



**Northern California Glaziers, Architectural Metal and Glass Workers
Pension Trust Fund & Northern California Glaziers Individual**

Account Retirement Plan

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OCTOBER, 2014

**NOTICE OF CRITICAL STATUS FOR THE
NORTHERN CALIFORNIA GLAZIERS, ARCHITECTURAL METAL AND GLASSWORKERS
PENSION PLAN**

This Notice is to inform you that on September 26, 2014 the Plan actuary certified to the U.S. Department of Treasury, and the Board of Trustees, that the Plan remains in critical status (the “red zone”) for the Plan Year beginning July 1, 2014. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan’s actuary determined the following:

- The Plan is projected to have an accumulated funding deficiency for the 2017 Plan Year.
- The Plan was in critical status last year. To emerge from critical status for this Plan Year that began July 1, 2014 the Plan actuary must certify based on collective bargaining agreements currently in effect that the Plan is not projected to have an accumulated funding deficiency this Plan Year or in any of the 9 succeeding Plan Years (i.e., through the Plan Year beginning July 1, 2023). The actuary has determined that based on current collective bargaining agreements, the Plan is projected to have accumulated funding deficiencies in the Plan Years beginning July 1, 2017, 2018, 2019, 2020, 2021, 2022 and 2023. The most recent actuarial projections indicate that, under reasonable assumptions, the Plan might not be able to emerge from critical status by the end of the rehabilitation period, which ends June 30, 2021. The Trustees are working on revising the Rehabilitation Plan, such that, if future collective bargaining agreements provide for contributions as set forth in such revised Rehabilitation Plan, the Plan will be projected under reasonable assumptions to emerge by the end of the period, or at a later time as determined by the Trustees.

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 fourth year that the Plan has been in critical status. The law permits pension plans in the red zone to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan.

Following its initial critical status certification for the 2010 Plan Year, on November 10, 2010, the Trustees of the Plan adopted a rehabilitation plan containing two schedules (a recommended schedule and a default schedule), each consisting of increases in contribution rates and reductions in benefits. All collective bargaining agreements negotiated between Local Unions and Contributing Employers after October 28, 2010 have been required to contain one of the schedules or the default schedule would automatically be imposed 180 days after the expiration of the prior collective bargaining agreements.

That same November 2010, you were notified that the Plan would reduce or eliminate certain adjustable benefits effective July 1, 2011. . However, any reduction or elimination of the adjustable benefits (other than a repeal of a recent benefit increase, as described below) would not reduce the level of your basic benefit payable at Normal Retirement Age. In addition, the reductions would only apply to participants and beneficiaries whose benefit commencement date fell after October 28, 2010. 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

Adjustable Benefits

Please note that the schedules contained in the rehabilitation plan previously adopted by the Board of Trustees do not contain all of the benefit reductions shown below. However, Internal Revenue Code Section 432(b)(3)(D) requires that notices of this type list all of the adjustable benefits that could be reduced or eliminated as part of any future rehabilitation plan updates. Should any future Plan changes be necessary, you will receive a separate notice informing you of the specific benefit reductions..

- Pensions Beginning Before Normal Retirement Age (62)
- Disability Retirement Benefit
- Pre-Retirement Death Benefit (lump sum)
- Payment options other than a qualified joint and survivor annuity or qualified optional survivor annuity, including any minimum payment guarantee periods.

The preceding is simply a listing of adjustable benefits that *may* be reduced or eliminated as part of a rehabilitation plan required to be adopted as a result of the Plan being in the red zone. It is not intended to be a complete description of the benefits or the eligibility rules governing entitlement to those benefits. A Participant's entitlement to benefits, the amount of those benefits and how benefits are paid are determined under the official rules and regulations of the Pension Plan.

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. A 5% surcharge was applicable in the initial critical status Plan Year that ended June 30, 2011 and a 10% surcharge applicable for each succeeding Plan Year in which the Plan is in critical status until the Employer agrees to a Collective Bargaining Agreement that implements the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact:

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