

SW Asbestos Workers Local 94

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Notice of Endangered Status
For
Southwest Asbestos Workers Pension Plan

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

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

The PPA requires that a Pension Fund's actuary determine annually the Fund's status under these new rules and to certify that status to the IRS and the Trustees (plan sponsor). It is important to note that if the Fund's status for a plan year is in "endangered" ("yellow zone") or "critical" ("red zone") status, the Trustees must notify all plan participants, employers and other interested parties in writing of this certification, as well as taking corrective action to restore the financial health of the plan.

Endangered Status

This notice will serve to inform all interested parties that the Fund is in "endangered" status for the 2010 plan year. The assets of the Fund as of January 1, 2010 are 76.61% of the value of the Plan benefits as of that date. In order to be considered no longer "endangered" the assets must be at least 80% of the value of the Plan 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 designed to restore the Plan to financial health and improve the percentage of Plan assets to Plan liabilities. The FIP must be adopted by November 26, 2010. The FIP will be communicated to all interested parties. In anticipation of this possibility that the Plan might be in endangered status for 2010, the contribution per hour worked was raised last year to \$4.80.

Please note that PPA required that our Plan's funding status be reviewed and certified annually and notices like this one will be sent each year until such time that the Plan is certified to be in the "green zone". When the Plan does return to green zone status, you will be informed.

Sincerely,
The Board of Trustees

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