Southwest Ohio Regional Council of Carpenters Pension Plan
Checklist Item #39

Does the application include the most recently updated rehabilitation plan? See Section 7.09.

The most recently updated rehabilitation plan is attached as document 39.1.

SOUTHWEST OHIO REGIONAL COUNCIL OF CARPENTERS PENSION PLAN

Rehabilitation Plan Update

September 2015

Introduction

The Pension Protection Act of 2006 (PPA), as amended by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) and the Pension Relief Act of 2010 (PRA), requires the trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Critical Status to develop a Rehabilitation Plan that is intended to enable the plan to emerge from Critical Status by the end of its Rehabilitation Period. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions.

On March 31, 2009, the Southwest Ohio Regional Council of Carpenters Pension Plan ("Plan") was first certified by its Actuary to be in Critical Status for the Plan Year beginning on January 1, 2009. On March 28, 2014 the Plan was certified as continuing to be in Critical Status for the Plan Year beginning January 1, 2014. Even though the Plan is making Scheduled Progress under its Rehabilitation Plan, the Plan is not expected to be able to emerge from Critical Status over the 10-year Rehabilitation Period that ends on December 31, 2020. Therefore, the Board of Trustees has decided to update the Rehabilitation Plan to forestall the Plan's insolvency.

Updated Rehabilitation Period and Emergence Date

PPA directs the Board of Trustees to adopt a Rehabilitation Plan designed to allow a plan to emerge from Critical Status by the end of a 10-year Rehabilitation Period. However, PPA also allows for a Rehabilitation Plan that forestalls insolvency or allows a plan to emerge from Critical Status at a later date if the Board determines that the Plan cannot emerge from Critical Status based on reasonable actuarial assumptions and exhaustion of all reasonable measures.

The Board of Trustees considered many alternative combinations of contribution increases and benefit adjustments. After much deliberation and consideration, the Board determined that any combination of changes that would allow the Plan to emerge from Critical Status in the Rehabilitation Period would have a significant adverse affect on the ability of participating employers to obtain work and work opportunities for employees. This in turn would result in a reduction in expected contributions due to decreased work and would place further risk on the Plan and its participants. Decreased hours would also have a significant impact on the funding status of the Plan and eventual insolvency. Therefore, the Board of Trustees decided to adopt this updated Rehabilitation Plan which has been designed to forestall the Plan's insolvency.

The updated Rehabilitation Period will begin on January 1, 2015. Based on reasonable assumptions and implementation of this Rehabilitation Plan, the Plan is not expected to emerge from Critical Status during the 10-year Rehabilitation Period that ends on December 31, 2024.

Trustee-Approved Schedules and Remedies

The Trustees adopted the Preferred Schedule summarized in this document. The Plan's original Preferred Schedule provided for higher contributions, but retained more of the Plan's past benefits. The Trustees also adopted a Default Schedule that included all benefit reductions allowed by law and also required increases in the Plan's hourly contribution rates. The Preferred Schedule was updated in 2012 to eliminate all of the Plan's adjustable benefits.

Annual Standards for Meeting the Rehabilitation Requirements

On an annual basis, the Board will review updated actuarial projections based on reasonable actuarial assumptions to confirm that the Rehabilitation Plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from Critical Status at a later date.

Annual Updating of Rehabilitation Plan

Each year the Plan's actuary will review and certify the status of the Plan under PPA funding rules and, starting with the beginning of the Rehabilitation Period, whether the Plan is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. Scheduled progress will be determined based on the Plan continuing to forestall its insolvency. Based on new information, if the Board determines that it is necessary to update this Rehabilitation Plan they will present new schedules to the bargaining parties that may prescribe additional benefit reductions and/or higher contribution rates.

Other Issues

Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with one of the schedules in effect at the time of the renewal or extension.

So agreed and approved by the Board of Trustees on the 10th day of September, 2015.

EMPLOYER TRUSTEES

Redacted by the U.S. Department of the Treasury

[redacted]

UNION TRUSTEES

Redacted by the U.S. Department of the Treasury

[redacted]

Preferred Schedule

Affected Participants

The changes described in this Schedule apply to participants retiring or terminating employment after this Schedule was adopted on April 9, 2010.

Benefit Changes

All of the benefit changes listed below are effective beginning with the first of the month after the later of (1) the date the Schedule is effective for their former bargaining group or (2) 30 days after the date the notice described in Internal Revenue Code Section 432(e)(8)(C) is provided.

- A participant who: (1) commences receipt of an Early Retirement Benefit from Deferred Vested status ***on or after July 1, 2010***, (2) is at least age 55, and (3) has at least 5 Years of Vesting Service will receive an Early Retirement Benefit equal to his actuarially reduced accrued benefit. A participant will retire from Deferred Vested status if he is no longer working under the Plan at the time of his retirement and he has suffered a Break in Service. A Break in Service is defined as a Plan Year in which a participant fails to complete at least one Hour of Service with an Employer who is obligated to make contributions to the Plan.

- A participant who: (1) commences receipt of an Early Retirement Benefit from Active service ***on or after September 1, 2010 and before January 1, 2013***, (2) is at least age 55, and (3) has at least 5 Years of Vesting Service will receive an Early Retirement Benefit equal to his accrued benefit reduced by 0.003 for each month that his Early Retirement Date precedes his Normal Retirement Date. An Active participant who commences receipt of an Early Retirement Benefit ***on or after January 1, 2013*** will receive an Early Retirement Benefit equal to his actuarially reduced accrued benefit.

- A participant who: (1) commences receipt of an Early Retirement Benefit from Active service ***on or after September 1, 2010 and before January 1, 2013***, (2) is at least age 55, and (3) his age plus his Years of Vesting Service equal 85 or more will receive an Early Retirement benefit equal to his vested accrued benefit. No reduction will be applied to reflect early commencement. However, eligibility for the "Rule of 85" will be determined solely on a participant's Years of Vesting Service earned under the Southwest Ohio Regional Council of Carpenters Pension Plan (or its predecessor plans). Continuous service under the United Brotherhood of Carpenters and Joiners of America will not be recognized. An Active participant who commences receipt of an Early Retirement Benefit ***on or after January 1, 2013*** will receive an Early Retirement Benefit equal to his actuarially reduced accrued benefit.

- A participant who: (1) is disabled ***on or after July 1, 2010***, (2) is eligible for a Total and Permanent Disability Retirement Benefit, (3) has at least 5 Years of Vesting Service will receive a monthly pension equal to the benefit he would have received under the Early Retirement provisions outlined above if he has attained at least age 55. A participant who is not eligible for an Early Retirement Benefit because he has not reached age 55 will receive a monthly pension equal to his actuarially reduced accrued benefit.

- For deaths occurring ***on or after July 1, 2010***, the amount payable to the surviving spouse of a vested, married participant who has not yet retired will be calculated as though he: (1) retired on the day of his death or at his earliest retirement age, if later, (2) elected to receive his benefit as a Qualified Joint and 50% Survivor Annuity, and (3) died. His surviving spouse will then receive monthly pension payments equal to 50% of the benefit that would have been payable to the participant. These payments will be made to the participant's surviving spouse for the remainder of her lifetime. However, no benefit payments will be made to the surviving spouse before the first day of the month following the participant's 55th birthday.

- Effective for retirements commencing ***on or after July 1, 2010***, the Plan's suspension of benefit rules for Disqualifying Employment before Normal Retirement Age have been expanded. A participant who is receiving a Retirement Benefit from the Plan (other than a Disability Benefit) and who works in the industry covered by the Plan will have his monthly pension benefit suspended until his Normal Retirement Date. This suspension will occur regardless of where the work was performed or the number of hours the participant worked in the industry.

Contributions

Beginning June 1, 2010 and ending June 1, 2015, there shall be an annual increase of $0.25 per hour in the Plan's hourly contribution rate. Therefore, the hourly contribution rate for a Journeyman will increase from $5.70 per hour on June 1, 2010 to $6.95 per hour on June 1, 2015. Hourly contribution rate increases for participants with lower hourly contribution rates shall be proportionate to the Journeyman increases.

Future Revisions

As the Trustees are required by ERISA and the Internal Revenue Code to review the progress of their Rehabilitation Plan each year and to update the Plan and schedules if necessary, benefit reductions and contribution rates specified in this schedule as applicable in future years are subject to change, except with respect to a collective bargaining agreement negotiated in reliance on this schedule.