was rejected by the U.S. Treasury Department in November 2016. The application and decision letter can be viewed at <http://www.treasury.gov/mpira>. In rejecting the application the U.S. Department of Treasury basically determined that, in its opinion, the benefit cuts were not large enough for the Plan to avoid insolvency. After reviewing its options the Board of Trustees reapplied for benefit suspensions with the U.S. Treasury Department in December 2017. You should have received a notice in early January 2018 regarding this application and you will be updated accordingly should Treasury make a determination as to the approval or denial of this application.

**Adjustable Benefits**

The plan offers the following additional adjustable benefits which could be reduced or eliminated as part of any amended rehabilitation plan the plan trustees could adopt:

- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Pre-retirement death benefits other than a qualified preretirement survivor annuity (QPSA).

**Employer Surcharge**

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. The law provides that the employer surcharge ceases to apply on the effective date of a bargaining agreement that includes terms consistent with a rehabilitation plan.

**Where to Get More Information**

For more information about this Notice, you may contact the Ironworkers Local Union 16 Pension Fund, c/o Zenith American Solutions, 8600 LaSalle Road, Oxford Building – Suite 624, Towson MD 21286, or by phone at 410.828.5282. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6148924. You have a right to receive a copy of the rehabilitation plan from the plan when it is completed.

Issued: April 2018