

**Northern California Glaziers, Architectural Metal and Glass Workers Pension Trust Fund &
Northern California Glaziers Individual Account Retirement Plan**



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To: Participants and Beneficiaries, Contributing Employers, Local Unions of Northern California Glaziers, Architectural Metal and Glassworkers Pension Plan

From: Board of Trustees

Funding Improvement Plan

Introduction

ERISA requires the Trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in Endangered status (also known as "Yellow Zone" status) to develop a Funding Improvement Plan ("FIP"). An FIP must prescribe actions, including recommended actions to be taken by the bargaining parties, that are expected to enable a plan to meet stated financial benchmarks by the end of the Funding Improvement Period, based on reasonably anticipated experience and on reasonable actuarial assumptions. On September 28, 2017 the Northern California Glaziers, Architectural Metal and Glassworkers Pension Plan ("Fund") was certified by its actuary to be in endangered status for the plan year beginning July 1, 2017. Prior to this the Fund had been in critical status, but it emerged from that status as of July 1, 2017 and its "rehabilitation period" as defined by law ended as of June 30, 2017.

The Funding Improvement Plan must be designed to accomplish the following:

1. An increase in the Fund's funded percentage, as defined in ERISA §305 (j)(2), by the end of the Funding Improvement Period of at least 33% of the difference between the funded percentage as of the beginning of the period and 100%, and
2. No accumulated funding deficiency during final year of the Funding Improvement Period.

Funding Improvement Period

The Funding Improvement Period for the Northern California Glaziers, Architectural Metal and Glassworkers Pension Plan is the period of 10 plan years beginning July 1, 2018.

If the actuary certifies before the end of this period that the Fund is no longer in Endangered status for a plan year, and is not in Critical status as defined in ERISA §305(b)(2) or §305(b)(4), the Funding Improvement Period will end as of the close of the preceding plan year.

Trustee's Schedule

Based on a certified funded percentage of 74.6% as of July 1, 2017, the FIP must contain a schedule or schedules of plan and/or contribution changes that are projected to enable the funded percentage to improve to at least 83.1% by the end of the Funding Improvement Period and avoid a projected accumulated funding deficiency in the final year of the same period. The Trustees' Schedule shown in the attached exhibit was designed to meet these goals based on reasonable assumptions.

Automatic Imposition of Trustee's Schedule, or Prior Trustees' Schedule, as Updated

If a collective bargaining agreement providing for contributions under the Fund that was in effect on July 1, 2017 expires, and after receiving these FIP schedules the bargaining parties fail to adopt a collective bargaining agreement that provides for contributions at the scheduled rates, the Trustees' Schedule will be implemented automatically 180 days after the date on which the collective bargaining agreement expires, provided the employer has not withdrawn from the Fund.

If a collective bargaining agreement providing for contributions in accordance with the Trustees' Schedule expires after one or more updated Trustees' Schedule has been provided and the bargaining parties fail to adopt a contribution schedule consistent with the updated Funding Improvement Plan and any of its Trustees' Schedule, then 180 days after the expiration of such agreement, the Trustees' Schedule applicable to the expired agreement, as updated and in effect on such expiration date, will be automatically imposed. For purposes of the automatic imposition of an updated Trustees' Schedule 180 days after the date on which the collective bargaining agreement expires, a collective bargaining agreement that is extended past its original scheduled expiration date shall be considered to have expired on its scheduled expiration date.

Annual Updating of FIP

Each year after the beginning of the Funding Improvement Period the plan's actuary will review and certify the status of the Fund and whether the Fund is making the scheduled progress toward the requirements of the FIP. If the Trustees determine that it is necessary in light of updated information, they will revise the FIP and the benefit and contribution schedules recommended under it. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule of contribution rates 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.

Other Issues

Since contracts are typically negotiated for less than a 10-year period, it is expected that future contract renewals will be consistent with the schedule or schedules of the Funding Improvement Plan. The Trustees may adjust this schedule, or add additional schedules as appropriate, at any time during the Funding Improvement Period.

In addition, the Plan will not accept a collective bargaining agreement or participation agreement that provides for a reduction in the level of contributions for any participants, a suspension of contributions with respect to any period of service, or any new direct or indirect exclusions of young or newly hired employees from Plan participation.

Trustees' Schedule

Contributions

This Trustees' Schedule currently does not require any increases in contribution rates after January 1, 2018, but is subject to annual updating as described on page 2. For reference only, the following table summarizes increases called for under the Rehabilitation Plan, which have already been agreed to by the parties in collective bargaining agreements conforming to the Recommended Schedule of the Rehabilitation Plan when it was in effect. All these contribution increases are considered supplemental and do not earn any benefit accruals.

Effective Date of Increase	Percent Increase on rate in Effect on Prior December 31 (Not including Surcharge)
January 1, 2011	0%
January 1, 2012	0%
January 1, 2013	11.54%
January 1, 2014	10.34%
January 1, 2015	9.38%
January 1, 2016	8.57%
January 1, 2017	7.89%
January 1, 2018	7.32%

Benefit Changes

None. This Trustees' Schedule recognizes that plan benefits have already been modified pursuant to the Trustees' Rehabilitation Plan, adopted in 2010, and pursuant to collective bargaining in 2012 and 2015.