

**Industry And Local 338
Pension Fund**
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October 2018

**Notice of Critical Status
For
Industry and Local 338 Pension Fund**

This is to inform you that on September 28, 2018 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, the Board of Trustees, that the Industry and Local 338 Pension Plan ("Plan") is in critical status for the plan year beginning July 1, 2018. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan was in critical status last year and over the next 9 years, the Plan is projected to have an accumulated funding deficiency for the plan year ending June 30, 2024.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On November 9, 2017, you were notified that the Plan reduced or eliminated adjustable benefits. On September 28, 2017, you were notified that as of September 28, 2017 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. 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) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after September 28, 2017.

Adjustable Benefits

The Plan offers the following adjustable benefits which have been or will be reduced or eliminated as part of the rehabilitation plan adopted by the Board of Trustees:

- Post-retirement death benefits;
- 120-month (or, in some cases, 60-month) payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);

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 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. Contributing employers can avoid the surcharge by adopting a collective bargaining agreement with contribution rates that comply with the terms of the rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact:

Board of Trustees
Industry and Local 338 Pension Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
(855) 412-3797

You have a right to receive a copy of the rehabilitation plan from the Plan. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6126649.