



Ohio Carpenters' Fringe Benefit Funds

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2014 ANNUAL FUNDING NOTICE

For

OHIO CARPENTERS' PENSION PLAN

Introduction

This notice includes important funding information about the Ohio Carpenters' Pension Plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning May 1, 2014 and ending April 30, 2015 (referred to hereafter as "Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2014	2013	2012
Valuation Date	May 1, 2014	May 1, 2013	May 1, 2012
Funded Percentage	73%	71%	73%
Value of Assets	\$2,429,099,620	\$2,445,800,831	\$2,466,617,869
Value of Liabilities	\$3,318,567,905	\$3,429,689,788	\$3,357,037,143

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of April 30, 2014, the fair market value of the Plan's assets is estimated to be \$2,100,170,720. As of April 30, 2013, the fair market value of the Plan's assets was \$2,100,424,331. As of April 30, 2012, the fair market value of the Plan's assets was \$ 2,076,752,880.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 27,076. Of this number, 7,825 were active participants, 13,980 were retired or separated from service and receiving benefits, and 5,271 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to satisfy the minimum funding standards under ERISA, and to comply with the terms of the collective bargaining agreements.

Once money is contributed to the Plan, the money is invested at the direction of the Plan's Board of Trustees, the members of which are fiduciaries with respect to the Plan. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to allocate assets to a blend of public and private markets. Limits exist on the amount of money invested in any underlying security, and with any money manager in order to keep the investment portfolio well diversified.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	7.3%
2. U.S. Government securities	2.3%
3. Corporate debt instruments (other than employer securities):	2.3%
4. Corporate stocks (other than employer securities):	0.1%
Preferred	12.8%
Common	25.1%
5. Partnership/joint venture interests	0.5%
6. Real estate (other than employer real property)	1.9%
7. Loans (other than to participants)	1.9%
8. Participant loans	1.9%
9. Value of interest in common/collective trusts	47.9%
10. Value of interest in pooled separate accounts	47.9%
11. Value of interest in master trust investment accounts	0.2%
12. Value of interest in 103-12 investment entities	0.2%
13. Value of interest in registered investment companies (e.g., mutual funds)	0.2%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.2%
15. Employer-related investments:	
Employer Securities	0.2%
Employer real property	0.2%
16. Buildings and other property used in plan operation	0.2%
17. Other	0.2%

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was determined by its actuary to remain in critical status for the 2014 plan year because it is projected to have an accumulated funding deficiency within the next nine years (including the impact of amortization extensions). In an effort to improve the Plan's funding situation, the trustees adopted a rehabilitation plan. The rehabilitation period is May 1, 2013 through April 30, 2023 or the date the Fund actuary certifies it has emerged from critical status. The rehabilitation was most recently updated on September 25, 2013. The current rehabilitation plan includes the following provisions:

Establishment of Supplemental Contributions	Effective October 1, 2010, a "supplemental contribution" was established. A supplemental contribution is a portion of the total contribution rate that is not included in calculating benefits. The supplemental contribution rates outlined below are rates for journeymen. Because total contribution rates for apprentices are typically lower than total contribution rates for journeymen, the supplemental contribution rate for an apprentice is set proportionally lower by a ratio that is approximately equivalent to the ratio between the apprentice's total contribution rate and the total contribution rate of a corresponding journeyman. However, in some rare cases, extenuating circumstances could cause the supplemental contribution rate for certain apprentices to be temporarily higher or lower than a standard proportionality ratio would produce.
2010 Contribution Changes	<ul style="list-style-type: none"> For work performed under bargaining agreements covering Carpenters, Floorlayers, Millwrights, or Pile Drivers: The initial journeyman supplemental contribution rate was 30¢ per hour. For work performed under Residential bargaining agreements: The initial journeyman supplemental contribution rate was 5¢ per hour. However, if the total journeyman contribution rate is less than \$1.00 per hour, there was no supplemental contribution required. For covered work performed for one of the few employers that have an individual participation agreement with the Plan: The initial journeyman supplemental contribution rate varied by agreement, ranging from a minimum of zero to a maximum of 30¢ per hour.
2011 Contribution Changes	<ul style="list-style-type: none"> For work performed under bargaining agreements covering Carpenters, Floorlayers, Millwrights, or Pile Drivers: The journeyman supplemental contribution rate was increased to 60¢ per hour. For covered work performed for one of the few employers that have an individual participation agreement with the Plan: The journeyman supplemental contribution rate varied by agreement, ranging from a minimum of zero to a maximum of 60¢ per hour.
2012 Contribution Changes	<ul style="list-style-type: none"> For work performed under bargaining agreements covering Carpenters, Floorlayers, Millwrights, or Pile Drivers: The journeyman supplemental contribution rate was increased to 90¢ per hour. For covered work performed for one of the few employers that have an individual participation agreement with the Plan: The journeyman supplemental contribution rate varied by agreement, ranging from a minimum of zero to a maximum of 90¢ per hour.
2013-2023 Annual Contribution Changes	<ul style="list-style-type: none"> For work performed under bargaining agreements covering Carpenters, Floorlayers, Millwrights, or Pile Drivers: The journeyman supplemental contribution rate will be increased by 87¢ per hour in each year. For work performed under all other bargaining agreements or individual employer participation agreements: The journeyman supplemental contribution rate will be increased by 20¢ per hour in each year. However, for journeyman benefit-credited contribution rates (i.e. the total contribution rate minus the supplemental contribution rate) that were less than \$1.00 per hour in 2012, the journeyman supplemental contribution rate will be increased by only 10¢ per hour in each year.

<i>January 1, 2011 Benefit Change</i>	Reduced the benefit multiplier to 1% (was previously 3.8%) of benefit-credited contributions for work performed on or after January 1, 2011.
<i>May 1, 2013 Benefit Changes</i>	<ul style="list-style-type: none"> For retirements commencing on or after May 1, 2013, replaced the "Rule of 80" unreduced early retirement eligibility provision with a "Rule of 85" unreduced early retirement eligibility provision. However, active participants retiring with at least 80 points receive a special early retirement reduction of only 3% for each point less than 85 earned at retirement (6% for each point if retiring from inactive status). These changes apply only to benefits earned on or after May 1, 2013. Benefits earned prior to May 1, 2013 are not affected by these changes. For deaths occurring on or after May 1, 2013, eliminated the following death benefits: <ul style="list-style-type: none"> Lump Sum Normal Death Benefit Lump Sum Supplemental Death Benefit Additional \$1,500 Lump Sum Death Benefit
<i>May 1, 2014 Benefit Changes</i>	<ul style="list-style-type: none"> For retirements commencing on or after May 1, 2014, eliminate "Rule of 80" and "Rule of 85" unreduced early retirement eligibility provisions. This change applies to all earned benefits. However, participants who have earned at least 80 points by May 1, 2014 are grandfathered under the prior unreduced early retirement provisions described in the "May 1, 2013 Benefit Changes" section above. For retirements commencing on or after May 1, 2014, establish a special early retirement eligibility rule for participants retiring on or after age 55 with at least 30 years of service. The early retirement reduction for these participants will be only 1% for each year that retirement age is less than age 62. For disabilities commencing on or after May 1, 2014, reduce the disability benefit to 75% (previously 100%) of accrued benefit. For work performed under bargaining agreements covering Carpenters, Floorlayers, Millwrights, or Pile Drivers: The benefit-credited portion of the journeyman contribution rate will be reduced by 50¢ per hour and the supplemental contribution portion of the journeyman contribution rate will be increased by 50¢ per hour. This change applies only to contributions for work performed on or after May 1, 2014. The amount of change for apprentices will be proportionally lower using the same ratio-based methodology described in the "Establishment of Supplemental Contributions" section above.

The Plan is not projected to emerge from critical status until after the end of the rehabilitation period. However, under federal pension law, if a plan has exhausted all reasonable measures in an effort to improve funding, its rehabilitation plan is considered acceptable even if the plan is not projected to emerge from critical status until after the end of its rehabilitation period. On December 11, 2014, the Board of Trustees determined that this updated rehabilitation plan represents an exhaustion of all reasonable measures that can be taken by the Plan. Therefore, the rehabilitation plan is considered acceptable.

Federal law requires the Board of Trustees to monitor the economic environment to ensure that all reasonable courses of action continue to be taken to fund the Plan. The Board of Trustees remains committed to funding your pension benefits. If determined to be feasible, additional contribution rate increases and/or benefit reductions may be made. You will receive a separate notice identifying and explaining any additional changes in benefits, if necessary, and you will receive an annual notice, like this one, identifying any event that has a material effect on Plan assets or liabilities.

You may obtain a copy of the Plan's rehabilitation plan and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the Plan Administrator.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service (\$500/10), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 (.75 x \$33), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 (\$35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or \$200/10). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 (.75 x \$9), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 (\$17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or

benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact the Plan Administrator at (248) 641-4967. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 34-6574360. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

**Notice of Critical Status
For
Ohio Carpenters' Pension Fund**

This is to inform you that on July 29, 2015 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical status for the plan year beginning May 1, 2015. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The Plan is still considered to be in critical status because it is projected to satisfy the following:

Projected accumulated funding deficiency within the current or next 9 plan years

The Plan's actuary projects that, if no further action is taken, the plan will have an accumulated funding deficiency (after recognizing amortization extensions) at the end of the 2018-19 plan year. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Plan offers the following adjustable benefits which may be reduced or eliminated (for participants not yet in pay status as of August 28, 2010) as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits;
- Early retirement benefits or subsidies;
- Post-retirement death benefits

Certain benefit changes were adopted pursuant to the rehabilitation plan effective January 1, 2011, May 1, 2013, and May 1, 2014. These changes were described in separate notices mailed to you on August 19, 2010, April 15, 2013, and August 28, 2013 respectively. If the Trustees of the Plan determine that any additional benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Additionally, effective August 27, 2010, the Plan is not permitted to pay any lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Future Experience and Possible Adjustments

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 7.50% (in the 2015-16 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan and any updates to that plan. To receive a copy of the latest version, you may contact the Plan Administrator, BeneSys at 700 Tower Drive, Suite 300, Troy MI 48098 or by telephone at (248) 641-4967.

