Cumberland, Maryland Teamsters Construction and Miscellaneous Pension Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free Telephone (888) 494-4443
www.associated-admin.com

Notice of Critical Status for

Cumberland, Maryland Teamsters Construction and Miscellaneous Pension Plan

This is to inform you that on March 31, 2025, the Cumberland, Maryland Teamsters Construction and Miscellaneous Pension Plan's (the "Pension Plan") actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical and declining status for the plan year beginning January 1, 2025. Federal law requires that you receive this notice.

Critical and Declining Status

The plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that

- The Pension Plan is projected to have a funding deficiency in the current plan year and
- If no corrective action is taken, the Pension Plan is projected to become insolvent during the 2032 plan year

In accordance with applicable law, the Plan actuary's certification contemplated only contribution rate increases that have been agreed to in current bargaining or participation agreements.

Rehabilitation Plan

Federal law requires pension plans in critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fourth year the plan is in critical and declining status. The plan had previously been in critical status since 2018. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 27, 2018, you were notified that as of January 1, 2018 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. On January 15, 2019, you were notified that the plan reduced or eliminated adjustable benefits. 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, as described below) 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 27, 2018.

Congress passed the American Rescue Plan Act (ARPA) in 2021. ARPA provides for plan sponsors of plans in Critical and Declining status to apply to the Pension Benefit Guaranty Corporation (PBGC) for Special Financial Assistance (SFA). On March 13, 2023, the Board of Trustees submitted an application for SFA to the PBGC. The Plan's application is currently on the PBGC's waitlist for review.

Adjustable Benefits

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

- Early retirement benefit or retirement-type subsidy;
- Disability benefits;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

Employer Surcharge

The law requires that all contributing employers pay to the Pension Plan a surcharge to help correct the Pension 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 Pension 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 contributing employer adopts a schedule under the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact:

Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD, 21152
Phone: 888-494-4443

You have a right to receive a copy of the rehabilitation plan from the Pension Plan upon submission of a written request to the Pension Plan.

Date: April 9, 2025