

**Southwest Ohio Regional Council of Carpenters  
Pension Fund**

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**Notice of Endangered Status for the  
Southwest Ohio Regional Council of Carpenters Pension Plan ("Plan")**

This is to inform you that on March 31, 2009 the Plan Actuary certified to the U.S. Department of the Treasury and the Plan Sponsor ("the Board of Trustees"), that the Southwest Ohio Regional Council of Carpenters Pension Plan is considered Endangered for the Plan Year beginning January 1, 2009.

In accordance with the *Pension Protection Act of 2006 (PPA)*, multiemployer pension plans are required to be certified by their actuaries as being in one of four funded statuses for Plan Years beginning on or after January 1, 2008 based on specific funding criteria set forth in the Internal Revenue Code. These four funded statuses are:

- o *Neither Endangered nor Seriously Endangered nor Critical*
- o *Endangered*
- o *Seriously Endangered*
- o *Critical*

While the trustees of plans that are not Endangered, Seriously Endangered, or Critical must continue to exercise diligence to protect the funded position of their plans, the law does not require them to take any specific actions or adopt particular programs to maintain or improve plan funding.

Trustees of plans that are Endangered, Seriously Endangered, or Critical must take specific actions spelled out in the law. Endangered or Seriously Endangered plans must adopt a "funding improvement plan", while Critical plans must adopt a "rehabilitation plan". These plans are designed to restore the plan's funded status over a period of time.

Recognizing that the value of plan assets, and therefore the funding, of almost all pension plans has dropped due to the current economic crisis, Congress passed the *Worker, Retiree and Employer Recovery Act of 2008 (WRERA)*, which gives trustees the option to keep their plan in its 2008 status for the 2009 plan year, regardless of the plan's actual funded status. As such, WRERA is intended to provide trustees with more time to come up with a plan of action for dealing with their plan's funding problems.

In accordance with the provisions of Section 204 of WRERA, the Board of Trustees of the Southwest Ohio Regional Council of Carpenters Pension Plan has voted to "freeze" the Plan's 2008 Plan Endangered status certification and have it apply to the 2009 Plan Year (January 1,

2009 through December 31, 2009). Absent this election, the Plan would have been certified as Critical.

The freezing of the Plan's 2008 Plan Year Endangered status will not extend beyond December 31, 2009. By March 31, 2010, the Plan's actuary will again certify the Plan's funded status. If at that time the Plan is certified to be in Endangered, Seriously Endangered, or Critical status, you will be sent a notice similar to this one explaining the Plan's status and describing any actions that the Trustees may be required to take under the law. Changes may include increases in the hourly contribution rate and/or the reduction of future benefits accruals. Additionally, if the Plan is certified to be Critical, improvement steps may include a surcharge on employer contributions, the suspension of lump sum benefit payments, and the elimination of early retirement benefits or other adjustable benefits.

### **Funding Improvement Plan**

As explained on the prior page on this notice, federal law requires pension plans in Endangered status to adopt a "funding improvement plan" aimed at improving the Plan's funded percentage over time. In an effort to improve the Plan's funding situation, the Board of Trustees has adopted a plan that provides for increases in the Plan's hourly contribution rate by \$0.35 per year over a four year period, for a total increase of \$1.40 per hour. From June 1, 2006 to June 1, 2010 the Plan's contribution rate will increase from \$4.15 per hour to \$5.55 per hour. This "funding improvement plan" will continue to be reviewed with the actuary and other plan professionals.

In accordance with WRERA, the Southwest Ohio Regional Council of Carpenters Pension Plan Board of Trustees also voted to extend the Plan's "funding improvement period" from 10 years to 13 years. This extension is intended to provide the Plan with more time meet the funding requirements established by the *Pension Protection Act of 2006*.

### **Where to Get More Information**

For more information about this notice, you may contact Board of Trustees, Southwest Ohio Regional Council of Carpenters Pension Plan, c/o Compensation Programs of Ohio, Inc., 33 Fitch Boulevard, Austintown, Ohio 44515, (330) 530-2841. You may also request a copy of the Plan's "funding improvement plan" and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 31-6127287.