

**Annual Funding Notice
for
UA Local 190 Pension Plan**

Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”) and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning June 1, 2017 and ending May 31, 2018 (referred to hereafter as “Plan Year”).

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funded percentage.” This Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

	2018 Plan Year	2017 Plan Year	2016 Plan Year
Valuation Date	June 1, 2017	June 1, 2016	June 1, 2015
Funded Percentage	87.5%	84.0%	81.4%
Value of Assets	\$174,984,685	\$163,004,850	\$156,103,439
Value of Liabilities	\$199,918,009	\$194,050,650	\$191,760,808

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They are also “actuarial values.” Actuarial values differ from market value in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market value tend to show a clearer picture of a plan’s funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end value of the Plan’s assets for each of the two preceding plan years.

	<u>May 31, 2018</u>	<u>May 31, 2017</u>	<u>May 31, 2016</u>
Fair Market Value of Assets	\$186,500,000	\$174,412,801	\$157,757,283

Endangered, Critical, or Critical and Declining Status

Under federal pension law a plan generally is in “endangered” status if its funded percentage is less than 80 percent. A plan is in “critical” status if the percentage is less than 65 percent (other factors may also apply). A plan is in “critical and declining” status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). 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 or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending 5/31/2019, separate notification of that status has or will be provided.

Participant Information

The total number of participants in the plan as of the Plan’s valuation date was 2,069. Of this number, 900 were active participants, 763 were retired or separated from service and receiving benefits, and 406 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to collect employer contributions and set the benefits to a level that can reasonably be expected to be provided by those contributions after taking into account future investment returns and the expenses inherent in running the Plan.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to achieve an annualized rate of return which exceeds the rate of return produced by a Blended Index (20% MSCI ACWI Index, 30% S&P 500 Index, 5% Russell 2000 Index, 5% MSCI EAFE Index, 30% Barclays Capital Intermediate Government/Credit Bond Index, and 10% NCREIF ODCE Equal Weighted Index), before fees are deducted. Investment performance for each manager/product is analyzed within each asset class relative to an appropriate market index benchmark and a broad universe of managers.

Under 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:

Policy Asset Allocation

<u>Asset Allocations</u>	<u>Percentage</u>
1. Domestic Equity	35.0%
2. International Equity	5.0%
3. Global Equity	20.0%
4. Fixed Income	30.0%
5. Real Estate	10.0%

Asset Allocations Percentage

<u>Asset Class</u>	<u>Percentage</u>
1. Stocks	66.08%
2. Investment grade debt instruments	21.75%
3. High-yield debt instruments	3.68%
4. Real estate	8.49%
5. Other	0.00%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the “Form 5500.” These reports contain financial and other information. You may obtain an electronic copy of your Plan’s annual report by going to www.efast.dol.gov and using the search tool. Annual reports are also 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. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under “Where To Get More Information.”

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC 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 notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC’s multiemployer program. 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 $\$24.75 (.75 \times \$33)$, or \$35.75. Thus, the participant's guaranteed monthly benefit is $\$357.50 (\$35.75 \times 10)$.

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 $\$6.75 (.75 \times \$9)$, or \$17.75. Thus, the participant's guaranteed monthly benefit would be $\$177.50 (\$17.75 \times 10)$.

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). 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 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.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where To Get More Information About Your Plan" below.

Where to Get More Information

For more information about this notice, you may contact Ms. Bernadette Maus, Benefits Manager, at UA Local 190 Fringe Benefit Plans, 30700 Telegraph Rd., Suite 2400, Bingham Farms, MI 48025. The telephone number is (248) 645-6550. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 38-6065579.