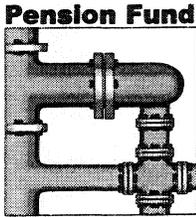


200988-01266



## Connecticut Plumbers and Pipefitters Pension Fund

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July 2008

To All Participants, Beneficiaries, Local No. 777, and Contributing Employers:

As you may know, the Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial health of multiemployer plans such as ours.

Starting with the 2008 plan year, the PPA requires that a Pension Fund's actuary determine the Fund's status under these new rules annually and certify that status to the IRS and the Trustees (who are the plan sponsor). If the actuary determines that the Fund is in "endangered" status ("yellow zone") or "critical" status ("red zone") for the year, the Trustees must notify all plan participants, employers and other stakeholders and take corrective action to restore the financial health of the plan.

### Yellow Zone Status

This letter will serve as the Notice that on June 27, 2008, our Pension Fund's actuary certified that the Fund is in "endangered" status for the 2008 plan year. This determination was made based on the PPA's new funding measures. Those measures look at a plan's funded ratio as well as projections of what is called the credit balance in the Funding Standard Account. Although the Fund is currently more than 80% funded, actuarial projections of the Funding Standard Account indicate that in 2014, it will temporarily be negative, triggering the Fund being in the yellow zone. This temporary shortfall is primarily due to the unfavorable investment results experienced by the Fund this year. Equity market returns for the first quarter of this year have been generally the worst in many years and the Fund, like many others, has been adversely affected.

"Endangered" is a label that the law requires us to use, but in fact, the Fund is meeting its funding goals and is expected to continue doing so into the future. Actuarial projections indicate that after 2015, the Funding Standard Account will become positive again without changing the Fund's current contribution levels or benefits.

### Funding Improvement Plan

The PPA also requires that any pension fund in the yellow zone adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to improve the plan's funding percentage and avoid any accumulated funding deficiency. Our FIP will be developed early next year and a notice describing it will be provided to the bargaining parties shortly after that. Based on preparations for the current collective bargaining agreement, the Board of Trustees do not expect that any other changes will be needed to meet the PPA's requirement for an FIP for the duration of the current agreement.

Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our plan is no longer in the yellow zone. 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 are monitoring, including investment market volatility and changes in employment levels and/or the number of contributing employers.

We understand that legally-required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees remain confident that the Fund will continue to provide our retirees, active participants and their families with secure retirement benefits.

In the event you have questions or would like additional information, you may contact the Board of Trustees of the Fund Office.

Sincerely,

THE BOARD OF TRUSTEES

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