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**TWIN CITY CARPENTERS & JOINERS PENSION PLAN**  
**Notice of Endangered Status**

This is to inform you that on March 31, 2015 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Twin City Carpenters & Joiners Pension Plan (the Plan) is in endangered status for the Plan Year beginning January 1, 2015. Federal law requires that you receive this notice.

The Pension Protection Act (PPA), signed into law in 2006, is intended to improve the financial condition of pension plans. The PPA implemented several safeguards, as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Many of the PPA's safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out, and what is in reserve for the future. The safeguards are intended to create more discipline to prevent avoidable funding problems.

Starting with the 2008 Plan Year, the PPA requires that the Plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in endangered status (the Yellow Zone) or critical status (the Red Zone) must notify all plan participants, beneficiaries, unions, contributing employers, and other collective bargaining parties of the plan's status, as well as take corrective action to improve or restore the plan's financial health.

**Endangered Status**

The Plan is considered to be in endangered status (the Yellow Zone) because the Plan's actuary has determined that the funded percentage of the Plan is less than 80% for the Plan Year beginning January 1, 2015.

**Funding Improvement Plan**

The PPA requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. The Trustees of the Plan adopted a Funding Improvement Plan on August 17, 2011. The goal of this Funding Improvement Plan is to increase the Plan's funded percentage by 33% of the difference between the funded percentage as of the beginning of the funding improvement period and 100% by the end of the funding improvement period and to avoid any accumulated funding deficiency during the funding improvement period.

Normally, once a Funding Improvement Plan is adopted, the Trustees would have the authority to amend and apply the provisions of the Funding Improvement Plan in any

manner deemed prudent, including requiring changes in employer contributions and future benefits accruals as part of new or renewed collective bargaining agreements. However, based on the projections provided to us by the Plan's actuary, the Plan is currently projected to meet the Funding Improvement Plan benchmarks due to the changes previously made by the Trustees. The Trustees do not expect that any changes to employer contributions or future benefit accruals from their current level will be necessary or that any additional Plan changes will be needed to meet the PPA's requirement for a Funding Improvement Plan.

### **What's Next**

While no changes are expected to be needed at this time, please note that since the Plan's financial condition generally changes with changes in the economy, the Act requires that the Plan's funding status be reviewed and certified annually. Consequently, you will receive a notice like this each year until the Pension Plan is no longer in the Yellow Zone.

We understand that legally required notices like this one can create concern about the Pension Plan's future. While the "endangered" label is required to be used by law, the fact is that we have been working with our actuaries and consultants for some time now to address these issues. Nevertheless, we must provide this notice to you. Please be aware that improving the Plan's funded status is a top priority and we are committed to taking any actions necessary to ensure your benefits will be there when you retire.

### **Where to Get More Information**

For more information about this Notice, you may contact the Plan Administrator at:

Twin City Carpenters & Joiners Pension Plan  
Wilson-McShane Corporation  
3001 Metro Drive, Suite 500  
Bloomington, MN 55425

You have a right to request a copy of the Funding Improvement Plan adopted by the Trustees on August 17, 2011 from the Plan Administrator