Notice of Critical Status
For
Hod Carriers Local 166 West Bay Pension Plan

To: Participants, Beneficiaries, and Bargaining Parties Participating in the Hod Carriers Local 166 West Bay Pension Plan

From: Board of Trustees

This is to inform you that on September 15, 2016, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status, as defined in the Pension Protection Act of 2006, for the plan year beginning July 1, 2016. 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 funded percentage of the plan is less than 65% and the plan is projected to have an accumulated funding deficiency within the next four plan years.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that 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 April 29, 2016. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of April 29, 2016, 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.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- 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 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 plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact the plan's Administrative office:
ATPA, 1640 South Loop Road, Alameda, CA 94502, (415) 986-6276.