



## Iron Workers District Council of Southern Ohio & Vicinity Pension Trust

### Explanation of Required Notices

May 31, 2019

**TO: PARTICIPANTS, BENEFICIARIES, AND CONTRIBUTING EMPLOYERS TO THE IRON WORKERS DISTRICT COUNCIL OF SOUTHERN OHIO & VICINITY PENSION TRUST**

As Trustees of the Iron Workers District Council of Southern Ohio & Vicinity Pension Trust (the Plan), we are committed to keeping you informed of the Plan's financial health. This letter provides an update on the Plan's status and describes two federally-mandated notices that are included in this package. The timing and content of these notices can be a little confusing, so we wanted to take the opportunity to give you a little background on them. **The bottom line is that the Pension Trust has improved its financial position since the investment decline of 2008-2009 and remains in position to pay all promised benefits.**

#### *Annual Funding Notice*

The **Pension Protection Act of 2006 (PPA)** was enacted to improve the financial condition of and provide transparency on the financial state of pension plans. PPA requires multiemployer pension plans like ours to have their financial status certified each year.

Depending on the status, the plans are assigned a zone category:

- ❖ **“Green Zone”** pension plans are in good financial health
- ❖ **“Yellow Zone”** pension plans are considered “endangered”
- ❖ **“Orange Zone”** pension plans are considered “seriously endangered”
- ❖ **“Red Zone”** pension plans are considered “critical” or “critical and declining”

Trustees of plans in the “green zone” are not required to take any action. Trustees of plans in the “yellow,” “orange,” or “red” zones, however, are required to take corrective action to restore the financial health of their plans.

The PPA also requires trustees of pension plans to comply with certain annual reporting requirements, including certifying their plan's financial condition. The attached **Annual Funding Notice** for the 2018 Plan Year for our Plan includes information regarding Plan assets and liabilities. This notice indicates that **our Plan was in endangered status, or the “Yellow Zone,” for the 2018 Plan Year**, based on its financial condition as of February 1, 2018.

#### *Notice of Plan Status*

The **Notice of Plan Status** is required for all plans in endangered, seriously endangered, critical, or critical and declining status. **As of February 1, 2019, our Plan has been certified as being in endangered status (Yellow Zone) for the 2019 Plan Year.** In accordance with the requirements of the PPA, the Trustees will have to review, and update if necessary, their Funding Improvement Plan. The purpose of the Funding Improvement Plan is to improve the financial status of the Plan. We have been working with our professional advisors for some time now to address the financial challenges the Plan is facing.

## ***In Closing***

Improving the Plan's funded status is a top priority, and we are committed to taking necessary action to ensure that you will receive the benefits under the Plan for which you are eligible when you retire. We will continue to monitor the financial markets closely and manage the Plan in a manner that will preserve its fiscal health. Please take some time to review the enclosed notices. If you have any questions, please contact the Pension Trust's Administrative Manager, Ms. Penny Brown.

Sincerely,

*The Board of Trustees*

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