<table>
<tr><td>Checklist Item #23</td><td>Application for Approval of a Suspension of Benefits Under MPRA</td></tr>
<tr><td colspan="2">Iron Workers Local 17 Pension Fund
EIN: 51-0161467
Plan No.: 001</td></tr>
<tr><td>Does the application include a copy of the proposed ballot.
See section 6.01.</td><td>The application on behalf of the Iron Workers Local 17 Pension Fund includes a proposed Ballot attached as pages IW17PF_253-259. This Ballot includes the following:
A description of the proposed suspension and its effect, including the effect of the suspension on each category or group of individuals affected by the suspension and the extent to which they are affected;
A description of the factors considered by the plan sponsor in designing the benefit suspension, including but not limited to the factors in paragraph (d)(6)(ii) of this section;
A description of whether the suspension will remain in effect indefinitely or will expire by its own terms (and, if it will expire by its own terms, when that will occur);
A statement from the plan sponsor in support of the proposed suspension;
A statement in opposition to the proposed suspension compiled from comments received pursuant to the solicitation of comments pursuant to paragraph (g)(2) of this section;
A statement that the proposed suspension has been approved by the Secretary of the Treasury, in consultation with the PBGC and the Secretary of Labor;
A statement that the plan sponsor has determined that the plan will become insolvent unless the proposed suspension takes effect (including the year in which insolvency is projected to occur without a suspension of benefits), and an accompanying statement that this determination is subject to uncertainty;
A statement that insolvency of the plan could result in benefits lower than benefits paid</td></tr>
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	under the proposed suspension and a description of the projected benefit payments in the event of plan insolvency; • A statement that insolvency of the PBGC would result in benefits lower than benefits otherwise paid in the case of plan insolvency; • A statement that the plan's actuary has certified that the plan is projected to avoid insolvency, taking into account the proposed suspension of benefits and an accompanying statement that the actuary's projection is subject to uncertainty; • A statement that the suspension will go into effect unless a majority of all eligible voters vote to reject the suspension and that, therefore, a failure to vote has the same effect on the outcome of the vote as a vote in favor of the suspension; • A copy of the individualized estimate that was provided as part of the Notice provided under Checklist Item #14 or, if that individualized estimate is no longer accurate, a corrected version of that estimate); and • A description of the voting procedures, including the deadline for voting. The Board of Trustees will update this proposed Ballot upon request or at such a time as the Department of Treasury issues a model ballot.

PROPOSED BALLOT FOR RATIFICATION OF THE
BENEFIT SUSPENSION PLAN FOR THE
IRON WORKERS LOCAL 17 PENSION FUND
[DATE]

PARTICIPANTS AND BENEFICIARIES:

The Board of Trustees for the Iron Workers Local 17 Pension Fund previously sent you a Notice that an Application for Approval of a Suspension Plan was filed with the Secretary of Treasury on December 23, 2015. This notice detailed the proposed benefit reductions pursuant to the Multiemployer Pension Reform Act of 2014 (MPRA) which would take effect on December 1, 2016 if the Application was approved by the U.S. Department of Treasury. The Notice explained that if the Pension Fund's application was approved by the Department of Treasury, then the participants and beneficiaries will have the ability to vote on whether the Benefit Suspension Plan should go into effect. On [DATE], the Secretary of Treasury approved the Pension Fund's proposed Suspension Plan.

THIS BALLOT IS INTENDED TO ASSIST YOU IN MAKING YOUR DECISION ON WHETHER TO VOTE FOR OR AGAINST THE PROPOSED BENEFIT SUSPENSION PLAN.

This Ballot includes the following important information:

- DEATILED INFORMATION ON THE PROPOSED SUSPENSION PLAN;
- FACTORS CONSIDERED BY THE TRUSTEES IN PREPARING THIS SUSPENSION PLAN;
- THE SUSPENSION PLAN'S IMPACT ON YOUR BENEFITS;
- A STATEMENT FROM THE BOARD OF TRUSTEES IN SUPPORT OF THE SUSPENSION PLAN;
- A STATEMENT IN OPPOSITION TO THE SUSPENSION PLAN PREPARED FROM THE PUBLIC COMMENTS PREPARED BY THE DEPARTMENT OF LABOR;
- IMPORTANT INFORMATION ON WHAT WILL HAPPEN IF THE SUSPENSION PLAN IS REJECTED; AND
- STEP-BY-STEP INSTRUCTIONS AT THE END OF THIS BALLOT. Please read these instructions carefully in order to make sure that your vote is counted by the Secretary of Treasury. The proposed regulations do not allow the Pension Fund to send or receive paper ballots.

<u>PROPOSED SUSPENSION PLAN AND ITS IMPACT ON YOUR PENSION</u>

The application filed on behalf of the Iron Workers Local 17 Pension Fund sets for the following Proposed Suspension Plan to be effective as of December 1, 2016 and continuing indefinitely thereafter.

The Trustees propose to amend the Pension Fund to recalculate all accrued benefits or benefits in pay status for all affected participants, beneficiaries and Alternate Payees without regard to any different category or classifications based upon employer, years or service etc. However, this recalculation will not reduce any benefit below 110% of the level guaranteed by the PBGC.

The recalculation will include the following changes:

- <u>Reduction of Benefit Credit Rate</u>
  The accrued benefit earned for each participant under the Pension Fund depended upon the Benefit Credit amount in effect during the participant's working career. The rates ranged from $12.00 to $100.00 per Benefit Credit since the Pension Fund's inception. The current Benefit Credit rate of $50.00 was adopted in November 2004.

  Under the Proposed Suspension Plan, the accrued benefit and benefit in pay status for any affected participant, beneficiary or Alternate Payee will be recalculated as of April 30, 2016 (the fiscal plan year-end immediately prior to the Suspension Date) to be reduced so the highest average accrual rate is no more than $72.00 per year of Benefit Service.

- <u>Elimination of Excess Benefit Credits</u>.
  During the period of May 1, 1986 to April 30, 2005, participants that worked more than 1,200 hours in a Plan Year could earn more than one (1) full year of Benefit Credit. Effective May 1, 2005, the Pension Fund changed the crediting schedule to require 1,900 hours in a Plan Year to earn one (1) full year of Benefit Credit and eliminated the ability of any participant to earn more than one (1) credit.

  Under the Proposed Suspension Plan, the accrued benefit and benefits in pay status will be adjusted so any additional Benefit Credits over one (1) will be eliminated as of December 1, 2016.

- <u>Modification of Unreduced Early Retirement Benefit</u>
  Prior to 2009, the Pension Fund provided for an unreduced early retirement for participants with long service of 30+ years of vesting service.

  Under the Proposed Suspension Plan, the benefits in pay status for any affected participant, beneficiary or Alternate Payee that received an unreduced early retirement benefit will be recalculated as of December 1, 2016 to apply a 1.5% reduction for each month that the person's pension commenced prior to age 62.

These changes will only apply to Affected participants, beneficiaries and Alternate Payees. The Proposed Suspension Plan recognizes that certain groups are exempted from the application of these benefit reductions. These groups which the Suspension Plan refers to as Exempted Participants are as follows:

- All participants that were awarded with a disability pension and beneficiaries of such participants;

- All participants and beneficiaries who are at least age 80 as of December 1, 2016; and
- Any participant or beneficiary that is receiving or would receive a benefit that is less than 110% of the PBGC guarantee in the absence of these changes.

Additionally, the Proposed Suspension Plan will limit the application of these proposed reductions for any participant, beneficiary or Alternate Payee that is between age 75 and 80 as of December 1, 2016. This group, which the Suspension Plan refers to as Limited Suspension Participants, will have their accrued benefit or benefit in pay status recalculated under the changes that apply to the Affected Participants above called the recalculated benefit. However, the Pension Fund will then determine 1/60th of the difference between the current benefit and suspended benefit. This factor will be multiplied by the number of months the Limited Suspension Participant is over age 75 as of December 1, 2016 to determine the increase factor. The new benefit under the Proposed Suspension Plan for this Limited Suspension Participant group is the sum of the reduced benefit plus the increase factor.

Finally, the Pension Fund currently does not allow retirees that are younger than age 65 to return to any work in the industry. Under the Proposed Suspension Plan, the Trustees would amend the current return to work restrictions on retirees who are younger than age 65 to allow participants in pay status as of December 1, 2016 to return to work for up to 39.5 hours per month under the same rules that currently apply to retirees that have reached Normal Retirement Age without having their monthly benefit suspended.

FACTORS CONSIDERED BY THE TRUSTEES IN MAKING THIS SUSPENSION PLAN

Federal law requires that any reduction of benefits under a suspension plan be distributed fairly among the various categories or groups of participants and beneficiaries under the Plan. In deciding whether the proposed reduction would be distributed fairly under the Plan, the Board of Trustees took into account the following factors:

(1) Age and Life expectancy of the participants in the Plan;
(2) The length of time the participants are in pay status;
(3) The amount of the benefits being provided by the Plan;
(4) The extent to which the benefits provided contain subsidies;
(5) The history of benefit increases and reductions. Specifically the extent to which the benefits being received are subject to the reductions which took place starting in 2004;
(6) Discrepancies between the benefits provided to active and retired participants;
(7) The extent to which the current active participants are reasonably likely to withdraw support for the Plan which will cause employer withdrawals and increase the risk of additional benefit reductions for all participants and beneficiaries in this Plan.

INDIVIDUALIZED BENEFIT ESTIMATE

You received an Individual Benefit Estimate at the time the Board of Trustees initially filed its application with the Department of Treasury which detailed your current benefits, benefits under the PBGC upon insolvency of the Pension Fund as compared to the estimated benefit under the proposed Suspension Plan. Another copy of this Estimate is included again with this Ballot for your review prior to voting.

BOARD OF TRUSTEES' STATEMENT IN SUPPORT OF THE PROPOSED SUSPENSION PLAN

As you are aware, the Board of Trustees has the obligation to manage and preserve the long-term financial viability of the Pension Fund to make sure we protect the retirement security of all the people that have been promised a benefit upon their retirement including retirees, beneficiaries, terminated vested participants and active members.

We continually monitor the state of your Pension Fund and where the Fund is headed based on future projections. We regularly meet with our advisors, including investment advisors, actuaries and attorneys, to review the Pension Fund's status and discuss possible options to strengthen the Fund and protect your benefits.

The Current State of Our Pension Fund

Various economic and financial factors impact pension funds. For much of the past two decades, these factors have provided our Fund with unprecedented challenges.

- **The investment markets continue to be volatile.** While the markets have performed better in recent years, the Fund has not fully recovered from the downturns of the last two decades.
- **Employment in our industry—nationally and throughout the Cleveland area—is still significantly down** from the highs prior to the Great Recession. Cleveland was once an industrial based economy which provided industrial maintenance hours in the steel mills and auto plants, but now our area's economy is focused on education and healthcare. Because hours worked are down, **employer contributions to the Pension Fund are also down.**
- **Retirees outnumber active participants and are retiring earlier and living longer,** causing our benefit payments to be greater than our contributions. This causes a decline in Fund assets.

Over the last decade, the Board of Trustees has taken a series of steps designed to mitigate these risk factors and strengthen your Pension Fund. We first took corrective action in 2004 by reducing the credit from $100.00 to $50.00. Then in 2006, we increased the number of hours required to earn a credit from 1,200 to 1,900 and also instituted the requirement that a Total and Permanent Social Security Award is required for a disability pension from the Fund. We then adopted a Rehabilitation Plan in 2008 when the Fund was designated in Critical Status, as defined by the Pension Protection Act of 2006. Even with this series of corrected measures, we were forced to amend that plan in 2011, when we projected that the Fund would run out of money in 2025.

This year, the Pension Fund was certified in Critical and Declining Status, a new category created by MPRA. Until MPRA was passed, there was no real way to truly fix the problem of underfunded multiemployer pension funds like ours, which is only 32% funded today and projected to be insolvent in 10 years.

Under MPRA, trustees of severely underfunded multiemployer pension funds are allowed to develop relief plans that include benefit reductions for active workers, terminated vested participants, retirees and beneficiaries, in order to save the funds and continue paying benefits in the future. The relief offered by MPRA is only for funds that are in very dire situations.

We are taking action now because, the longer we wait, the larger that benefit reductions will have to be. If we wait too long, no suspension plan will be able to save the Pension Fund from running out of money. If that happens, the Pension Benefit Guaranty Corporation (PBGC) will be responsible for paying out your pension, and your payments will be reduced significantly more than under our proposed changes. The PBGC is projecting that its own fund will run out of money. If this occurs, then the pension payments the PBGC makes would be reduced even further and possibly to zero. Additionally, in the event this Pension Fund does become insolvent, the PBGC does not follow the same rules with regard to exempt participants. The PBGC guaranteed levels will apply regardless of your age or status as a disabled participant.

We realize that these changes are big and will impact you and your family. This has been a very difficult decision for the Board. Reducing pensions for current retirees and beneficiaries is not something we ever thought we'd have to do. But it's come to that point where we have to take drastic steps. We have worked very hard to create a series of benefit reductions that are equitably distributed between all of the groups of participants and beneficiaries in this Pension. There are certain groups which will not be impacted including participants over age 80 and those that retired on a disability pension. The only reason we are attempting to make these changes to the remaining participants and beneficiaries is to prevent the Pension Fund from going bankrupt, and your pension payments from being cut even more at insolvency. Our proposed Suspension Plan is not designed to be a band-aid or a short-term solution; it is designed to keep your Pension Fund solvent for the future.

STATEMENT IN OPPOSITION

[To be drafted by the Department of Labor from the Public Comments received during the application process.]

WHAT WOULD HAPPEN IF THE PROPOSED SUSPENSION PLAN IS REJECTED?

The Board of Trustees, in consultation with the Pension Fund's Actuary, have determined that the Pension Fund will become insolvent in 2025 if the proposed Suspension Plan is not implemented in December 1, 2016. This means that during the Plan Year beginning 2025, the Pension Fund will no longer have enough money to make the monthly pension benefit payments when due. This projected insolvency date is determined using certain assumptions that are reasonably expected to occur in the future, but not guaranteed. For example, if the investment markets are better than expected and the Pension Fund earns more than a 6.5% return for several years, the insolvency date may be postponed beyond 2025. The opposite is true if the Pension Fund's investment returns are less than 6.5% in the future.

As illustrated by the Individual Benefit Estimate provided, insolvency of the Pension Fund may result in a monthly benefit lower than benefits paid under the reductions proposed in the Suspension Plan. At the time that the Pension Fund becomes insolvent, the PBGC will step in and provide the Pension Fund with financial assistance to continue paying a portion of your monthly retirement benefit. This is capped as a maximum guaranteed amount that is significantly less than the current benefit for most participants in this Pension Fund. For example, a participant with 30 years of service and a $3,000 per month benefit, would receive less than $1,100 from the PBGC. Additionally, the PBGC does not taken into account your age or status as a disabled participant in making these adjustments to your benefits.

The ability of the Pension Fund to receive financial assistance from the PBGC upon insolvency is also based upon the financial stability of the PBGC. In a recent report, the PBGC projected that its Multiemployer Plan Program would fully exhaust its own assets within ten years, possibly becoming insolvent at the same time the Pension Fund does.

In the event that the Pension Fund and the PBGC both become insolvent, participants and beneficiaries in pay status would be at risk of receiving benefits that would be dramatically lower than benefits otherwise paid in the case of the Pension Fund's insolvency. If both the Pension Fund and the PBGC Multiemployer Program become insolvent, your benefits could be reduced to almost zero.

THE PENSION FUND IS PROJECTED TO AVOID INSOLVENCY IF THE SUSPENSION PLAN IS IMPLEMENTED

The Pension Fund's Actuary has certified as part of the Application Process that the Pension Fund will avoid insolvency if the proposed benefit reductions under the Suspension Plan are implemented. This projection requires the use of certain assumptions, so the determination is subject to some uncertainty.

SECRETARY OF TREASURY'S APPROVAL OF THE PROPOSED SUSPENSION PLAN

This proposed Suspension Plan which includes the reduction of the accrued benefit, elimination of some early retirement subsidies and excess benefit credits, was reviewed and approved by the Secretary of Treasury, in consultation with the PBGC and Secretary of Labor.

PURSUANT TO THE PROPOSED REGULATIONS ISSUED BY THE DEPARTMENT OF TREASURY, THE PENSION FUND CANNOT ACCEPT PAPER BALLOTS. YOU MUST FOLLOW THESE INSTRUCTIONS CAREFULLY IN ORDER TO MAKE SURE THAT YOUR VOTE IS COUNTED BY THE SECRETARY OF TREASURY.

INSTRUCTIONS FOR CASTING YOUR VOTE:

As part of this ballot, you have received an individual number that will keep your vote private. There are two available methods approved by the Department of Treasury for casting your vote:

(1) By calling a dedicated telephone number(800) ____-______ set up by the Department of Treasury for this purpose; or
(2) By logging into a secure website at www.______.org

You will need your individual participant number assigned to you in order to register your vote. Paper ballots will not be accepted.

By law, the period for voting to approve the proposed Suspension Plan described in this Ballot will end on [DATE]. This means that you must cast your vote by 11:59 EST on [DATE] either by telephone or online or it will not be counted.

The effect of not voting by this deadline is the same as approving the proposed Suspension Plan. MPRA was written to allow the proposed Suspension Plan to go into effect UNLESS a majority of the participants and beneficiaries vote against the Suspension Plan.

In the event that the majority of the participants and beneficiaries vote against this Suspension Plan, the proposed Suspension Plan will not go into effect December 1, 2016. The Board of Trustees will have the ability to prepare a new application with a different proposed suspension plan; however, this is very unlikely to occur based upon the limitations under the federal law and the significant expenses this process requires. Accordingly, if the proposed Suspension Plan is rejected, then the Pension Fund will likely become insolvent in approximately 2025 as projected.