

WEST MICHIGAN PLUMBERS, FITTERS, AND SERVICE
TRADES
LOCAL UNION NO. 174
PENSION PLAN

2111 West Lincoln Highway * Merrillville, Indiana 46410
Telephone (219) 769-6944 * Toll Free 1-800-759-6944 * Fax (219) 769-4834

October 24, 2013

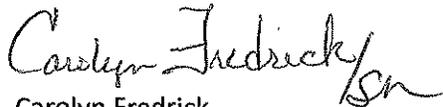
U.S. Department of Labor
Employer Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, NW
Washington, DC 20210

Re: West Michigan Plumbers, Fitters, and Service Trades Local Union No. 174 Pension Fund

Dear Sir or Madam:

I have enclosed a copy of the Annual Participant Funding Notice and Notice of Endangered Status, which was timely mailed to Plan participants, beneficiaries and employers on October 21, 2013.

Sincerely,



Carolyn Fredrick
Administrator

cf/sam

Enclosure

**WEST MICHIGAN PLUMBERS, FITTERS, AND SERVICE TRADES
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October 21, 2013

Dear Participants, Beneficiaries, Contributing Employers and Participating Unions:

Enclosed with this letter are two notices relating to the West Michigan Plumbers, Fitters and Service Trades Local Union No. 174 Pension Plan:

- An "Annual Funding Notice" that relates to the plan year beginning July 1, 2012 and ending June 30, 2013; and
- A "Notice of Endangered Status" that relates to the plan year beginning July 1, 2013 and ending June 30, 2014.

The Trustees are providing these notices to you, as required by law, because you are a participant in or beneficiary of the Local 174 Plan, an employer that is or was required to contribute to the Plan, or a union that is involved with the Plan.

You will note that the two notices are very different from one another. While both discuss the Plan's level of funding, they relate to two different plan years and provide different information to you. Since the notices relate to two different plan years, the notices show that the Plan's level of funding is different in those two plan years. Like most pension plans and other investors, the Plan was affected by the downturn in the investment markets in late 2008 and early 2009, but has also benefited from the recovery in the investment markets since 2009.

The Trustees would like to emphasize again this year that they have been working for some time to improve the Plan's funded status, and that they will continue to do so in order to continue to provide secure retirement benefits for participants and beneficiaries.

Sincerely,

**The Board of Trustees
West Michigan Plumbers, Fitters and Service Trades Local Union No. 174 Pension Plan**

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**Notice of Plan's Endangered Status
For the Plan Year Beginning July 1, 2013 and Ending June 30, 2014**

October 21, 2013

Dear Participants, Beneficiaries, Contributing Employers and Participating Unions,

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

The PPA requires that each plan's actuary annually determine the plan's status under these rules and certify that status to the IRS and the Trustees. If the actuary determines that the plan is in "endangered" status ("yellow zone") or "critical" status ("red zone"), the Trustees must notify all plan participants and beneficiaries, contributing employers and the union and must take action to improve the financial health of the plan.

Endangered Status

Applying these rules, our plan's actuary certified on September 27, 2013 that the West Michigan Plumbers, Fitters and Service Trades Local Union No. 174 Pension Plan is in "endangered" status for the plan year beginning July 1, 2013. The plan is considered to be in "endangered" status because the July 1, 2013 funded percentage (plan assets as a percentage of liabilities) is less than 80%. (The percentage certified by the actuary is 72.2%).

Funding Improvement Plan

The PPA also requires that pension plans in "endangered" status adopt a funding improvement plan aimed at improving the financial health of the plan. The funding improvement plan must be designed to:

- improve the plan's funded percentage by one-third by the end of a 10-year funding improvement period; and
- prevent the plan from having an accumulated funding deficiency during the 10-year funding improvement period.

The Trustees worked for some time to improve the plan's funded status, and have formalized their work in a PPA funding improvement plan that the Trustees adopted on March 15, 2010. The funding improvement plan is designed to allow the plan to emerge from "endangered" status within the 10-year funding improvement period beginning July 1, 2011 and includes increased contribution rates pursuant to the following schedule:

The hourly contribution rate will increase to not less than:

- (a) \$7.63 by no later than 07/01/2009
- (b) \$8.13 by no later than 07/01/2010
- (c) \$8.63 by no later than 07/01/2011
- (d) \$9.13 by no later than 07/01/2012 and
- (e) \$9.63 by no later than 07/01/2013

Operational Requirements for Endangered Plans

During the funding plan adoption period and the funding improvement period, the Trustees are not permitted to accept any collective bargaining agreement or participation agreement that provides lower contributions for any participant, a suspension of contributions with respect to any period of service, or any new direct or indirect exclusion of younger or newly hired employees from plan participation. In addition, the Trustees are not permitted to amend the plan in any way that increases plan liabilities, unless required by law. Once a funding improvement plan has been adopted, the plan may be amended in a manner that increases plan liabilities only if the actuary certifies that the amendment is consistent with the funding improvement plan and the increase is funded by contributions not required by the funding improvement plan to meet the goals of the funding improvement plan.

Further Review

The PPA requires that the plan's funding status be reviewed and certified by the actuary each year. Therefore, notices like this one will be sent each year the plan is in "endangered" or "critical" status. There are several variables beyond the control of the Trustees that our advisors are monitoring, including investment market volatility and changes in employment levels and the number of contributing employers. Those factors could affect the plan's funding status and the Trustee's recommendations for improving the plan's financial health in the future.

Where to Get More Information

We understand that legally required notices like this one can create anxiety and concern about the plan's future. The Trustees remain confident that, with appropriate adjustments, the plan will continue to provide our participants and their families with secure retirement benefits.

For more information about this Notice, you may contact the chairman of the Board of Trustees of the Plan, Mark Mangione, at West Michigan Plumbers, Fitters and Service Trades Local Union No. 174, 1008 O'Malley Dr., Coopersville, MI 49404 (616)837-0222. You also have a right to request a copy of the funding improvement plan from the Trustees.

Sincerely,

The Board of Trustees

West Michigan Plumbers, Fitters and Service Trades Local Union No. 174 Pension Plan