

NOTICE OF CRITICAL AND DECLINING STATUS

CENTRAL NEW YORK LABORERS PENSION FUND

(E.I.N.: 15-6016579; Plan No.: 001)

October 25, 2023

To: Central New York Laborers Pension Fund Participants and Beneficiaries
Laborers International Union of North America, Local No. 633,
Independent Contributing Employers, and Multiemployer Bargaining Associations

This is to inform you that on September 28, 2023 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Central New York Laborers Pension Fund (“Fund”) is in critical and declining status for the plan year beginning July 1, 2023. Federal law requires that you receive this Notice.

Critical and Declining Status

The Fund is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Fund’s actuary determined that the Fund is projected to have an accumulated funding deficiency for the current plan year. In addition, the Fund is projected to become insolvent within the next 20 years. See the section entitled “Special Financial Assistance” later in this notice for more information on the potential for the Fund to receive a grant from the federal government that would improve the Fund’s financial condition.

Rehabilitation Plan

Federal law requires that pension plans in critical or critical and declining status adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fourteenth year since the Fund entered critical status. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. On December 1, 2010, you were notified that the Plan reduced or eliminated adjustable benefits. On October 27, 2010, you were notified that as of October 27, 2010 the Fund 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 or critical and declining status. If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant’s basic (non-adjustable) benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 27, 2010.

Adjustable Benefits

The Fund offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt: (i) Post-retirement death benefits; (ii) Disability benefits (if not yet in pay status); (iii) Early retirement benefits; (iv) Benefit payment options other than a qualified joint-and survivor annuity (“QJSA”); and (v) sixty-month payment guarantee.

Special Financial Assistance

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law. ARPA created a Special Financial Assistance (“SFA”) Program, which provides grants to eligible multiemployer plans that can demonstrate the need for SFA. The Fund applied for SFA on July 10, 2023, and the application is currently under review. If approved, SFA is expected to improve the financial condition of the Fund.

Employer Surcharge

The law requires that all contributing employers pay to the Fund 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 Fund 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 Fund is in critical status.

The Trustees have been advised that certain of the bargaining parties consummated a contract that included the anticipated contributions to be required by the 2010 Rehabilitation Plan. When such contribution amendment is timely implemented, any applicable surcharge will not be levied.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact:

Central New York Laborers Pension Fund
Renée M. Sager, Fund Administrator
7051 Fly Road
East Syracuse, New York 13057-9659
Telephone: (315) 434-9305

You have a right to receive a copy of the rehabilitation plan from the Fund.

CENTRAL NEW YORK LABORERS PENSION FUND BOARD OF TRUSTEES

cc: United States Department of Labor Employee
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