

NOTICE OF A PROPOSED REDUCTION OF YOUR PENSION BENEFITS

On December XX, 2017, the Board of Trustees of the Alaska Ironworkers Pension Plan (“Plan”) re-submitted an application to the U.S. Treasury Department for approval to reduce benefits under the Plan. This type of benefit reduction is allowed by the Federal law called the Multiemployer Pension Reform Act of 2014.

You are getting this notice because you have a pension benefit under the Plan. The enclosed benefit estimate describes the proposed reduction of your monthly payments.* This notice will also answer the following questions for you—

1. Why is the Board of Trustees proposing to reduce benefits?
2. What will happen if the Plan runs out of money?
3. How did the Board of Trustees decide whose benefits to reduce and by how much?
4. What are the proposed reductions in benefits?
5. What comes next?

1. Why is the Board of Trustees proposing to reduce benefits?

The Plan’s actuary estimated that, unless benefits are reduced, the Plan will not have enough money to pay benefits in the year 2031. This estimate is based on how much money the actuary expects the Plan to receive and to pay out each year. The Plan’s actuary estimated that, with the reduction of benefits that the Board of Trustees has proposed, the plan should not run out of money.

2. What will happen if the Plan runs out of money?

If the Plan does not have enough money to pay benefits, then only the amount guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”) will be paid. The PBGC-guaranteed benefit level would be a greater reduction than what is proposed under this proposed reduction.

You can find the amount of your benefit that is guaranteed by PBGC on the enclosed benefit estimate.

Terms to Know

Actuary — professional hired to analyze the data and calculate the value of benefits earned under the Plan and determine if the Plan is well-funded.

PBGC — the Pension Benefit Guaranty Corporation is an independent agency of the federal government. The Plan pays premiums to the PBGC’s insurance program to protect benefits (up to the limits set by law) if the Plan becomes insolvent.

*A version of this notice that does not include the estimate of the effect on your benefit is being sent to unions that represent Plan participants and to all contributing employers.

3. How did the Board of Trustees decide whose benefits to reduce and by how much?

Under Federal law, the Board of Trustees must apply the following rules to the proposed reduction—

- The total reduction in everybody's benefits must be estimated to be large enough to keep the Plan from running out of money but not larger than needed to do that.
- Your monthly benefit and the benefit of your beneficiary cannot be reduced below 110% of the amount guaranteed by PBGC.
- Disability benefits (as defined under the Plan) cannot be reduced.
- The benefits of people who are at least 80 years old on July 31, 2018 and their beneficiaries cannot be reduced.
- The benefits of people who are at least 75 years on July 31, 2018 and their beneficiaries are partially protected, and the closer the person is to age 80 the less the benefits can be reduced.
- The reduction of benefits must be spread fairly among the people who have a pension benefit under the Plan.

The Board of Trustees used the default method of a level percent decrease as described in the law. Everyone's benefits are reduced by the same amount and no one is treated differently, except as required by law.

4. What are the proposed reductions in benefits?

The Board of Trustees proposes the following reduction of benefits:

A 26.5% across-the-board reduction of benefits earned through June 30, 2016 for active participants, retirees, beneficiaries, and inactive participants with a vested benefit.

The reduction would take effect July 1, 2018.

That means the amount of your benefit earned through June 30, 2016 would be multiplied by 0.265 to calculate your reduction. Amounts earned on or after July 1, 2016 will not be reduced. (See the enclosed benefit estimate for your actual reduced benefit amount.)

(Continued on the next page)

Terms to Know

Early retirement - if you retire between ages 50 and 62, with five years of pension credit, your benefit is reduced to account for the expectation you'll receive benefits over a longer time.

Normal retirement - the "normal" retirement age for this Plan is 62 for benefits earned on and after July 1, 2011 (age 60 for benefits earned before that date).

In deciding how to set up the benefit reduction, Trustees determined the fairest way to save the Plan was an across-the-board percentage reduction.

Examples:

These examples assume the benefit reduction takes effect July¹, 2018.

65-year-old retiree:

Benefit earned through
June 30, 2016:
\$1,000

Reduction on July 1, 2018:
 $\$1,000 \times 0.265 = \265

Reduced benefit = $\$1,000 - \$265 =$
\$735

40-year-old active participant:

Benefit earned through
June 30, 2016:
\$400

Reduction July 1, 2018:
 $\$400 \times 0.265 = \106
 $\$400 - \$106 = \$294$

Benefit earned since July 1, 2016:
\$102 (reduction does not apply)

Total benefit as of July 1, 2018:
 $\$294 + \$102 = \$396$

4. What are the proposed reductions in benefits? (cont'd)

No special groups would be treated differently except those required by law:

- Participants or beneficiaries with benefits based on disability would have no reduction.
- Participants or beneficiaries who are at least age 80 on July 31, 2018 would have no reduction.
- Participants or beneficiaries who are at least age 75 on July 31, 2018 would have a smaller benefit reduction. Their reduced benefit earned through June 30, 2016 would be calculated as follows:

$$\begin{array}{rcl}
 \text{Benefit through} & & \text{Benefit through} \\
 \text{June 30, 2016} & - & \text{June 30, 2016 times} \\
 & & 0.265 \\
 & & \text{(reduced benefit received} \\
 & & \text{if younger than 75)} \\
 & \times & \text{Number of months} \\
 & & \text{beginning with} \\
 & & \text{August 2018 and} \\
 & & \text{ending with the} \\
 & & \text{month the person} \\
 & & \text{turns 80} \\
 & & \text{divided by} \\
 & & 60 \\
 & & \text{(percent that} \\
 & & \text{represents how} \\
 & & \text{close the person is} \\
 & & \text{to age 80)}
 \end{array}$$

The proposed suspension will remain in effect indefinitely. It will end when the Plan is no longer projected to run out of money without the reduction in place. We expect reduced benefits to be in place for quite a few years. For some, that means reduced benefits for the remainder of retirement. For others, there's at least a possibility that their benefit would come back up to the unreduced amount at some point in the future.

This benefit reduction is expected to stabilize the Plan and keep it from running out of money. This expectation is based on a number of assumptions; if reality differs significantly from these assumptions, the reduction might not work as intended. However, we have used realistic assumptions to give the Plan the best chance of success.

The proposed reduction is not designed to get the Plan back to 100% funded. The cuts are only big enough, and will only last long enough, to keep the Plan from running out of money.

Examples:

These examples assume the benefit reduction takes effect July^o1, 2018.

Retiree who is 78 and 4 months on July 31, 2018:

Benefit earned through
June 30, 2016:
\$1,000

Reduction on July 1, 2018 if
younger than 75:
 $\$1,000 \times 0.265 = \265

Number of months beginning with
August 2018 and ending with the
month the person turns 80:
20 months

$$\$265 \times (20 \div 60) = \$88$$

$$\text{Reduced benefit} = \$1,000 - \$88 = \$912$$

80-year-old retiree:

Benefit earned through
June 30, 2016:
\$1,000

No reduction: Benefit on July 1,
2018 remains \$1,000

5. What comes next?

Approval or denial of the application by the Treasury Department

The Treasury Department will review the application to see whether it meets all of the legal requirements under Federal law. If the application meets all of those requirements, the Treasury Department is required to approve the application. If the application does not meet the legal requirements, the Treasury Department will deny the application. The Treasury Department will make a decision in time to implement the proposed reductions by July 1, 2018.

You can get information from the Treasury Department

More information about the proposed benefit reductions and a copy of the application is available at www.treasury.gov/mpra.

The application will be available on that website within 30 days after the Treasury Department receives it. The application includes more information about the proposed reduction, including details about:

- 1) the Plan actuary's certification that the Plan will run out of money (that is, that the plan is in "critical and declining status");
- 2) how the proposed reduction would satisfy the requirement that it be large enough so that the Plan is estimated not to run out of money, while not being larger than needed; and
- 3) the sensitivity of these estimates to the assumptions used.

The application describes the steps the Board of Trustees has already taken to keep the Plan from running out of money and why the Board of Trustees believes that a benefit reduction is the only remaining option to keep the Plan from running out of money. In addition, the application explains why the Board of Trustees believes that the proposed reduction is spread fairly among the people who have a pension benefit under the Plan.

The Treasury Department website will also provide updated information on the application, such as whether the application has been updated or withdrawn.

For further information and assistance you can also write to the Treasury Department at the following address:

Department of the Treasury
Attn: MPRA Office, Room 1204
1500 Pennsylvania Avenue, NW
Washington, DC 20220

You can comment on the application to reduce benefits

You can submit a comment on the application by going to www.treasury.gov/mpra. Comments may also be mailed to the Department of the Treasury, at the address listed above. All interested parties can make comments, and the comments will be publicly available.

Retiree representative

The Board of Trustees is not required to select a retiree representative, because the Plan has fewer than 10,000 participants. The Board of Trustees has not chosen to select a retiree representative.

Vote on the proposed benefit reduction

If the application for the proposed reduction of benefits is approved by the Treasury Department, then you will have the opportunity to vote on the proposed reduction. Unless a majority of all participants and beneficiaries of the Plan vote to reject the reduction, the Treasury Department must allow the reduction of benefits to take effect. This means that not voting counts the same as a vote to approve the reduction.

Your right to see Plan documents

You may want to review Plan documents to help you understand your rights and the proposed reduction to your benefits. The Plan administrator must respond to your request for the following documents within 30 days:

- The Plan document (including any amendments adopted to reflect an authorized reduction of benefits), trust agreement, and other documents governing the Plan (such as collective bargaining agreements).
- The Plan's most recent summary plan description (SPD or plan brochure) and any summary of material modifications.
- The Plan's Form 5500 annual reports, including the accountant's report and audited financial statements, filed with the U.S. Department of Labor during the last six years.
- The annual funding notices furnished by the Plan during the last six years.
- Actuarial reports, including reports prepared in anticipation of the benefit reduction, furnished to the Plan within the last six years.
- The Plan's current rehabilitation plan, including contribution schedules and, if the proposed benefit reduction goes into effect, annual plan-sponsor determinations that all reasonable measures to avoid running out of money continue to be taken and that the Plan would run out of money if there were no benefit reductions.
- Any quarterly, semi-annual or annual financial reports prepared for the Plan by an investment manager, fiduciary or other advisor and furnished to the Plan within the last six years.

The Retirement Plan Booklet (Summary Plan Description) is available at www.akironworkerstrust.com in the Plan Information section.

The Plan administrator may charge you the cost per page to the Plan for the cheapest way of copying documents, but cannot charge more than 25 cents per page. The Plan's Form 5500 Annual Return/Report of Employee Benefit Plan is also available free of charge at www.dol.gov/ebsa/5500main.html. Some of the documents also may be available for examination, without charge, at the Plan administrator's office, your worksite or union hall.

Your right to challenge incorrect calculations

If you think the Plan miscalculated the reduction to your benefits, then you have the right to submit a claim to the Plan to have the calculation corrected. The Plan's summary plan description ("SPD") tells you how to submit a claim for appeal. The SPD also describes your right to have an arbitrator review the Plan's final decision on your claim.

If you believe the information used to calculate your estimate (shown on the enclosed benefit estimate) is wrong, please contact the Plan Administration office:

By phone: (907) 561-5119 or (800) 325-6532
 By email: retirement@wpas-inc.com
 By mail: PO Box 93870
 Anchorage, AK 99509-3870

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

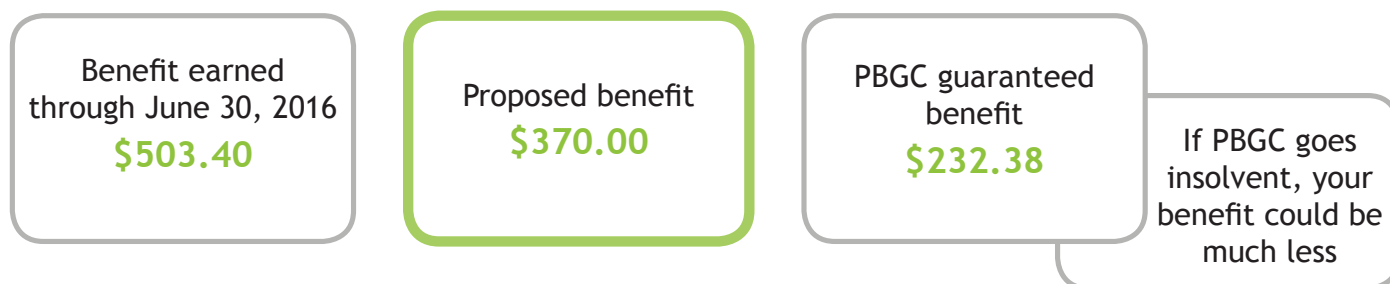
Example #1, active participant under age 75

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #1



Any benefits earned after July 1, 2016 would not be reduced under this proposal.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

- **Benefit earned through June 30, 2016:** If you start receiving your benefit at normal retirement age in the form of a single life annuity, the portion of your monthly benefit earned through June 30, 2016 without the proposed reduction would be \$503.40.
- **Proposed benefit:** Under the proposed reduction, your monthly benefit earned through June 30, 2016 in the same form would be reduced to \$370.00.

Note: These numbers are just estimates. Final calculations will be made when the reduction is approved. In addition, the actual amount you receive will depend on other factors, like how long you work, when you begin receiving payments, and which payment form you choose. For more information, see the Alaska Ironworkers Retirement Plan Booklet (Summary Plan Description) available at www.akironworkerstrust.com.

The proposed suspension will remain in effect indefinitely.

TURN OVER

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 6.50 years of credited service under the Plan as of July 1, 2016.
- Your date of birth is 10/27/1979.
- The portion of your benefit that is based on disability is \$0.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

Here is how this estimate was calculated:

$$\begin{array}{r}
 \text{Benefit earned through June 30, 2016:} \\
 \$503.40 \\
 \\
 \text{Reduction:} \\
 \$503.40 \times 26.5\% = \$133.40 \\
 \\
 \text{Reduced benefit} = \$503.40 - \$133.40 = \$370.00
 \end{array}$$

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$232.38.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

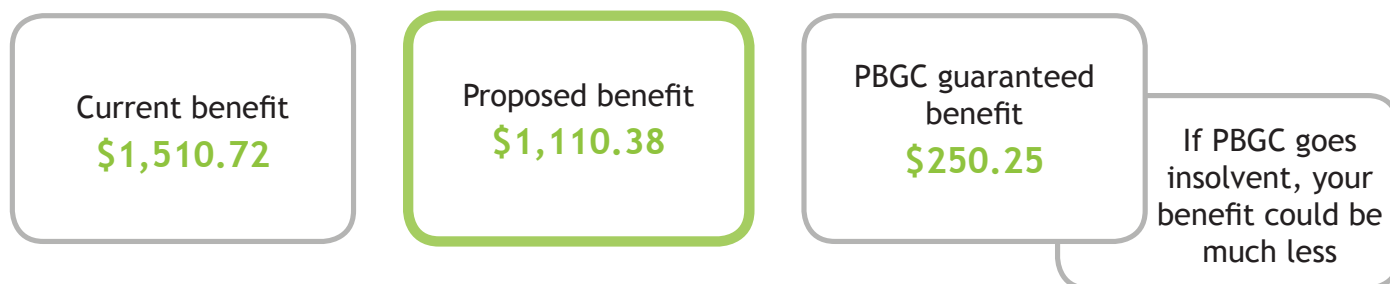
Example #2, retired participant under age 75

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #2



Your current monthly benefit is \$1,510.72. Under the proposed reduction, your monthly benefit would be reduced to \$1,110.38.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 7.00 years of credited service under the Plan.
- Your date of birth is 03/12/1947.
- The portion of your benefit that is based on disability is \$0.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

Here is how this estimate was calculated:

Benefit earned through June 30, 2016:

\$1,510.72

Reduction:

$\$1,510.72 \times 26.5\% = \400.34

Reduced benefit = $\$1,510.72 - \$400.34 = \$1,110.38$

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$250.25.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

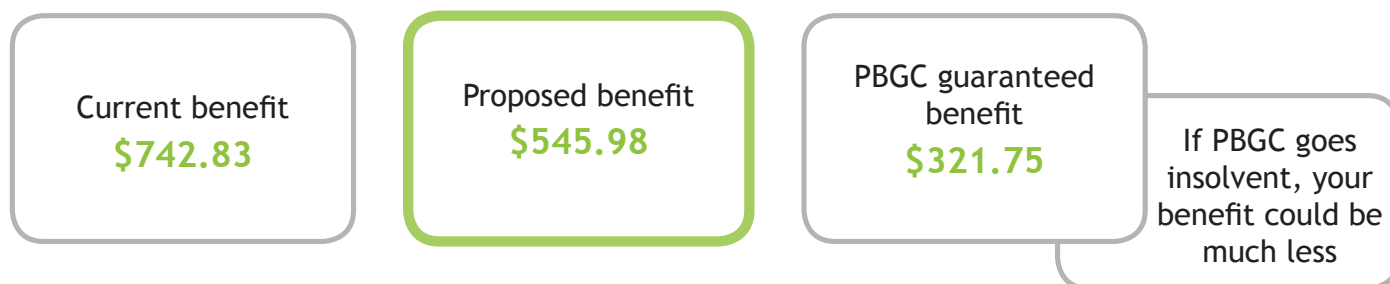
Example #3, beneficiary under age 75

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #3



Your current monthly benefit is \$742.83. Under the proposed reduction, your monthly benefit would be reduced to \$545.98.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

TURN OVER

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 9.00 years of credited service under the Plan.
- Your date of birth is 07/20/1951.
- The portion of your benefit that is based on disability is \$0.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

Here is how this estimate was calculated:

$$\begin{array}{l}
 \text{Benefit earned through June 30, 2016:} \\
 \$742.83 \\
 \\
 \text{Reduction:} \\
 \$742.83 \times 26.5\% = \$196.85 \\
 \\
 \text{Reduced benefit} = \$742.83 - \$196.85 = \$545.98
 \end{array}$$

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$321.75.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

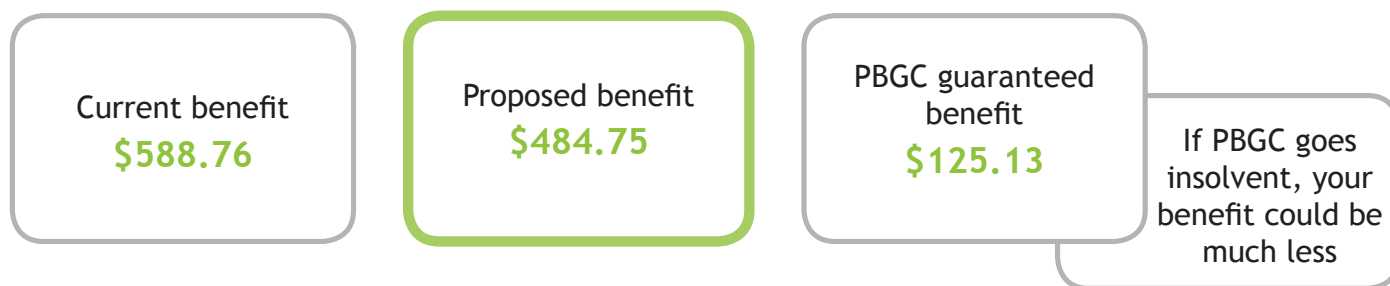
Example #4, retired participant between ages 75 and 80

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #4



Your current monthly benefit is \$588.76. Under the proposed reduction, your monthly benefit would be reduced to \$484.75.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 3.50 years of credited service under the Plan.
- Your date of birth is 11/04/1941.
- The portion of your benefit that is based on disability is \$0.

Because you will be 76 on July 31, 2018, your benefit reduction will be smaller than the 26.5% reduction that younger participants will have:

Current benefit	—	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>Current benefit</p> <p><i>times</i></p> <p>26.5%</p> <p>(reduced benefit received if you are younger than 75)</p> </div>	x	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>Number of months beginning with August 2018 and ending with the month you turn 80</p> <p><i>divided by</i></p> <p>60</p> <p>(percent that represents how close you are to age 80)</p> </div>	=	Reduced benefit
<hr style="border-top: 1px dotted #008000;"/>						
\$588.76	—	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>\$588.76</p> <p><i>times</i></p> <p>26.5%</p> <p>=</p> <p>\$156.02</p> </div>	x	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>40 months</p> <p><i>divided by</i></p> <p>60</p> <p>=</p> <p>0.66667</p> </div>	=	\$484.75

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$125.13.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

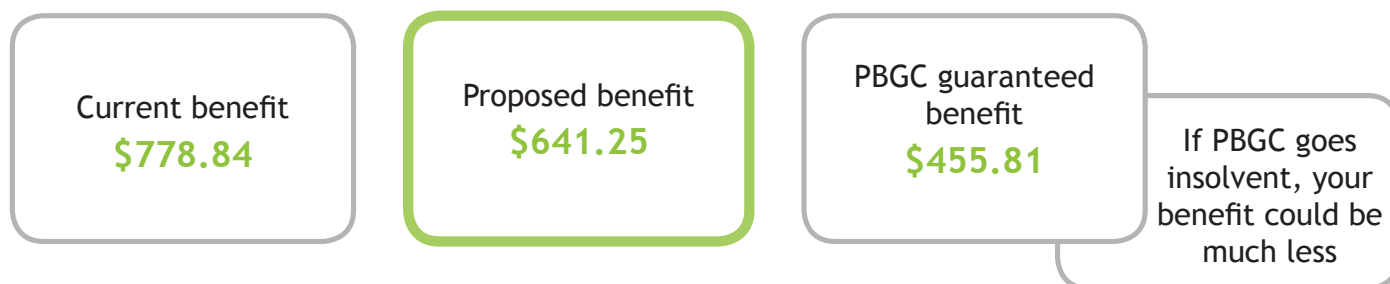
Example #5, beneficiary between ages 75 and 80

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #5



Your current monthly benefit is \$778.84. Under the proposed reduction, your monthly benefit would be reduced to \$641.25.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 12.75 years of credited service under the Plan.
- Your date of birth is 11/15/1941.
- The portion of your benefit that is based on disability is \$0.

Because you will be 76 on July 31, 2018, your benefit reduction will be smaller than the 26.5% reduction that younger participants will have:

Current benefit	—	<div> <div>Current benefit</div> <div><i>times</i></div> <div>26.5%</div> <div>(reduced benefit received if you are younger than 75)</div> </div>	x	<div> <div>Number of months beginning with August 2018 and ending with the month you turn 80</div> <div><i>divided by</i></div> <div>60</div> <div>(percent that represents how close you are to age 80)</div> </div>	=	Reduced benefit
<hr/>						
\$778.84	—	<div> <div>\$778.84</div> <div><i>times</i></div> <div>26.5%</div> <div>=</div> <div>\$206.39</div> </div>	x	<div> <div>40 months</div> <div><i>divided by</i></div> <div>60</div> <div>=</div> <div>0.66667</div> </div>	=	\$641.25

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$455.81.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

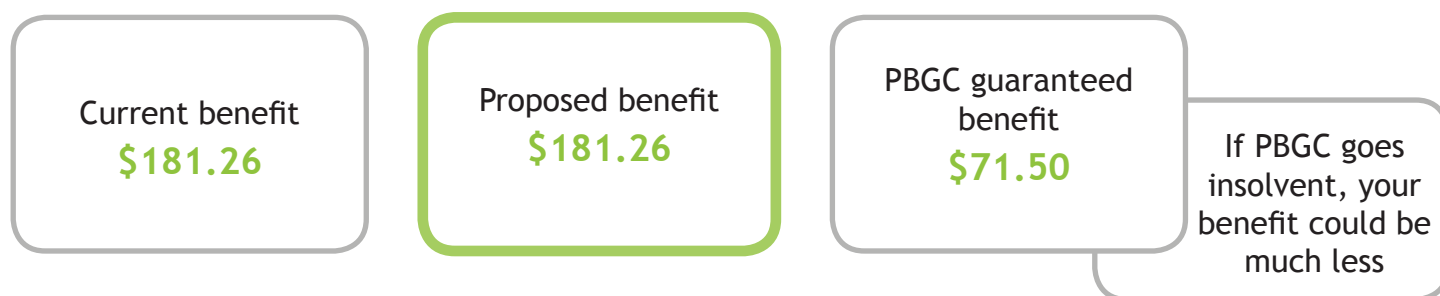
HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

Example #6, retired participant over age 80

Nothing is happening to your benefit right now.

Because you will be over age 80 at the time of the proposed reduction, your monthly benefit **would not change**.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #6



PBGC GUARANTEES YOUR BENEFITS UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$71.50.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

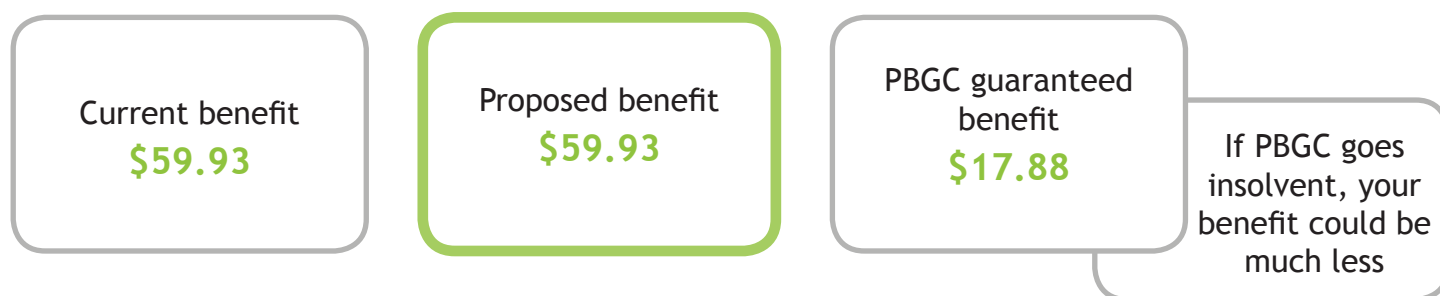
HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

Example #7, beneficiary over age 80

Nothing is happening to your benefit right now.

Because you will be over age 80 at the time of the proposed reduction, your monthly benefit **would not change**.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #7



PBGC GUARANTEES YOUR BENEFITS UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$17.88.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

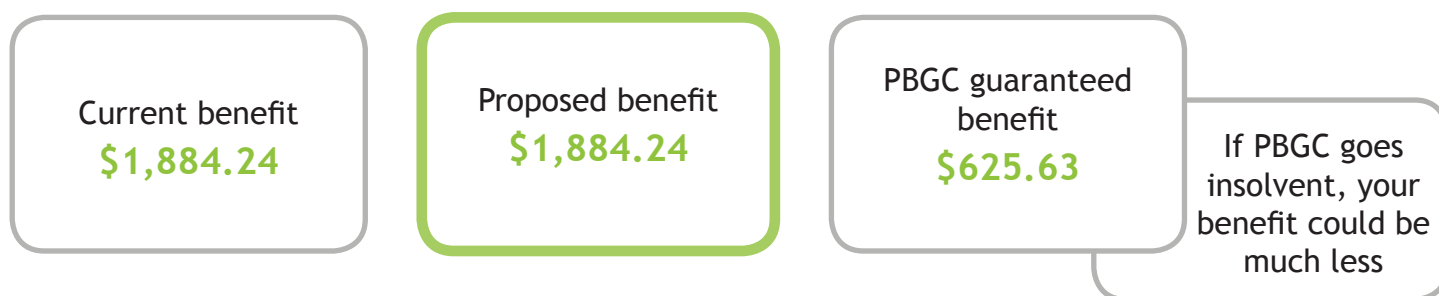
HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

Example #8, disabled participant

Nothing is happening to your benefit right now.

Because you are receiving disability benefits, your monthly benefit **would not** change under the proposed reduction.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #8



PBGC GUARANTEES YOUR BENEFITS UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$625.63.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

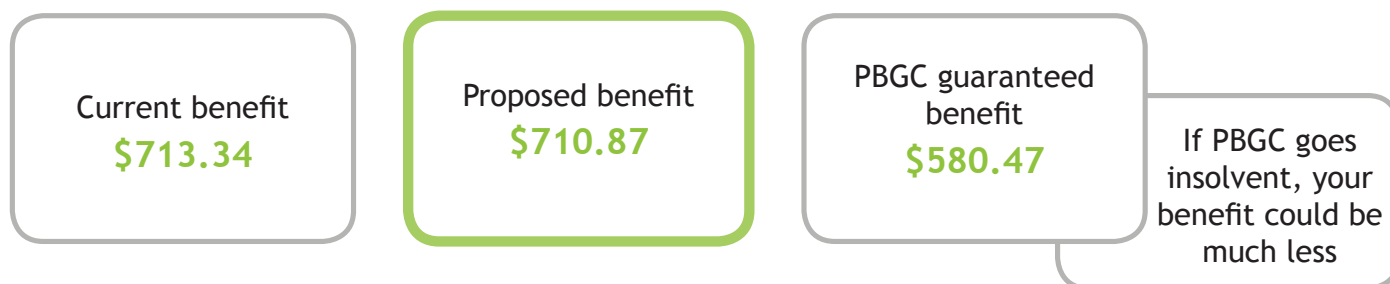
Example #9, participant impacted by the 110% of PBGC guarantee limitation between ages 75 and 80

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #9



Your current monthly benefit is \$713.34. Under the proposed reduction, your monthly benefit would be reduced to \$710.87.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 16.50 years of credited service under the Plan.
- Your date of birth is 09/23/1938.
- The portion of your benefit that is based on disability is \$0.

Because you will be 79 on July 31, 2018, your benefit reduction will be smaller than the 26.5% reduction that younger participants will have:

Current benefit	—	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>Current benefit</p> <p><i>times</i></p> <p>10.4%*</p> <p>(reduced benefit received if you are younger than 75)</p> </div>	x	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>Number of months beginning with August 2018 and ending with the month you turn 80</p> <p><i>divided by</i></p> <p>60</p> <p>(percent that represents how close you are to age 80)</p> </div>	=	Reduced benefit
<hr style="border-top: 1px dotted #008000;"/>						
\$713.34	—	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>\$713.34</p> <p><i>times</i></p> <p>10.4%*</p> <p>=</p> <p>\$74.19</p> </div>	x	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>2 months</p> <p><i>divided by</i></p> <p>60</p> <p>=</p> <p>0.03333</p> </div>	=	\$710.87

**Your suspension factor is less than normal because your reduced benefit would have been less than 110% of the PBGC guaranteed benefit.*

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$580.47.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

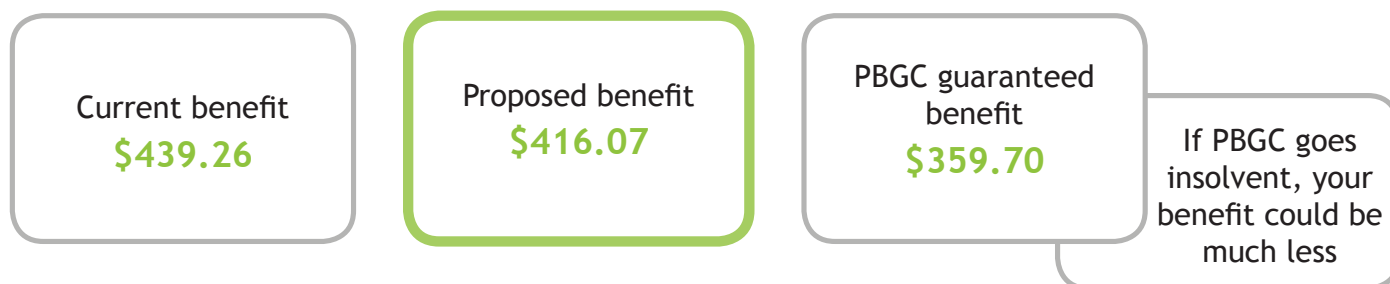
Example #10, beneficiary impacted by the 110% of PBGC guarantee limitation between ages 75 and 80

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #10



Your current monthly benefit is \$439.26. Under the proposed reduction, your monthly benefit would be reduced to \$416.07.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 11.00 years of credited service under the Plan.
- Your date of birth is 03/24/1941.
- The portion of your benefit that is based on disability is \$0.

Because you will be 77 on July 31, 2018, your benefit reduction will be smaller than the 26.5% reduction that younger participants will have:

Current benefit	—	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>Current benefit</p> <p><i>times</i></p> <p>9.9%*</p> <p>(reduced benefit received if you are younger than 75)</p> </div>	x	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>Number of months beginning with August 2018 and ending with the month you turn 80</p> <p><i>divided by</i></p> <p>60</p> <p>(percent that represents how close you are to age 80)</p> </div>	=	Reduced benefit
<hr style="border-top: 1px dotted #008000;"/>						
\$439.26	—	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>\$439.26</p> <p><i>times</i></p> <p>9.9%*</p> <p>=</p> <p>\$43.49</p> </div>	x	<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p>32 months</p> <p><i>divided by</i></p> <p>60</p> <p>=</p> <p>0.53333</p> </div>	=	\$416.07

**Your suspension factor is less than normal because your reduced benefit would have been less than 110% of the PBGC guaranteed benefit.*

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$359.70.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

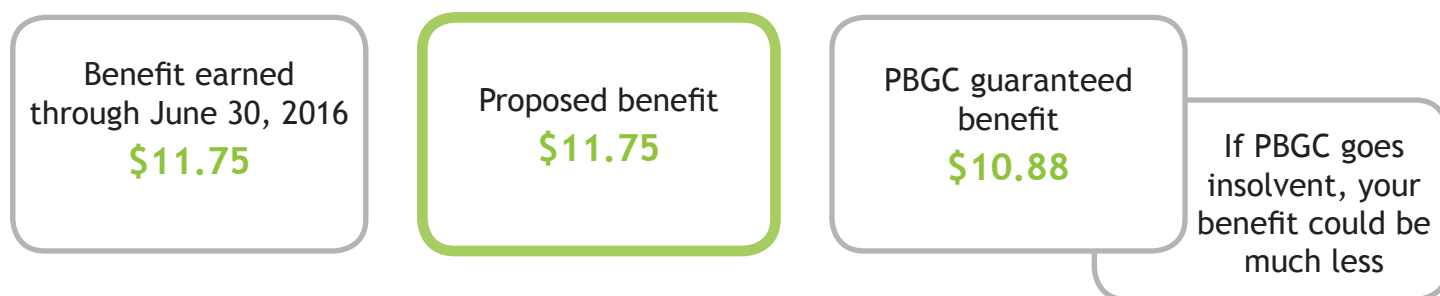
HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

Example #11, participant with a benefit less than 110% of the PBGC guarantee

Nothing is happening to your benefit right now.

Your monthly benefit would not change under the proposed reduction because it is already less than 110% of the benefit guaranteed by the PBGC.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #11



PBGC GUARANTEES YOUR BENEFITS UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$10.88.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

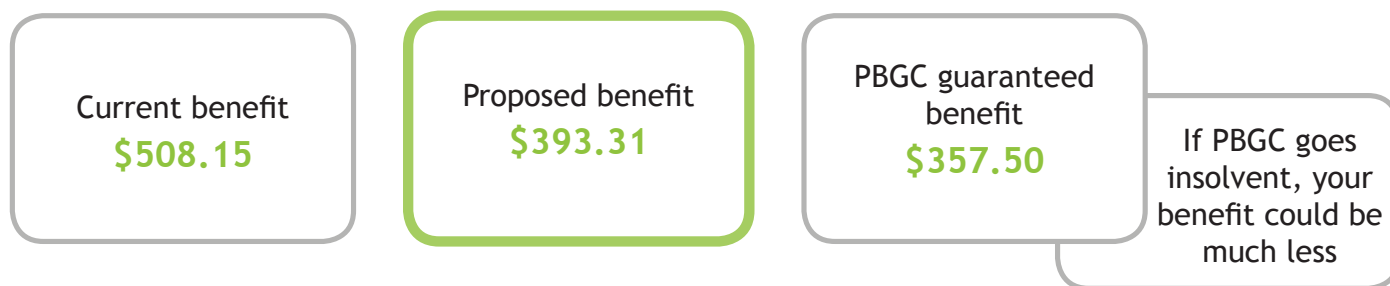
Example #12, retired participant impacted by the 110% of PBGC guarantee limitation less than age 75

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #12



Your current monthly benefit is \$508.15. Under the proposed reduction, your monthly benefit would be reduced to \$393.31.

This is an estimate. Final calculations will be made when the reduction is approved.

Before your benefit changes, you will receive a statement showing your new benefit amount as well as your authorized deductions (such as health plan premiums and income taxes) to give you an opportunity to make any changes before the reduction takes effect.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 10.00 years of credited service under the Plan.
- Your date of birth is 03/19/1954.
- The portion of your benefit that is based on disability is \$0.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

Here is how this estimate was calculated:

Benefit earned through June 30, 2016:

\$508.15

Reduction:

$\$508.15 \times 22.6\% = \114.84

Reduced benefit = \$508.15 - \$114.84 = \$393.31

**Your suspension factor is less than normal because your reduced benefit would have been less than 110% of the PBGC guaranteed benefit.*

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$357.50.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

HOW YOUR MONTHLY PAYMENTS WOULD BE AFFECTED

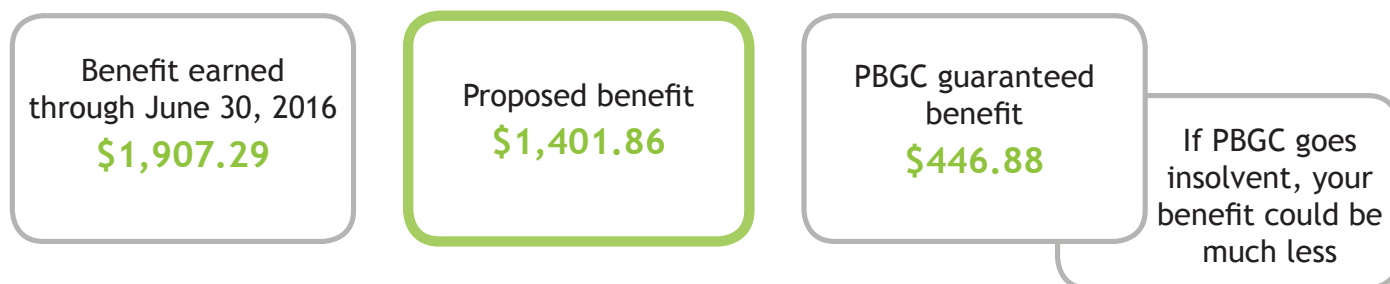
Example #13, participant over normal retirement age, not retired, benefit reduction effective at retirement

This personal estimate shows how your benefit would change IF the proposed reduction is approved. It is different from the estimate you received last spring and has been updated to reflect the smaller 26.5% reduction and later effective date.

Nothing is happening to your benefit right now.

If approved, the reduction would take effect July 1, 2018.

ESTIMATE OF PROPOSED BENEFIT FOR EXAMPLE #13



Any benefits earned after July 1, 2016 would not be reduced under this proposal.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

- **Benefit earned through June 30, 2016:** If you start receiving your benefit at normal retirement age in the form of a single life annuity, the portion of your monthly benefit earned through June 30, 2016 without the proposed reduction would be \$1,907.29.
- **Proposed benefit:** Under the proposed reduction, your monthly benefit earned through June 30, 2016 in the same form would be reduced to \$1,401.86.

Note: These numbers are just estimates. Final calculations will be made when the reduction is approved. In addition, the actual amount you receive will depend on other factors, like how long you work, when you begin receiving payments, and which payment form you choose. For more information, see the Alaska Ironworkers Retirement Plan Booklet (Summary Plan Description) available at www.akironworkerstrust.com.

The proposed suspension will remain in effect indefinitely.

HOW YOUR PROPOSED BENEFIT REDUCTION ESTIMATE IS CALCULATED

This is an estimate of the effect the proposed reduction would have on your benefit under the Plan. It is not a final benefit calculation. This estimate assumes that the proposed benefit reduction starts on July 1, 2018. If the benefit reduction starts later, the effect of the proposed reduction on your benefit might be different. Final calculations will be made once the reduction is approved.

This estimate is based on the following information from Plan records:

- You have 12.50 years of credited service under the Plan as of July 1, 2016.
- Your date of birth is 06/20/1954.
- The portion of your benefit that is based on disability is \$0.

The proposed reduction would affect the benefit you earned through June 30, 2016. Benefits earned after that date are not included in the amounts shown on this statement and would not be affected by the reduction.

Here is how this estimate was calculated:

Benefit earned through June 30, 2016:

\$1,907.29

Reduction:

$\$1,907.29 \times 26.5\% = \505.43

Reduced benefit = $\$1,907.29 - \$505.43 = \$1,401.86$

PBGC GUARANTEES YOUR BENEFIT UP TO A LIMIT

If the reduction in benefits is rejected, it's important to note that your current benefit amount is available only until the Plan runs out of money (estimated to happen in 2031).

If the Plan does not have enough money to pay benefits, your monthly benefit would then be paid by the PBGC, up to the amount it guarantees. Your current monthly benefit guaranteed by PBGC is estimated to be \$446.88.

However, there is concern about the health of the PBGC. If the PBGC itself becomes insolvent, your benefit could be significantly less.

Alaska Ironworkers Pension Plan Voter's Guide

Vote by [deadline]

Cast your vote on the proposed benefit reduction by [deadline]:

Phone: Call X-XXX-XXXX to vote by phone.

[any instructions we can provide?]

OR

Online: Go to www.XXXXXXX.com to vote online.

[any instructions we can provide?]

The proposed benefit reduction will go into effect July 1, 2018, unless a majority of participants reject it. Not voting has the same effect as voting yes.

The vote is being run by a company selected by the Treasury Department to ensure the integrity of the voting process.

Your Choice

Voting YES means

- On July 1, 2018 monthly benefits for most participants will be lowered by the same level percent of 26.5% to prevent the plan from running out of money.
- Disabled members and those who are age 80 or older on July 31, 2018 will NOT have their monthly benefits lowered at all.
- All members who are between 75 and 80 on July 31, 2018 will have their benefits lowered by something less than 26.5%.
- NO benefits earned on or after July 1, 2016 will be lowered for any member.
- Review pages x-x for statements for and against.

Voting NO means

- There will be no reduction on July 1, 2018 but, the plan will be on the path to running out of money in about 14 years (projected to be 2031).
- When the plan runs out of money, benefits will be paid by the PBGC and will be much lower than benefits will be if the members vote "yes" on the proposed reduction.
- When the plan runs out of money, benefits will drop for everyone, no exceptions.
- Review pages x-x for statements for and against.

See the enclosed personalized benefit estimate for how your benefit would change under the proposed reduction or, if the plan ran out of money and benefits were paid by the PBGC.

This voter's guide provides information to help you make an informed decision on the proposed benefit reduction for the Alaska Ironworkers Pension Plan:

- About the Proposed Reduction
- Statement For the Reduction
- Statement Against the Reduction
- What's Next

Please read this guide and see the enclosed benefit estimate before you make your decision.

About the Proposed Reduction

Unless rejected, effective July 1, 2018, there will be a 26.5% across-the-board reduction of benefits earned through June 30, 2016 for active participants, retirees, beneficiaries, and inactive participants with a vested benefit.

That means the amount of your benefit earned through June 30, 2016 will be multiplied by 0.265 to calculate your reduction. Amounts earned on or after July 1, 2016 will NOT be reduced. (See the enclosed benefit estimate for your actual reduced benefit amount.)

No special groups will be treated differently except those required by law:

- Participants or beneficiaries with benefits based on disability will have **no reduction**.
- Participants or beneficiaries who are at least age 80 on July 31, 2018 will have **no reduction**.
- Participants or beneficiaries who are at least age 75 on July 31, 2018 will have **a smaller benefit reduction**. Their reduced benefit earned through June 30, 2016 would be calculated as follows:

$$\begin{array}{rcl}
 \text{Benefit through June 30, 2016} & - & \text{Benefit through June 30, 2016 times 0.265} \\
 & & \text{(reduced benefit received if younger than 75)} \\
 & & \times \text{Number of months beginning with August 2018 and ending with the month the person turns 80 divided by 60} \\
 & & \text{(percent that represents how close the person is to age 80)}
 \end{array}$$

There is no set date when the benefit reductions will end; they will remain in effect indefinitely. However, the benefit reductions will be in effect only until the Plan is no longer projected to run out of money without the reductions in place. We expect reduced benefits to be in place for a long time. For some, that means reduced benefits for the rest of their retirement. For others, there's at least a possibility that their benefit would come back up to the unreduced amount at some point in the future.

This proposed benefit reduction has been approved by the Secretary of Treasury, in consultation with the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of Labor.

See the enclosed benefit estimate for information about your benefit and how much it would be if reduced.

What if we do nothing?

The Plan's actuary estimated that, unless benefits are reduced, the Plan will not have enough money to pay benefits in the year 2031. This estimate is based on how much money the actuary expects the Plan to receive and to pay out each year. This projection, which is based on several assumptions, will change every year based on actual investment returns, plan contributions, and other experience. So the actual date could be sooner or later than 2031.

If the Plan does not have enough money to pay benefits, then only the amount guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") will be paid. You can find the amount of your benefit that is guaranteed by the PBGC on the enclosed benefit estimate.

If the PBGC runs out of money, benefits will likely be quite a bit lower than the PBGC-guaranteed amount shown.

Effects of the proposed benefit reduction

This reduction would take effect on July 1, 2018 and would apply to benefits earned through June 30, 2016:

- For most **retirees and beneficiaries** receiving benefits, your monthly check would be lowered by 26.5% beginning July 1, 2018. If you're between 75 and 80 on July 31, 2018, your reduction will be smaller. If you're 80 or older on July 31, 2018, or receiving disability benefits, your monthly check will **not** change.
- For those **not active in the plan**, but not yet receiving benefits, your vested benefit would be lowered by 26.5%. When you retire, your benefit would be based on that amount.
- For **active participants**, on July 1, 2018 the benefit you earned through June 30, 2016 would be lowered by 26.5%. You'll continue to accrue new benefits though – and this benefit reduction will **not** apply to benefits earned on or after July 1, 2016.

See the enclosed benefit estimate for information about your benefit and how much it would be if reduced.

The Plan's actuary certified that, with the reduction of benefits that the Board of Trustees has proposed, the plan should not run out of money. This expectation is based on a number of assumptions; if reality differs significantly from these assumptions, the reduction might not work as intended. However, we have used realistic assumptions to give the Plan the best chance of success.

Statement in Favor of the Reduction

We, the Trustees of the Alaska Ironworkers Pension Plan, believe the plan can be saved with this reduction. If we thought it was hopeless, we wouldn't be going through all this. Our goal is to keep paying as much as we can in benefits for many years to come.

Our options were to try to save the plan or let it run out of money. As we looked at both options, it became clear that we need to try to save the plan. The chart below shows why we want to save the plan and not let it run out of money.

Try to save the plan	Let it run out of money
Reducing everyone's benefit by the same percentage spreads the burden fairly.	If we let the plan run out of money, those receiving benefits now would get their full amount – but only for a little while. Everyone else would get lower benefits, or maybe nothing. That hurts the actives the most, and they are already earning far lower benefits – and paying much higher contributions – than members did in the past.
The most prudent course of action is to do everything we can to keep the plan from running out of money and keep paying benefits from this plan – even if that means paying them at a lower level.	There's concern about the health of the Pension Benefit Guaranty Corporation (PBGC) – the government agency that insures pension plans. The PBGC itself may very well run out of money. In that case, it's likely that only a fraction of the PBGC's "guaranteed" benefits would be paid to plans that run out of money.

Statement in Favor of the Reduction cont'd

Try to save the plan	Let it run out of money
If we keep the plan going, we have a better chance of maintaining a strong contribution base – increasing our odds of being able to pay benefits for the long haul – and active participants have a better chance of earning meaningful benefits in the future.	If the plan runs out of money and goes to the PBGC, active participants may continue to earn benefits, but they wouldn't mean much – the most they could hope to receive would be the PBGC guaranteed level of benefits.
We still have assets at this time. If we lower benefits now, we don't run out of investments to earn money. The investment earnings pay for more benefits, and give us a fighting chance to restore the fund.	Right now we have almost \$50 million of investments. Those investments have a good chance of earning \$2 million to \$3 million per year. If we do nothing, the amount of money we have to invest will go down, we will get fewer dollars of investment earnings, and ultimately, the plan will run out of money. When the plan runs out of money, we will get no investment earnings, and we will have no chance of being helped by any strong investment markets.
Under this proposal, the reduction applies to benefits earned through June 30, 2016, but any benefits earned after that won't be affected by this benefit reduction. The current level of benefits being earned is already very low (and the contributions are very high) compared to the benefits and contributions of the past. The benefits being earned by current actives are already reduced. We owe it to them to do everything we can to make sure some of the money they are paying into the fund is left to pay their benefits in the future.	If the plan runs out of money, perhaps the hardest hit group would be current active participants, who have already made significant sacrifices. If you look at two members – who both work for 30 years – a member who started in 1980 and retired in 2010 will have a benefit over 2½ times as large as a member hired in 2000 and retiring in 2030 can expect to earn. This is true even with the higher contribution rates during the second member's working years.
Benefits under the proposed reduction are higher than what you would receive from the PBGC. See the enclosed benefit estimate for a comparison.	PBGC benefits would be lower than benefits under this proposed reduction. And if the PBGC runs out of money, it's likely benefits would be even smaller.
The proposed reduction would likely be in place for a number of years but would be lifted once the plan is no longer projected to run out of money.	If the plan goes to the PBGC, not only would benefits be lower than under the proposed reduction, but the decrease would be permanent.
Under the proposed reduction, the people who are least able to bounce back, including disabled members and retirees over 80, are protected (by law).	If the plan runs out of money, benefits are cut across the board. No population is protected from reductions.

Statement Against the Reduction

[to be completed]

What's Next

[Deadline]: Last day to vote

[7 days after deadline]: Results of the vote announced

The Trustees will mail an update with the results of the vote following the announcement

July 1, 2018: Reduction takes effect, unless rejected