

**OPERATIVE PLASTERERS AND CEMENT MASONS LOCAL 109 PENSION PLAN
2019 NOTICE OF CRITICAL STATUS**

August 2019

On July 26, 2019 the actuary for the Operative Plasterers and Cement Masons Local 109 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury and the Plan Sponsor (“Board of Trustees”) that the Plan continues to be in “critical status” for the 2019 Plan Year as defined by the *Pension Protection Act of 2006* (PPA). The 2019 Plan Year began on May 1, 2019 and will end on April 30, 2020. Federal law requires that you receive this Notice.

Critical Status

The Plan is in critical status because it has funding or liquidity problems, or both. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan’s 2009 PPA certification date the Plan was projected to have an accumulated funding deficiency during the 2013 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government’s minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The Plan continues to be in critical status for the 2019 Plan Year because the Plan’s actuary has determined that the Plan has not passed the “Emergence Test” that would enable it to come out of critical status. In order to pass this Test, the Plan’s actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

On August 23, 2010, the Trustees of the Plan adopted a rehabilitation plan that has been ratified by the bargaining parties. The Plan is continuing to operate in accordance with this rehabilitation plan. For the 2019 Plan Year, the Plan’s actuary has certified that the Plan is making scheduled progress in meeting the requirements of its rehabilitation plan.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at improving the plan’s funded percentage. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of “adjustable benefits”, and/or (3) increases in the hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay “restricted benefits”, such as lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity.

The Board of Trustees adopted a rehabilitation plan on August 23, 2010. This plan was last updated in January of 2017. The Plan’s rehabilitation plan includes benefit changes and scheduled increases in the hourly contribution rate. The 2017 update to the Plan’s rehabilitation plan changed unreduced early retirement from age 55 to age 62 with 30 Years of Service for any Participant who was not eligible for an unreduced early retirement on April 30, 2017. Early retirement benefits are now subject to an actuarial reduction from age 62 unless the Participant was eligible for an unreduced early retirement on April 30, 2017.

The rehabilitation plan will continue to be reviewed with the Plan's actuary and other professionals. Based upon such review, the rehabilitation plan may be amended to include additional benefit reductions and/or contribution increases. You can request a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Adjustable Benefits

If it is ever determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Unreduced Early Retirement benefits for Active Participants with 30 or more years of service;
- Reduced Early Retirement benefits at age 55 for Active Participants with 10 or more Years of Vesting Service;
- Total and Permanent Disability benefits (if not yet in pay status); and
- Other similar benefits, rights, or features under the Plan, including the Plan's pre-retirement death benefits and suspension rules.

If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate Notice identifying the type of the reduction and the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of your basic benefit payable at your Normal Retirement Age (generally, age 65). In addition, the reductions will only apply to Participants and beneficiaries whose Annuity Starting Date is on or after August 27, 2010.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Operative Plasters and Cement Masons Local 109 Pension Plan, at 33 Fitch Boulevard, Austintown, OH 44515, or by calling toll-free at 1-800-435-2388. For identification purposes, the official Plan number is 001 and the Plan sponsor's employer identification number, or "EIN", is 34-6622619.