

RESILIENT FLOOR COVERING PENSION TRUST FUND

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NOTICE OF REHABILITATION PLAN SCHEDULES

March 17, 2017

**TO: ALL BARGAINING PARTIES TO COLLECTIVE BARGAINING AGREEMENTS
THAT CONTRIBUTE TO THE RESILIENT FLOOR COVERING PENSION FUND**

FROM: BOARD OF TRUSTEES, RESILIENT FLOOR COVERING PENSION FUND

As you may remember, the Resilient Floor Covering Pension Fund (the “Fund”) was certified as in Critical Status on March 31, 2010 by its actuary. Under federal law, the Board adopted a Rehabilitation Plan for the Fund and previously provided schedules to the bargaining parties. The Rehabilitation Plan is a 10 year plan that introduces a combination of benefit cuts and increased contributions projected to allow the Fund to emerge from Critical Status. The Board is required by law to review and update the rehabilitation schedules based on the current financial health of the Fund. Enclosed please find the current schedules approved by the Board of Trustees. You will notice that the amounts required under the rehabilitation plan have been lowered from previous schedules and that two additional schedules have been adopted. This is because the Board of Trustees has made a determination that they have exhausted all reasonable measures to lower benefits and increase contributions and still cannot emerge from critical status on time without hurting the competitive ability of signatory contractors to attract work and bring contributions into the Fund. Accordingly, the Fund will instead adopt schedules which are projected to allow the Fund to emerge from critical status beyond the initial rehabilitation period.

When a collective bargaining agreement expires, the bargaining parties must adopt one of these updated schedules. If the bargaining parties do not adopt one of these updated schedules within 180 days of the date the collective bargaining agreement expires, the Trustees of the Plan will implement the contribution schedule applicable under the expired CBA, as updated and in effect on the date the CBA expires.

These schedules will remain in effect until updated or changed by the Trustees. When bargaining over pension benefits, please contact the Fund Office to ensure that the bargaining parties have the current schedules