

IESHAFFER

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October 26, 2010

U. S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave., NW
Washington, DC 20210


**Re: Plumbers and Pipefitters Local Union No. 9 Pension Plan
Notice of Critical Status**

Ladies and Gentlemen:

Enclosed please find a copy of the Notice of Critical Status for the Plumbers and Pipefitters Local Union No. 9 Pension Plan for the plan year beginning July 1, 2010.

Should you have any questions concerning this notice, please feel free to contact me.

Very truly yours,


Glenn D. Shaffer
Administrator

Encls.

**Notice of Critical Status
For
Plumbers & Pipefitters Local Union No. 9 Pension Plan**

This is to inform you that on September 28, 2010 the plan actuary certified to the U.S. Department of the Treasury, and also the Board of Trustees, that the Plumbers & Pipefitters Local Union No. 9 Pension Plan is in critical status for the plan year beginning July 1, 2010. Federal law requires that you receive this notice.

Background

The Pension Protection Act of 2006 (“PPA”) imposes new rules on all single employer and multiemployer defined benefit pension plans intended to improve their funding status. The law has established three zones for plans with funding problems – endangered, seriously endangered, and critical. A plan is in endangered status if it is less than 80% funded or the plan is projected to have a funding deficiency within 7 years. A plan is in seriously endangered status if it is less than 80% funded and the plan is projected to have a funding deficiency within 7 years. A plan is in critical status if (1) it is less than 65% funded and with a projected funding deficiency within 5 years, or the inability to pay benefits within 7 years, or (2) it has a projected funding deficiency within 4 years, or an inability to pay benefits within 5 years, regardless of its funded percentage, or (3) it has benefits for inactives that are greater than for actives, contributions that are less than carrying cost and a funding deficiency projected within 5 years.

Critical Status

The Plumbers & Pipefitters Local Union No. 9 Pension Plan is considered to be in critical status because its funded percentage is less than 65%, and over the next four plan years, the plan is projected to have an accumulated funding deficiency in the plan year beginning July 1, 2011.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 27, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of October 27, 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.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- 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 is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this notice, you may contact I.E. Shaffer & Co., P.O. Box 1028, Trenton, N.J. 08628-0230. Telephone number (800) 792-3666. You have the right to receive a copy of the rehabilitation plan from the Plan after it is adopted by the Plan Trustees later this year.