

PENSION FUND

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Notice of Endangered Status
For
PLUMBERS AND PIPEFITTERS LOCAL UNION NO. 74 PENSION PLAN
(E.I.N. 51-6015925 / Plan 001)

This is to inform you that the Plan will be in endangered status for the plan year beginning January 1, 2009. Federal law requires that you receive this notice.

Funding Improvement Plan

The Pension Protection Act of 2006 (PPA) requires pension plans in endangered status to adopt a Funding Improvement Plan (FIP). The FIP is an action plan which based on reasonably anticipated experience and under reasonable actuarial assumptions is designed to significantly increase a plan's funded percentage and to avoid any accumulated funding deficiency. Each year, the FIP will be reviewed to ensure the objectives of the FIP continue to be achievable in light of emerging Plan experience. The Board of Trustees formally adopted a FIP on October 13, 2008. At that time, the contribution and benefit schedules in place satisfied the requirements of a FIP.

Worker, Retiree and Employer Recovery Act of 2008

On December 23, 2008, President Bush signed into law the Worker, Retiree and Employer Recovery Act of 2008 (WRERA). The WRERA provides temporary funding relief to multiemployer defined benefit pension plans in light of the current economic crisis. Under the provisions of the WRERA, the Plan Trustees have elected "to freeze", or retain, the Plan's 2008 endangered status for the 2009 plan year. By this election, the Plan Trustees will not be required to update the benefit and contribution schedules of the Funding Improvement Plan until the following plan year (*i.e., the 2010 plan year*).

Plan Experience and Possible Future Adjustments

As you are aware, 2008 was the worst year for investment markets since the Great Depression. As a result of these turbulent investment markets, our Fund, like most other retirement funds across the country, suffered considerable asset losses. The Trustees are evaluating various options to address the funding shortfall created by the decline in asset values during the 2008 plan year. These options include increases to future contribution rates and/or reductions in the rate of future benefit accruals.

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 benefit reductions.

As noted above, the PPA requires that the Plan's funded status be reviewed and certified annually and notices like this one will be sent each year. There are several variables beyond the Trustees' control that the Plan's advisors are monitoring, including investment market volatility and changes in employment levels and/or the number of contributing employers, which could affect the Plan's status and the Trustees' recommended corrective actions in the future.