

Notice of Seriously Endangered Status
International Painters & Allied Trades Industry Pension Plan
EIN: 52-6073909 / PN: 001
April 2018

Under the requirements of the Pension Protection Act (“PPA”) of 2006, this is to inform you that, on March 30, 2018, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the International Painters & Allied Trades Industry Pension Plan (the “Plan”) falls in the category of “seriously endangered status” for the Plan Year beginning January 1, 2018. Federal law requires that you receive this notice.

Seriously Endangered Status. The Plan is considered to be in “seriously endangered status” under the PPA because the Plan’s actuary has determined that the Plan’s funded percentage for 2018 is less than 80% and is projected to have an accumulated funding deficiency within 7 years.

Funding Improvement Plan. In accordance with Federal law, the Trustees have adopted a funding improvement plan (“FIP”) aimed at improving the funded status of the plan so that the Plan may meet the applicable benchmarks established by PPA. The FIP went into effect on January 1, 2012 and was updated in 2017. A summary of the 2012 FIP is on the Plan’s website, and the update is available from the Fund Office. The Trustees of the Plan, with the assistance of its attorneys and actuaries, will monitor the progress of the Plan’s funding each year to determine whether the requirements of the PPA are met.

Contribution Limitations. After a certification that the Plan is in endangered or seriously endangered status, the Plan could not accept a collective bargaining or related agreement that provides for a reduction in future contribution rates, a suspension of contributions, or exclusion of new hires. The rejection of an agreement may cause a withdrawal and the imposition of withdrawal liability. After the adoption of the FIP, the Plan cannot accept contributions that are inconsistent with the FIP and can impose the default schedule or withdrawal liability in the absence of timely compliance with the FIP. If an employer does not pay contributions to the plan in accordance with the FIP, an employer may also be liable for an excise tax equal to the amount of the shortfall in contributions.

Benefit Limitations. After a certification that the Plan is in endangered or seriously endangered status, the Plan also could not, directly or indirectly, increase benefits by improving benefits, changes in the accrual of benefits, or any change in the rate at which benefits become vested. Once the FIP took effect in 2012, the plan can only be amended to increase benefits if the Plan actuary certifies that the benefit increases are consistent with the FIP and can be paid for out of contributions not required by the FIP.

Where to Get More Information. For more information about this Notice, you may contact the Fund Administrator, Tim Maitland at 410-564-5500, pension@iupat.org or 7234 Parkway Drive, Hanover, MD 21076. You have a right to receive a copy of the FIP from the Plan.