

## Notice of Critical Status For Iron Workers Local 25 Pension Fund

This is to inform you that on July 29, 2009, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning May 1, 2009. The federal Pension Protection Act of 2006 (PPA) requires that you receive this notice.

### Critical Status

Under the PPA, the plan is considered to be in critical status because the plan's actuary determined that the funded percentage of the plan is less than 65% (it was 55.75%) and over the next four plan years the plan is projected to have an accumulated funding deficiency (as of the plan years ending 4/30/2012, 4/30/2013, and 4/30/2014).

### 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 (other than a repeal of a recent benefit increase, as described below) 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 August 28, 2009. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of August 28, 2009, 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 adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt, including:

- Post-retirement death benefits;
- Disability benefits not yet in pay status;
- Early retirement benefits or retirement-type subsidies; and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA).

### Employer Surcharge

In the event that the bargaining parties do not formally adopt a rehabilitation plan before September 27, 2009, the law requires that all contributing employers pay to the plan a surcharge until a rehabilitation plan is adopted. With some exceptions, the amount of the surcharge is equal to 5% of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement in the initial critical year, and 10% of such amount for each succeeding plan year in which the plan is in critical status.

### Where to Get More Information

For more information about this Notice, you may contact Iron Workers Local No. 25 Fringe Benefit Funds, P.O. Box 8006, Novi, Michigan 48376-8006 (248-347-3100). You have a right to receive a copy of the rehabilitation plan from the plan.

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