Members,
Enclosed is an important letter from our Detroit Carpenters Pension Plan administrator, Benesys, that we are required to send to you regarding the status of the pension plan. Here are some facts and resources to help you understand this important notice, and how your union is taking steps to address challenges we continue to face with the pension plan.

The Notice You Are Receiving
As you know, our pension was certified as being in Critical and Declining Status two years ago at this time. This means that our actuary evaluated the pension plan and based on reasonable assumptions, determined that the plan is projected to be insolvent within the next 15 – 20 years. Our fund has enough resources to continue payments to retirees in the short term but we must place an even greater emphasis on preserving and protecting the fund for current and future participants.

The Plan Moving Forward
As you know, we filed for MPRA last year. However, due in large part to the unexpected effects of the pandemic on the economy and in accordance with the governments recommendation, we withdrew that application earlier this year. The MRCC is working with a professional team of lawyers, actuaries, benefits administrators, and financial advisors to create a revised plan to save our pension. We are taking this very seriously and reviewing all options available to us. We will be in touch as soon as our plans are available.

Communicating With You
As things develop, we will be updating members with all of our available tools, including membership meetings, Tele Town Halls, text messaging, robo-calls, and FAQs. To sign up for our text messaging system, just text the word HAMMER to (855) 424-2562. If your phone number or contact information has changed, be sure to update Benesys and the MRCC.

The challenge ahead with the Detroit Carpenters Pension Plan is one we take very seriously. It affects everyone in the Detroit Carpenters Pension Plan, including me. As carpenters and millwrights we must stand shoulder to shoulder, to solve this problem together.

Thank you for your attention and for the opportunity to serve you and our great union.

Sincerely,

Thomas P Lutz

Tom Lutz
Executive Secretary-Treasurer

MICHIGAN REGIONAL COUNCIL OF CARPENTERS' FRINGE BENEFIT FUNDS

P.O. Box 4540 ● Troy, MI 48099-4540 ● Telephone: (248) 641-4950 (800) 572-2525

August 2020

To: All Participants, Beneficiaries, Michigan Regional Council of Carpenters, Local Union, Contributing Employers and Employer Associations

Enclosed you will find two notices from the Carpenters Pension Trust Fund, both of which are required by law. They are designed to explain your Pension Plan's status, using certain parameters set by law. Because they are technical in nature, the following summaries should help you evaluate them:

1. **Annual Funding Notice**. This notice contains information regarding the Pension Plan's funded percentage, asset values, and investments. By law, the Annual Funding Notice is provided **after** the close of the Plan Year and relates to the 2019 Plan Year (i.e. May 1, 2019 through April 30, 2020). You received this same type of notice in years past, while a participant in the Pension Plan – this year's notice contains updated information on important facts, like investment returns, participant numbers, etc. Again, because the format of the notice is dictated by law, additional information will be made available by the Pension Fund to help you interpret the provided information.

2. **Pension Plan Status Notice**. As you were informed in previous years, the Pension Plan is required to conduct an annual actuarial study to compare the value of its assets to the benefits it will have to pay out in future years and to establish a funding ratio. If the resulting funding ratio (and certain other parameters) are below the level set by law, the enclosed Notice of Pension Plan Status is required to be issued by the Pension Plan. This second notice is based on certain future projections made by the Pension Fund's actuary. Factors such as future work hours, investment returns and benefit payments are all considered in that process. Those actuarial assumptions are then compared to funding and other levels set by law. Even though the Pension Fund is certified by the actuary to be in a "critical and declining" status, this does not mean that the Pension Plan is currently unable to pay benefits. That is because the actuarial assumptions used in this process take a long-term view – about 20 years into the future. The law requires the Pension Fund's Trustees to then take certain corrective steps, based on those long-term projections. As required, the Trustees of the Pension Fund will be consulting with the Plan's professionals and governmental agencies to develop a plan to protect the Pension Fund for the long-term. You will be notified of any changes that may be recommended, as explained in the Notice.

We hope that this summary has been helpful in evaluating the enclosed notices. Should you have additional questions that are not answered by the notices; you can contact the Pension Plan's administrator at (800) 572-2525.

Very truly yours,
Trustees of the Carpenters Pension Trust Fund - Detroit and Vicinity

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Notice of Critical and Declining Status For Carpenters Pension Trust Fund – Detroit and Vicinity Pension Plan

This is to inform you that on July 29, 2020 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical and declining status for the plan year beginning May 1, 2020. 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 and Declining Status

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

Projected accumulated funding deficiency within the current or next 3 plan years
The Plan's actuary projects that, if no further action is taken, the Plan has an existing accumulated funding deficiency and will have an accumulated funding deficiency for the plan year ending April 30, 2021. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements.

Projected insolvency within the current or next 20 plan years and funded percentage less than 80%
The Plan's actuary determined that the Plan's funded percentage is 33.4% on May 1, 2020. The "funded percentage" is the fraction of earned benefits that could be funded with existing Fund assets. The Plan's actuary also projects that, if no further action is taken, the Plan will have a projected insolvency in the plan year ending April 30, 2032. Insolvent means that the Plan's available resources will not be sufficient to pay benefits under the Plan during the Plan Year for which they are due.

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 and declining 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 all participants, including those not yet in pay status) as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits;
- Early retirement benefits or subsidies;

Certain benefits were reduced pursuant to the rehabilitation plan, and you were mailed a notice of these reductions. But you should know that whether or not the Plan reduces adjustable benefits, the Plan is not permitted to pay any lump sum benefits in excess of $5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical and declining status.

In addition the trustees of a critical and declining plan may suspend benefits in order to avoid becoming insolvent. A suspension of benefits means a temporary or permanent reduction of current or future payment obligations of the plan to its participants, including those receiving monthly benefits from the plan at the time benefits are suspended, subject to certain restrictions. The reduction must eliminate the insolvency (no more, no less), must be within allowable limits and must be equitably allocated. All reasonable measures must also have already been taken. The current rehabilitation plan does indicate that all reasonable measures have been taken. Any such recommended benefit suspensions must first be approved by the Secretary of the Treasury and are also subject to a participant vote. If the Trustees of the Plan determine that the benefit suspensions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those suspensions.

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 6.50% (in the 2020-21 plan year), 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, you may contact the Board of Trustees of Carpenters Pension Trust Fund - Detroit and Vicinity Pension Plan at 700 Tower Drive, Suite 300, Troy, MI 48098-2808 or by telephone at (248) 813-9800.

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ANNUAL FUNDING NOTICE – ACTUARIAL INFORMATION

Carpenters' Pension Trust Fund
Detroit and Vicinity
Plan Year Beginning May 1, 2019

This notice includes important funding information about your pension plan (the "Plan"). It also includes 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 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 required by federal law. This notice is for the plan year beginning May 1, 2019 and ending April 30, 2020 (referred to hereinafter as the "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." The 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.

	2019	2018	2017
Valuation Date	May 1	May 1	May 1
Funded Percentage	34.5%	34.8%	35.5%
Value of Assets	$ 777,050,724	$ 771,736,789	$ 781,238,944
Value of Liabilities	$ 2,253,649,383	$ 2,217,887,651	$ 2,199,043,150

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Plan's valuation date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock market or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values 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 market value of the Plan's assets for the two preceding Plan Years.

	April 30, 2020	April 30, 2019	April 30, 2018
Fair Market Value of Assets	$711,656,498 *	$772,279,905	$761,729,009

*unaudited

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 funded 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. 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 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 in critical and declining status in the Plan Year because of an estimated funded ratio of 34.5%, an existing funding deficiency, the Plan projected to remain negative at the end of the 2019-20 plan year, and a projected insolvency in the 2034-35 plan year. Such insolvency may result in benefit reductions. In an effort to improve the Plan's funding situation, the trustees adopted a rehabilitation plan on September 27, 2008. The rehabilitation plan was updated in 2014. The rehabilitation period is May 1, 2010 through April 30, 2023 or until the Fund's Actuary certifies it has emerged from critical status.

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. The Board of Trustees has 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 progress toward achieving the objectives and annual standards of the rehabilitation plan. The Board of Trustees remains committed to the proper funding of your pension benefits and assures you that they will take appropriate actions to meet this goal. The rehabilitation plan and its objectives and annual standards are based on a number of assumptions about future experience and may have to be adjusted if those assumptions are not met. Additional contribution rate increases and/or benefit reductions might be required. 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 get a copy of the Plan's rehabilitation plan, any update to such plan, and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement. You may get this information by contacting the plan administrator.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date of May 1, 2019 was 19,604. Of this number, 5,694 were active participants, 7,466 were retired or separated from service and receiving benefits, and 6,444were 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 maintain a level of benefits and contributions such that it will attain a healthy funded percentage for purposes of the Pension Protection Act by the end of the Rehabilitation Period.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. 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 seeks to prudently invest plan assets, consistent with the Trustees' fiduciary duties. Accordingly, assets of the Plan are actively managed so that investment decisions regarding particular securities or other investments to be purchased or sold are the result of a conscious exercise of discretion. The primary focus is on preservation of capital with emphasis placed on fixed income and equity broad market averages while markets are rising, and preservation of capital during market contraction.

The overall objective is to maximize long-range returns while maintaining a high standard of portfolio quality and a consistent return. The Plan relies upon the advice of professional investment managers to insure that this standard is met. The Plan's trustees have adopted the asset allocation targets outlined below to serve as a guide.

	Minimum	**Target**	**Maximum**
Fixed Income:			
Core/Diversified	6%	11%	30%
Bank Loans	0%	2%	6%
Emerging Market Debt	0%	2%	6%

Equity:			
Large-Cap	3%	11%	20%
Small/Mid-Cap Growth	2%	7%	12%
International Equity	0%	4%	10%
EmergingMarkets	0%	3%	8%
Global Equity	2%	8%	15%
Alternatives:			
Hedge Fund of Funds	2%	6%	10%
Real Estate	10%	20%	36%
Global Asset Allocation/Risk Parity	2%	10%	14%
Private Equity/Debt	2%	16%	25%

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	3.2%
2.	U.S. Government securities	2.8%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	0.0%
	All other	6.4%
4.	Corporate stocks (other than employer securities):	
	Preferred	0.0%
	Common	16.0%
5.	Partnership/joint venture interests	12.4%
6.	Real estate (other than employer real property)	23.4%
7.	Loans (other than to participants)	0.0%
8.	Participant loans	0.0%
9.	Value of interest in common/collective trusts	16.1%
10.	Value of interest in pooled separate accounts	0.0%
11.	Value of interest in master trust investment accounts	0.0%
12.	Value of interest in 103-12 investment entities	0.0%
13.	Value of interest in registered investment companies (e.g., mutual funds)	19.7%
14.	Value of funds held in insurance co. general account (unallocated contracts)	0.0%
15.	Employer-related investments:	
	Employer Securities	0.0%
	Employer real property	0.0%
16.	Buildings and other property used in plan operation	0.0%
17.	Other	0.0%

For information about the Plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact the Benefits Office of the Carpenters' Pension Trust Fund – Detroit and Vicinity located at Benesys, Inc., 700 Tower Dr., #300, Troy, MI 48098, or call (248) 641-4950 or toll-free (800) 572-2525.

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 also 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. 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 $600, 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 ($600/10), which equals $60. The guaranteed amount for a $60 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 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.

Where to Get More Information

For more information about this notice, you may contact the Fund Office at 700 Tower Drive, Suite 300, Troy, Michigan 48098, or call (248) 641-4950 or (800) 572-2525. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 38-6242188. 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).

Michigan Regional Council of Carpenters'
Fringe Benefit Funds
P.O. Box 4540
Troy, Michigan 48099-4540

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