

STONER & ASSOCIATES

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April 16, 2014

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure room, N-1513
200 Constitution Ave. NW
Washington, DC 20210

Re: Composition Roofers Local #42 Pension Plan

Please find enclosed a copy of the Critical Status Notice for the above Pension Plan.

 Sincerely,

ESSA/AMM/JM/T...
2014 APR 23 PM 3:00

COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN
2014 NOTICE OF CRITICAL STATUS

April 2014

On March 28, 2014 the actuary for the Composition Roofers Local No. 42 Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan continues to be in "critical status" for the 2014 Plan Year as defined by the *Pension Protection Act of 2006* (PPA). The 2014 Plan Year began on January 1, 2014 and will end on December 31, 2014. Federal law requires that you receive this Notice.

Critical Status

The Composition Roofers Local No. 42 Pension Plan is in critical status because the Plan has funding or liquidity problems, or both. The 2010 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan's 2010 PPA certification date the Plan was projected to have an accumulated funding deficiency for the 2012 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government's minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The Plan continues to be in critical status for the 2014 Plan Year because the Plan's actuary has determined that the Plan has not passed the "Emergence Test" that would enable it to come out

- ☑ A fully vested Participant will not be eligible for an Early Retirement Benefit on or after January 1, 2014 unless he is an Active Participant in the Plan. An Active Participant is defined as a Participant who has completed at least one (1) Hour of Service in the Plan Year immediately preceding the Plan Year in which he retires. A vested Participant who is not considered Active will not be eligible for a monthly pension until he reaches his Normal Retirement Date.

- ☑ A Participant who submits an application for a Disability Retirement Benefit or who becomes disabled according to the terms and conditions of the Plan on or after January 1, 2010 will receive a monthly pension equal to his vested Accrued Benefit, reduced by 5/9 of 1% for each month that his Disability Retirement Date precedes his attainment of age 58. There will be a maximum reduction of 20%.

- ☑ Effective April 30, 2010, the Return of Contributions Disability Benefit was eliminated. This benefit was paid to disabled Participants who were not vested in the Plan.

- ☑ The eligible spouse of a Participant with 5 or more years of Credited Service under the Plan will be entitled to a Qualified Pre-Retirement Death Benefit. Effective December 1, 2010, if a Participant dies after reaching his Earliest Retirement Age, his surviving spouse will receive a benefit calculated as if the Participant retired the day before his death, elected a Joint & One-half Survivor Annuity, and then died. If a Participant dies before reaching his Earliest Retirement Age, his spouse will be entitled to a monthly benefit calculated as though the Participant separated from service on the date of his death, survived to his Earliest Retirement Age, elected a Joint & One-half Survivor Annuity, and then died.

The rehabilitation plan will be reviewed annually with the Plan's actuary and other professionals. Based on such review, the rehabilitation plan may be amended to include additional benefit reductions and/or contribution rate increases.

Adjustable Benefits

If it is ever determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Early Retirement Benefits or retirement-type subsidies;
- Disability Benefits (if not yet in pay status);
- Other similar benefits, rights, or features under the Plan.

If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate Notice identifying the type of the reduction and the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of your basic benefit payable at your Normal Retirement Age (generally, age 58). In addition, the reductions will only apply to Participants and beneficiaries whose Annuity Starting Date is on or after April 30, 2010.

Employer Surcharge