



PBGC Benefits Admin & Payments Dept
P.O. Box 151750
Alexandria VA 22315-1750

524
March 25, 2015

PBGC Case Number: 22004800
Plan Name: RG Steel - Warren, LLC Hourly Employees Pension Plan

PLAN PARTICIPANT
123 MAIN STREET
ANY TOWN, STATE 12345

Re: RG Steel Warren, LLC Hourly Employees Pension Plan

Dear PLAN PARTICIPANT:

I am pleased to inform you of a settlement concerning your pension plan, the RG Steel Warren, LLC Hourly Employees Pension Plan (the "Plan"). Under the settlement, you will receive the full amount of the benefits you earned under the Plan.

PBGC has settled a lawsuit against The Renco Group, Inc. ("Renco"). In that lawsuit, PBGC argued that Renco should be responsible for RG Steel's pension plans, including the Plan.

The Plan was terminated in 2012, meaning that PBGC took over the Plan's assets and liabilities and started paying benefits to retired participants and their beneficiaries. Because of legal limits on PBGC's guarantee, some participants have been receiving smaller amounts than the benefits they earned under the Plan.

Under the settlement, PBGC will restore the Plan to its "pretermination status." This means that PBGC will return the Plan to RG Steel as an ongoing pension plan. But because RG Steel has liquidated in bankruptcy, the settlement provides that Renco will then take control of the Plan and become the Plan's sponsor and administrator. This means that Renco will be responsible for funding the Plan, managing the Plan in compliance with the settlement and law, and paying all Plan benefits.

PBGC will restore the Plan on **June 1, 2016**. Retirees will receive their last payment from PBGC on that day. Retirees will receive their first payment from the Plan, under Renco's administration, on **July 1, 2016**. The July 1 payment will be for the same amount as the June 1 payment. PBGC will notify you if these dates change.

After the Plan terminated, PBGC's payments were an estimate of the amount each participant (or beneficiary) is entitled to under the Plan and the law governing terminated Plans. Because the Plan will now be restored as an ongoing plan, Renco will review these estimated benefits, determine the Plan benefit, and adjust any amounts that it determines were incorrectly calculated.

By September 1, 2016, the Plan will pay full Plan benefits to any retirees who have been receiving an estimated benefit that is different from their Plan benefit. **By September 1, 2016**, the Plan will also make a backpayment, with interest, to any retirees who have been receiving less than their full Plan benefit.

**Pension Benefit Guaranty Corporation
U.S. Government Agency**

Your Plan also offered shutdown benefits, which are early retirement benefits payable to certain participants when a company, or a plant, shuts down its operations. The Plan provided shutdown benefits to participants who had satisfied certain age and service eligibility requirements (under the Plan's "Rule of 65" or "70/80" provisions) and whose employment terminated because RG Steel Warren shut down its operations. PBGC has not paid any shutdown benefits, because of the PBGC guarantee limits. As a result of the restoration, all shutdown benefits promised under the Plan will be paid by the Plan, but some participants will get them sooner than others, depending on when the participant's employment was terminated.

Participants who were terminated on or before June 11, 2012. Shutdown benefits for participants whose employment terminated on or before June 11, 2012, will be paid beginning on **September 1, 2016**. The Plan will also make backpayments, with interest, on or soon after **September 1, 2016**, for the shutdown benefits that they did not receive between the time their employment terminated and the time that the Plan begins paying these shutdown benefits. Eligible participants who are not yet receiving a pension will need to file a benefit application; the Plan will send benefit applications to these participants.

Participants who were terminated after June 11, 2012. Because of the Plan's poor funded status in 2012, the shutdown benefits for employees whose employment terminated after June 11, 2012, could not be paid, as a matter of law. Even if PBGC had won the lawsuit against Renco and had collected a full recovery, PBGC could not have paid these post-June 11, 2012 shutdown benefits. Renco has nevertheless agreed to pay these shutdown benefits, but the settlement gives Renco four years to fund the Plan to a level that, under the law, will permit these benefits to be paid. Therefore, shutdown benefits for participants whose employment terminated after June 11, 2012, will be paid **beginning four years after the restoration**. At that time, the Plan will also make a backpayment, with interest, for the shutdown benefits that these participants did not receive between the time their employment terminated and the time the Plan begins paying these shutdown benefits.

The restoration will not interrupt the payment of benefits to any retirees. Retirees will continue to receive pension benefits in the form they elected. Retirees cannot change their benefit election after the restoration.

Until the restoration, PBGC will continue to be responsible for paying benefits to you. To help answer your questions about the restoration and its effect on Plan participants, PBGC has published a series of answers to frequently asked questions. This information is available on PBGC's website at: <http://pbgc.gov/wr/large/rengo/index.html>.

You can also call PBGC with any questions about benefits and the restoration. Please call PBGC's customer contact center toll-free at **1 (800) 400-7242**. TTY/ASCII users may call the Federal Relay Service toll-free at **1 (800) 877-8339** and ask to be connected to **1 (800) 400-7242**.

We will keep you informed of any developments about the Plan and its restoration. You will receive additional letters as we move closer to the restoration.

Sincerely,

Art Nersasian

Art Nersasian
FBA Manager
Field Benefit Administration

SAMPLE