

**Southwest Ohio Regional Council of Carpenters Pension Plan
Checklist Item #23**

Does the application include a copy of the proposed ballot excluding the information regarding the statement in opposition, the individualized estimates, and the voting procedures? See Section 6.01.

A copy of the Proposed Ballot excluding the statement in opposition, the individualized estimates, and the voting procedures is attached as Document 23.1.

**Southwest Ohio Regional Council of Carpenters Pension Plan
Document 23.1**

**BALLOT FOR APPROVAL OF THE PENSION RECOVERY PLAN
Southwest Ohio Regional Council of Carpenters Pension Plan**

The "Pension Recovery Plan" for the Southwest Ohio Regional Council of Carpenters was submitted on March ____, 2017 by the Board of Trustees in accordance with the Multiemployer Pension Recovery Plan of 2014 ("MPRA") and its regulations.

On [Insert Date], the Pension Recovery Plan was approved by the United States Secretary of Treasury, in consultation with the Pension Benefit Guaranty Corporation and the United States Department of Labor.

The next step is for all eligible voting participants to approve or reject the proposed Pension Recovery Plan. The proposed suspension of benefits set forth in our Pension Recovery Plan will be effective for benefits paid after December 31, 2017 unless a majority of all eligible voters reject the Pension Recovery Plan; therefore, an individual's failure to cast a vote has the same effect as a vote to approve the Pension Recovery Plan. This Ballot is required by Federal law to provide information and assistance to you in exercising your right to vote.

The Board of Trustees Recommends the Approval of the Pension Recovery Plan

The Board of Trustees strongly recommends the approval of the Pension Recovery Plan. The Pension Recovery Plan is designed to prevent the Plan from becoming insolvent and preserve your pension benefits as completely as possible. You have worked hard for your pension benefit. The intent of the Pension Recovery Plan is to avoid insolvency, stop the Plan's funding decline, and allow the Plan to continue to provide benefits going forward.

Description of the Pension Recovery Plan

You have already received an individual estimate illustrating the Pension Recovery Plan's impact on your monthly benefit amount.

The basic policy of the Pension Recovery Plan is that every person's monthly retirement benefit paid after December 31, 2017 would be recalculated as if the same reductions applicable under the current Plan provisions were applied based on their age at retirement.

The reduction of your monthly benefit is determined in 2 steps:

1 - If you retired prior to January 1, 2013 and had not reached age 62, the Pension Recovery Plan will apply the early retirement reduction factors that would have been applicable to your age at retirement had you retired subject to the same Plan provisions that apply to monthly benefits that commence on or after January 1, 2013.

If you retired at age 62 or later, or retired on or after January 1, 2013, the first step of the reduction would not have any impact on your monthly benefit. You have already had this reduction applied to your monthly benefit.

2 - A 17% reduction will be applied to all monthly benefits currently being paid and all Accrued Benefits not yet in pay status.

If you are a Beneficiary receiving a monthly benefit, your monthly benefit will be adjusted based on your Participant's recalculated benefit as described in steps 1 and 2 above.

This is a one-time recalculation and will not impact accrued benefits earned on or after January 1, 2018. The recalculation will be applied to all Participants, Beneficiaries and Alternate Payees. The Pension Recovery Plan, if approved, will not reduce or take into account amounts already paid to individuals through December 31, 2017.

Individuals who commenced their benefit pursuant to a Disability Pension under the Plan will not have their monthly benefit reduced. Individuals who have attained age 80 by December 31, 2017 will not have their monthly benefit reduced. Individuals who have attained age 75, but have not attained age 80, by December 31, 2017, will be subject to smaller reductions than they would have otherwise.

The Trustees have spent the last year evaluating possible alternatives in an attempt to create an equitable plan that satisfies the requirements of MPRA. Some of the factors set forth in MPRA that the Board of Trustees considered while attempting to craft an equitable allocation of the benefit reductions included:

- 1 - The age and life expectancy of the participant and beneficiary;
- 2 - The amount of benefits;
- 3 - The type of benefit, such as early retirement benefits;
- 4 - The extent to which a participant or beneficiary is receiving a subsidized benefit;
- 5 - The history of benefit increases and reductions for participants and beneficiaries;
- 6 - The differences between active and retiree benefits; and
- 7 - The extent to which active participants are reasonably likely to withdrawal support for the plan.

If the Pension Recovery Plan is approved, the proposed suspension of benefits will remain in effect indefinitely.

The Insolvency of the Southwest Ohio Regional Council of Carpenters Pension Plan

Without the approval of the Pension Recovery Plan, our Plan is scheduled to go insolvent within the next 16 years (2033), and possibly sooner. The insolvency of the Plan would result in the reduction of benefits to the benefit guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"). The PBGC is a Federal agency that acts as an insurance company for pensions and guarantees a minimum benefit to participants and beneficiaries. Federal law requires that our Pension Recovery Plan provide a benefit at least as much as 110% of the guaranteed benefit from the PBGC; thus, all Participants, Beneficiaries and Alternate Payees' monthly benefit would be higher if the Pension Recovery Plan is approved than if the Plan is turned over to the PBGC. If the Pension Recovery Plan is rejected, the Plan will eventually become insolvent. As a result, all Participants, Beneficiaries and Alternate Payees would be reduced to

the guaranteed amount by the PBGC. Individuals who retired on a Disability Pension and individuals who attained age 80 would be included in the reduction to the PBGC guaranteed benefit.

The Plan's actuary has certified that the approval and implementation of the Pension Recovery Plan will avoid insolvency and allow the Plan to continue to pay the reduced benefits and future accrued benefits indefinitely. The actuary's projection is based on conservative estimates of future hours worked for which contributions are due and the future investment returns of the Plan, and, is therefore subject to some uncertainty.

The Insolvency of the Pension Benefit Guaranty Corporation

The Pension Benefit Guaranty Corporation is expected to become insolvent in 2025, several years before the insolvency of our Plan. The insolvency of the PBGC would mean that the PBGC would not have enough money to provide the guaranteed benefit and your monthly benefit provided through the PBGC would be reduced to almost nothing. The Pension Recovery Plan is structured to avoid the Plan's insolvency and the involvement of the PBGC, and ensure the continuation of your monthly benefit payments indefinitely.

The Board of Trustees recommends you support and to approve the Pension Recovery Plan.