

Notice of Endangered Status
For

EBSA/PUBLIC DISCLOSURE

U.A. Local 38 Pipe Trades Pension Trust Fund

2009 NOV -6 PM 7:28

To: All Participants, Beneficiaries, Participating Unions and Contributing Employers

The Pension Protection Act of 2006 (PPA) has added new requirements for measuring the financial health of multiemployer pension plans such as ours.

Beginning with the Plan Year starting in 2008, PPA requires that each multiemployer pension plan's actuary determine and certify the annual funding status of the Plan. Under these new requirements, the certification must be provided to the Secretary of Treasury and the Board of Trustees of the Plan. It is important to note that if the plan's funding status for a plan year is "endangered" or "critical", the Board of Trustees must notify all plan participants and other interested parties, in writing, of this certification, as well as take corrective action as prescribed in the PPA to restore the financial health of the plan.

Funding Status – "Endangered" (Yellow Zone)

This letter will serve as Notice to you that, on September 28, 2009, our actuary certified that (1) the U.A. Local 38 Pipe Trades Pension Trust Fund ("the Plan") continues in "endangered" funding status for the plan year commencing July 1, 2009; and (2) the Plan is making the scheduled progress in meeting the requirements of its "Funding Improvement Plan" as described below. The Plan first entered "endangered" status on July 1, 2008. "Endangered" is a funding status that the law designates, but in fact, the Plan is meeting its funding goals and is expected to continue doing so in the future.

Funding Improvement Plan

The PPA requires every multiemployer pension plan in "endangered" status to adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase a plan's funding percentage and to assure that contributions will be enough to meet the minimum required under the law.

Our actuary has informed the Board that the current schedule of negotiated contribution rates for U.A. Local 38 Pipe Trades Pension Trust Fund continues to satisfy the requirements of a FIP. The Board does not expect that any other changes in benefits or contributions will be needed to meet the PPA's requirements for a FIP while the current collective bargaining agreement is in effect.

Please note that the PPA mandates that our Plan's funding status be reviewed and certified annually and, if applicable, notices like this one will be sent to you each year. In addition, the FIP will be reviewed and updated, as needed, each year. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control that our advisors will monitor yearly, including investment market volatility, changes in employment levels, and/or changes in the number of contributing employers.

Federal law requires that this notice be provided to you. We understand that legally required notices like this one can create anxiety and concern about the Plan's future. The Board of Trustees remains confident that the Plan will continue to provide our participants and their families with secure retirement benefits.

Where to Get More Information

In the event you have any questions or would like additional information about this notice, you may contact Peter Machi, Administrator, at U.A. Local 38 Pipe Trades Pension Trust Fund, 1625 Market Street, Room 204, San Francisco, CA 94103-1217, or by phone at (415) 626-2000. You have a right to receive a copy of the Funding Improvement Plan from the Plan.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor
U.S. Pension Benefit Guaranty Corporation