WESTERN STATES OFFICE AND PROFESSIONAL EMPLOYEES PENSION FUND

SUSPENSION APPLICATION

Exhibit 7

Exhibit 7

Ballot on the Proposed Reductions of Benefits for the Western States Office and Professional Employees Pension Fund

The proposed reduction of benefits under the Western States Office and Professional Employees Pension Fund (the "Plan") is explained in a notice to you dated February 15, 2017. The notice detailed the proposed benefit reductions pursuant to the Multiemployer Pension Reform Act of 2014 (MPRA), which would take effect on December 1, 2017 if the Application was approved by the Department of Treasury. On [DATE], the proposed reduction was approved by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation (the "PBGC") and the Secretary of Labor. It is now time to vote on the proposed suspension. The following information is intended to assist you as you consider whether to vote for or against the suspension.

The ballot includes the following information:

- Information about the Pension Benefit Reduction and Recovery Plan
- The proposed reduction's impact on your benefits
- Factors considered by the Trustees in preparing the Pension Benefit Reduction and Recovery Plan
- Important information on what happens now that the Pension Benefit Reduction and Recovery Plan has been approved by the Treasury

Information about the Proposed Benefit Reduction and Recovery Plan

The Pension Benefit Reduction and Recovery Plan is scheduled to go into effect on December 1, 2017 and stay in place indefinitely. The Board of Trustees proposed the following reduction to your benefits:

- A 29% decrease for all participants and beneficiaries, but no reduction below 110% of the PBGC guaranteed benefit for each affected participant.
- No category or group will be treated differently for the purpose of the benefit reduction, except as provided below.
  - Disability pensions are not reduced.
  - Participants who are age 80 or older on December 31, 2017, have no reduction.
- Participants between ages 75 and 80 on December 31, 2017 have the following reduction:

Age on December 31, 2017	Benefit Reduction Allowed Under MPRA
75	Up to 100% of the reduction amount
76	Up to 80% of the reduction amount
77	Up to 60% of the reduction amount
78	Up to 40% of the reduction amount
79	Up to 20% of the reduction amount
80	No benefit reduction

- The proposed reduction in benefits will remain in effect indefinitely.

In addition, the Board proposes to increase the future accrual rate for actives from 0.75% to 1.0% of contributions effective January 1, 2018, because:

- Active participant accrual rates have decreased significantly over the past years in order to help improve the Plan's funding.
- The increase will help level the burden of improving the Plan's funding between active participants and inactive participants.
- The increase may help recruit new participants.

The effect of the suspension on your benefit is shown on the statement delivered with this ballot.

Factors considered by Trustees

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:

- Age and life expectancy of Plan participants.
- Status in the Plan (active, terminated vested, retired).
- Amount of benefits provided by the Plan.
- Extent to which benefits provided contain subsidies.
- History of benefit increases and reductions.
- Discrepancies between benefits provided to active and retired participants.
- Withdrawn employers and the extent to which each is paying their withdrawal liability.
- Likelihood of active participants to withdraw support for the Plan, which may cause employer withdrawals and increase the risk of additional benefit reductions for all participants and beneficiaries.

The Plan's Trustees support the proposed reduction, because you will receive a larger benefit than if the Fund became insolvent and ran out of money.

Taking into account the proposed reduction of benefits, the Fund's actuary has certified that insolvency will be avoided. Although not certain, it represents the actuary's best projection based on all available data.

What happens next?

If the proposed reduction is rejected by the majority of voters, the 2016 PPA Certification indicated the Plan is expected to become insolvent during the 2035 Plan Year. Based on the updated assumptions and information we are using to demonstrate the actions taken to avoid insolvency, the revised projected insolvency is during the 2032 Plan Year. The projected insolvency date is determined using certain assumptions that are reasonably expected to occur in the future, but not guaranteed. For example, higher than expected investment returns may postpone the insolvency date past 2032, but lower than expected investment returns may bring an earlier insolvency date.

Western States Office and Professional Employees Pension Fund

If the Plan becomes insolvent, the PBGC will step in and provide the Plan with financial assistance and continue paying a portion of your benefits. As illustrated in the individual benefit statements, this is capped at a maximum guaranteed amount that is significantly less than the current benefit for most participants. The PBGC does not take into account your age or status as a disabled participant in making these adjustments to your benefit.

The ability of the Plan 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 before the Plan's projected insolvency date.

In the event that the Plan 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 Plan's insolvency. If both the Plan and the PBGC Multiemployer Program become insolvent, your benefits could be reduced to almost zero.

The proposed reduction will go into effect on December 1, 2017 unless a majority of all eligible voters reject it. <u>Not voting</u> by the deadline is the same as <u>approving</u> the proposed reduction. To register your vote, please check one of the two boxes below, sign and print your name, date this ballot, and return the completed ballot to Board of Trustees, by [insert appropriate date].

☐ I approve the suspension of benefits.

☐ I reject the suspension of benefits.

Signed: ______________________________

Name (Printed): ______________________________ Last four digits of SSN: ________

Date: _______________________