NOTICE OF CRITICAL STATUS

This is to inform you that on April 1, 2024 the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Western States Office & Professional Employees Pension Fund (Plan) is in critical status for the Plan Year beginning January 1, 2024. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary has determined that the plan has an accumulated funding deficiency for the current plan year.

Prior to 2023, the Plan was no longer projected to become insolvent due to the benefit reductions that took effect October 1, 2018, as allowed under the Multiemployer Pension Reform Act of 2014 (MPRA), and approved by the U.S. Department of the Treasury and ratified by a Participant vote. Accordingly, the Plan had emerged from critical and declining status in 2019 and was in critical status for the Plan Year ending December 31, 2022.

Effective November 1, 2022, the Board of Trustees elected to restore MPRA benefit suspensions for all affected participants in advance of the Plan's application for Special Financial Assistance ("SFA"), which was filed with the PBGC on December 29, 2022. As of the date of the 2023 Section 432 certification, the Plan's SFA application was under review by the PBGC and therefore, the SFA funding the Plan was expected to receive could not be included in the calculations for determining the Plan's PPA zone status. The Plan was certified in critical and declining status for 2023. In April 2023, the PBGC approved the Plan's SFA application, and on May 24, 2023, the Plan received $294,717,463 in SFA funding from the PBGC. Due to the receipt of SFA funding, the Plan was certified in critical status for the 2024 Plan Year. Pursuant to Section 4262.17 of ERISA, the Plan will be required to report as a Critical Status plan through the year 2051.

Rehabilitation Plan

Federal law requires pension plans in critical status or critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the 15th year the Plan has been in either critical status or critical and declining status (the Plan was first certified to be in critical status on March 31, 2009 for the 2009 Plan Year). The law permits pension plans in critical status or critical and declining status to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Trustees made some benefit reductions

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as part of their adoption of the rehabilitation plan in November 2009, which was subsequently updated in March 2011 and January 2013. The Trustees mailed notices explaining the benefit reductions and questions and answers about the rehabilitation plan, all of which are available on the Plan's website or from the Trust office. As of January 1, 2010, the Plan is not permitted to pay 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 or critical and declining status. However, the Plan may still pay mandatory lump sum distributions as required by law. In addition, effective October 1, 2018 benefits were reduced in accordance with the MPRA in an effort to avoid plan insolvency. Effective November 1, 2022, the Board of Trustees elected to restore MPRA benefit suspensions for all affected participants in advance of due to the Plan's application for Special Financial Assistance ("SFA"), which was filed with the PBGC on December 29, 2022. If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Adjustable Benefits

The Plan offered the following adjustable benefits which were reduced or eliminated as part of the adopted rehabilitation plan:

- [x] Sixty-month payment guarantees;
- [x] Disability benefits (if not yet in pay status);
- [x] Early retirement benefit or retirement-type subsidy;
- [x] Benefit payment options other than a qualified joint-and-survivor annuity (QJSA)

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge was applicable in 2009 (the initial critical year) and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Plan is in critical status or critical and declining status, until the applicable collective bargaining agreement includes terms consistent with an appropriate schedule pursuant to a rehabilitation plan.

Multiemployer Pension Reform Act of 2014 (MPRA)

Under the MPRA, a pension plan in critical and declining status may apply to the Secretary of Treasury to reduce benefits in order to avoid becoming insolvent. Any benefit reductions under the MPRA provisions are in addition to any reductions in adjustable benefits as discussed above.

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The Plan was certified as critical and declining status for the 2016 through 2018 Plan Years. On May 15, 2018 the Board of Trustees submitted an application with the U.S. Department of the Treasury to reduce benefits as allowed under the MPRA to avoid plan insolvency. On September 14, 2018, the U.S. Department of the Treasury approved the application for benefit reductions effective October 1, 2018, which reduced benefits accrued through September 30, 2018 by 30%, subject to the restrictions below:

(1) The monthly benefit of any participant or beneficiary may not be reduced below 110 percent of the monthly benefit that is guaranteed by the Pension Benefit Guaranty Corporation;

(2) The benefits of a participant or beneficiary who is 80 years old or older as of the effective date of the benefit reduction may not be reduced;

(3) A participant or beneficiary who is at least 75 years old but less than 80 years old as of the effective date of the benefit reduction is subject to protections under which the maximum benefit reduction that would otherwise apply is limited based upon a percentage determined by dividing the number of months that remain (beginning with the month after the month in which the benefit reduction is effective) until the participant or beneficiary reaches 80 years of age by 60 months.

(4) No benefits based on disability (as defined under the Plan) may be reduced.

Effective November 1, 2022, the Board of Trustees elected to restore MPRA benefit suspensions for all affected participants in advance of the Plan's application for Special Financial Assistance ("SFA"), which was filed with the PBGC on December 29, 2022.

Where to Get More Information

For more information about this notice, you may contact BeneSys, Inc. by phone at (800) 413-4928 or by mail at 5331 S Macadam Ave, Suite 258, Portland, Oregon, 97239. You have a right to receive a copy of the rehabilitation plan or any other materials previously sent relating to the Plan's status.

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