

PENSION RECOVERY PLAN

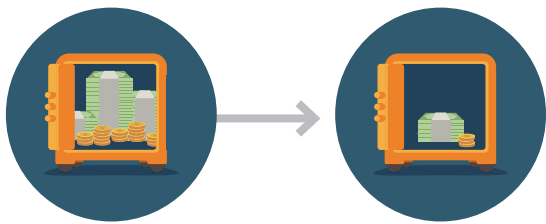


SOUTHWEST OHIO
REGIONAL COUNCIL
OF CARPENTERS
PENSION PLAN

HOW WE GOT HERE

GOVERNMENT POLICIES

In 1998, our Pension Plan was more than 100% funded. But we were **forced to turn our surplus into benefit increases instead of creating a "rainy day fund."**

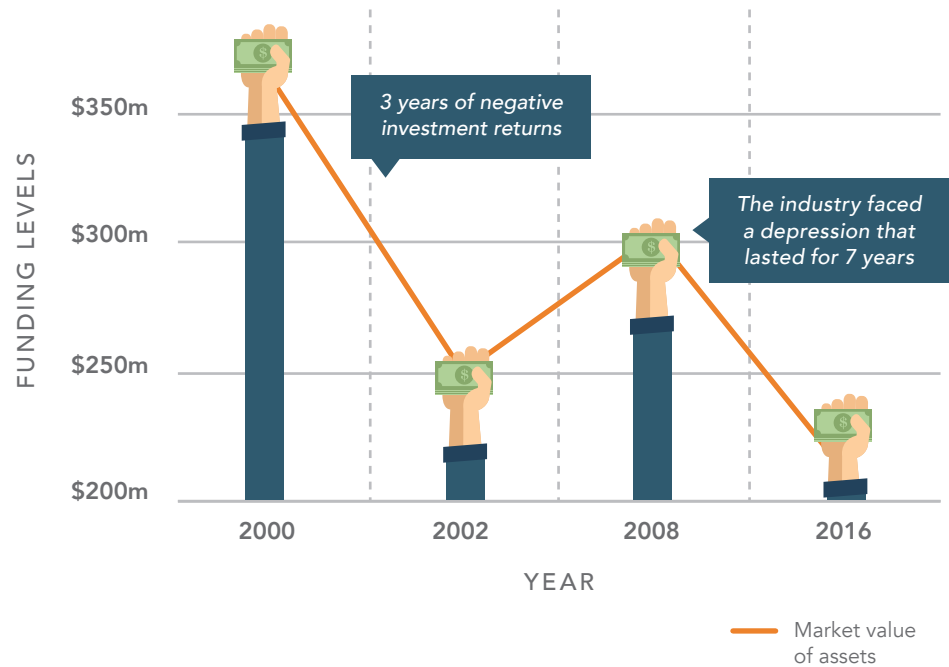


1980-1998
Plan was healthy

1998
Forced to increase benefits rather than keep assets in a "rainy day fund"

STOCK MARKET CRASHES

The Pension Plan's funding level dropped to 52% after two historic crashes. It's now at 45%.



FEWER ACTIVE MEMBERS AND CONTRACTORS, MORE RETIREES

54% Membership dropped



29% Signatory contractors dropped



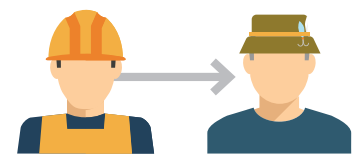
45% Hours worked dropped



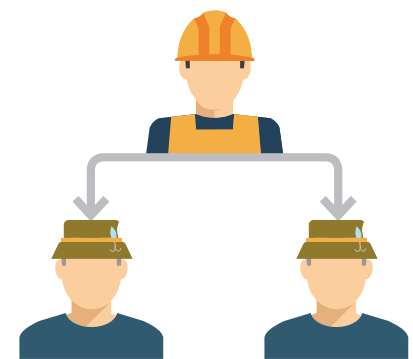
56% Funding percentage dropped



2000:
just over one active worker for each retiree



2016:
just over two retirees for each active worker



WHAT HAPPENS IF WE DO NOTHING?

PENSION PLAN WILL RUN OUT OF FUNDS BY 2032



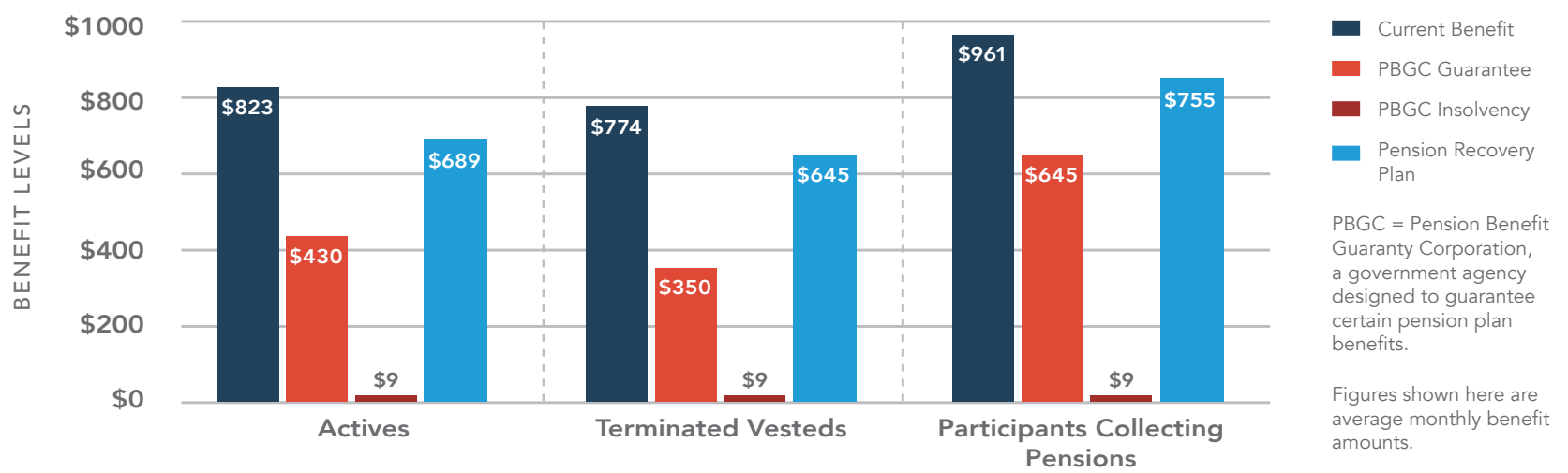
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PENSION PLAN

WHAT'S AT STAKE

IF WE DO NOT PASS THE PENSION RECOVERY PLAN,
YOUR BENEFITS WILL BE REDUCED EVEN MORE.



If the PBGC takes over the Plan, the benefit cuts will be large.



The PBGC may run out of money within 10 years – in which case, all benefits will be cut to almost NOTHING.



The suspensions under our Pension Recovery Plan are a better alternative.

OUR PROPOSED SOLUTION

BY IMPLEMENTING A ONE-TIME BENEFIT SUSPENSION NOW, THE PENSION PLAN WILL BE ABLE TO CONTINUE PAYING BENEFITS PAST 2032.



Active Member

17% Estimated Benefit Suspension



Normal Retiree

17% Estimated Benefit Suspension



Early Retiree

Estimated Benefit Suspension depends on retirement date

PROCESS AND TIMELINE

Application to US Treasury Dept. & distribution of Individualized Notice.

Treasury Department Review.

Participants vote on the Pension Recovery Plan.

If members **VOTE TO SUPPORT** the Pension Recovery Plan:

Pensions will be reduced. The Plan preserves the greatest benefit amount to all participants and stays in business.



VOTE

We need your vote to keep our Pension Plan alive!

If members **VOTE NOT TO SUPPORT** the Pension Recovery Plan:

The Plan will run out of money by 2032 or sooner.

The Plan gets taken over by the PBGC and everyone faces large cuts. The PBGC may run out of money within 10 years – all benefits will be reduced to almost nothing.

