

Notice of Endangered Status for Pipefitters Local 537 Pension Plan

ERISA/PUBLIC DISCLOSURE
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This Notice is to inform you that on May 21, 2009 the plan actuary certified to the U.S. Department of the Treasury and to the plan sponsor that the plan is in "Endangered Status" for the plan year beginning March 1, 2009. Federal law requires that you receive this Notice.

Endangered Status

The plan is considered to be in "Endangered Status" because it has a funding problem. More specifically, the plan's actuary determined that the plan's funded percentage for 2009 is less than 80% and the plan is not and will not be in "Critical Status" for 2009.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in "Endangered Status" adopt a "Funding Improvement Plan" aimed at restoring the financial health of the plan. The law permits pension plans to reduce benefits before they are earned in future years as part of a "Funding Improvement 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.

Where to Get More Information

For more information about this election, you may contact the Board of Trustees of the Pipefitters Local 537 Pension Plan / c/o Charles Hannaford / Fund Administrator / 35 Travis Street, Unit 1 / Allston / MA 02134, or call (617) 787-5550. You have a right to receive a copy of the "Funding Improvement Plan" from the plan.

June 16, 2009

Dear Participant:

You've read or heard that pension plans across the country have faced financial difficulties during the last year. In response, Congress, the IRS, and the Department of Labor have created new funding and participant notice rules.

The purpose of this letter is to describe the two notices that are included in this mailing, and explain the reason you are receiving each one.

1. Notice of Endangered Status for 2009

Under the Pension Protection Act of 2006 ("PPA"), the Plan's actuary has to analyze the current plan and project results for the next several years. The actuary then certifies to the plan's Trustees the Plan's "zone status" under PPA. The *Notice of Endangered Status for Pipefitters Local 537 Pension Plan* included with this letter shows this Plan's "zone status" as of March 1, 2009 is "Endangered" Status. Some people refer to pension funds that are in Endangered Status as "in the Yellow Zone."

You did not receive a Notice like this one last year, because the Plan was in "Safe" Status (in the "Green Zone") at the beginning of 2008. However, as you probably know, financial conditions during 2008 caused many investments, including those of our Pension Plan, to have an unexpected drop in value during the year. For our Plan, this decline is the main reason that the Plan is now certified to be in Endangered Status.

It's important that you know that a new law passed at the end of 2008¹ gave Fund Trustees the ability to ignore the actuary's results for one year, and have this Plan continue to be in the Green Zone. But, the Trustees of this Plan wanted to take steps to improve the Plan's funded status, now, and chose to reflect the actual results presented to them by the Plan's actuary.

No one knows what financial results the Plan will have in 2009, so the Plan's "zone status" for 2010 can't be predicted today. We think you should be aware, though, that the Trustees are closely monitoring the Plan's funded status, and are working toward bringing the Plan back into the Green Zone. Later this year, the Trustees, working with the actuary and other Plan professionals, will create a "Funding Improvement Plan," intended to improve the funding level of the Pension Plan. In future years, the "Status Notice" you receive in June will report on the progress being made in following this Funding Improvement Plan.

2. Annual Funding Notice for 2008

You may remember that you received an "Annual Funding Notice" (also known as the "AFN") along with a "Summary Annual Report" in February earlier this year for the 2007 Plan Year. For the 2008 Plan Year, not only are you receiving the AFN much sooner (as now required by the Department of Labor), but the information included in it has been significantly expanded. In addition, you will no longer receive a "Summary Annual Report," because the information that had previously been in that document is now included in the AFN.

This notice, entitled *2008 Annual Funding Notice for Pipefitters Local 537 Pension Plan*, is also included in this mailing. It reflects results for the Plan Year beginning on March 1, 2008, which is why it applies to the 2008 Plan Year.

We encourage you to read the attached Notices in their entirety. We have tried to meet the content requirements of the IRS and Department of Labor while keeping the information included as clear as we could. If, after reviewing the notices, you have any questions or concerns, please feel free to contact the Board of Trustees:

C/O CHARLES HANNAFORD
FUND ADMINISTRATOR
PIPEFITTERS LOCAL 537 PENSION FUND
35 TRAVIS STREET, UNIT 1
ALLSTON, MA 02134
(617) 787-5550

Board of Trustees, Pipefitters Local 537 Pension Fund

¹ The "Worker, Retiree, and Employer Recovery Act of 2008" or "WRERA"