

# FUND OFFICE OF LOCAL 580 SHOP



Administrative Office of:

IRON WORKERS LOCAL 580 SHOP PENSION FUND  
IRON WORKERS LOCAL 580 SHOP WELFARE FUND  
IRON WORKERS LOCAL 580 SHOP ANNUITY FUND  
IRON WORKERS LOCAL 580 SHOP APPRENTICESHIP TRAINING-UPGRADING FUND

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## Notice of Endangered Status

### Iron Workers Local 580 Shop Pension Fund

To: Participants, Beneficiaries, Participating Union and Contributing Employers

This is to inform you that on September 26, 2014, as required by federal law, the actuary for the Pension Fund for Iron Workers Local 580 Shop (the "Fund" or "Plan") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Fund is in endangered status for the Plan year beginning July 1, 2014. The Plan was certified in seriously endangered status last year. That same federal law requires that you receive this notice.

#### Introduction

The Pension Protection Act ("Act"), signed into law in 2006, is intended to improve the financial condition of pension funds. The Act introduced several formal safeguards and added notification requirements for Trustees to share more information about a fund's financial circumstances with participants, contributing employers, and others directly related to the pension plan. Many of the Act's safeguards relate to funding, which, in simplest terms, is how much a pension plan has coming in, going out, and what is in reserve (or "in the bank") for future obligations. The safeguards are intended to prevent future funding problems and correct those that have already developed.

The Act requires us to test the Fund annually to determine its official funding status. The federal law has adopted specific phrases to classify a fund's status at the time of the report and these have come to be identified with a "color code." Funds that are labeled as "endangered" or "seriously endangered" status (commonly known as yellow zone) or "critical" status (or, red zone) must notify all fund participants, beneficiaries, unions, and contributing employers of the fund's status, as well as take corrective action to restore the fund's financial health. Pension Plans that are not in the yellow or red zone are considered to be in the "green zone". These categories took effect for the Fund as of July 1, 2008.

#### Plan's Status as of July 1, 2014

The Plan is in endangered status as of July 1, 2014, based on the actuary's determination the Fund is projected to have an accumulated funding deficiency within 7 years. An accumulated funding deficiency occurs when contributions are not expected to meet government standards for funding pension benefits.

#### Funding Improvement Plan

ES&A/PUBLIC DISCLOSURE  
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The Act requires that a pension plan that is in seriously endangered status adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase a plan's funding percentage and to assure that contributions will be enough to meet the minimum required under the law. The FIP was adopted by the Trustees on May 23, 2013, reaffirmed in 2014 and will be reevaluated each year. Based on the current FIP, no changes in plan benefits or contribution levels are expected to be made while the current CBAs are in effect. The FIP was provided to the union and contributing employers (collectively referred to as the "bargaining parties"). A summary of the Funding Improvement Plan will also be provided to the Fund participants as part of the Annual Funding Notice each year.

We understand that legally required notices like this one can create concern about the Fund's future. The Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund to the greatest extent possible. As a final note, since the Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed.

For more information about this notice or the Fund, you may contact the Fund Office at the address or phone number listed at the top of this letter.

Sincerely,

The Board of Trustees  
Date: October 20, 2014

*As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.*