



## IAM NATIONAL PENSION FUND

### **Notice of Critical Status For IAM National Pension Fund**

**April 26, 2019**

This is to inform you that on March 29, 2019 the actuary for the IAM National Pension Fund ("Fund") certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Fund is in endangered status for the plan year beginning January 1, 2019, and that it is projected to be in critical status in one of the succeeding five plan years. On April 17, 2019 the Board of Trustees voluntarily elected for the Fund to be in critical status effective for the plan year beginning January 1, 2019 as permitted under the law (ERISA Section 305(b)(4)) to strengthen the Fund's financial health. Federal law requires that you receive this notice.

#### **Critical Status**

The Trustees have voluntarily elected to put the Fund in critical status to strengthen the Fund's funding position. The Fund's actuary projected the Fund to be in critical status in one of the succeeding five plan years because it determined that in at least one of those plan years, the Fund is projected to have an accumulated funding deficiency.

#### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at strengthening 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. Since the Trustees have determined that certain benefit reductions are necessary, you are also receiving a separate notice identifying and explaining the effect of those reductions. Any reduction of adjustable benefits 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 June 1, 2019. In addition, effective as of April 26, 2019, the Fund 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 you are already retired, nothing in this Notice will affect your Fund benefit.**

#### **Adjustable Benefits**

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

- Certain death benefits;
- Sixty-month and one hundred twenty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy; and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA).

In addition, the Fund's rehabilitation plan may be amended to reduce or eliminate additional adjustable benefits provided under a plan that merged with the Fund prior to the date of this notice.

### **Employer Surcharge**

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund'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 until the employer's collective bargaining agreement is renewed and includes a schedule under the rehabilitation plan.

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

For more information about this Notice, you may contact:

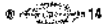
[www.iambfo.org](http://www.iambfo.org)

1-866-232-1296 (Active and Deferred Vested Participants)

1-866-232-1283 (Benefit Recipients)

IAM National Pension Fund  
1300 Connecticut Ave, NW Suite #300  
Washington, D.C. 20036

You have a right to receive a copy of the rehabilitation plan from the Fund.

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