

# LPNPP

## **Twin City Hospitals Pension Plan for Licensed Practical Nurses**

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## **Twin City Hospitals Pension Plan for Licensed Practical Nurses Notice of Freeze Green Election**

April 30, 2009

To: Participants and Beneficiaries  
Participating Employers  
Minnesota's Health Care Union, SEIU Local 113

The Pension Protection Act of 2006 (the Act) is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Starting with the 2008 plan year, the Act requires that pension plans be tested annually to determine how well they are funded. The Act establishes benchmarks for measuring a plan's funding, and uses formal labels for such benchmarks. Plans that are in "endangered" status (sometimes called the "Yellow Zone") or "critical" status (sometimes called the "Red Zone") must notify all plan participants, beneficiaries, contributing employers, and collective bargaining parties of the plan's status, as well as take corrective action to improve or restore the plan's financial health. Plans that are sufficiently funded so that they are in neither endangered or critical status are sometimes referred to as being in the "Green Zone".

### **Status Freeze Election**

For the Plan Year beginning January 1, 2008, the Twin City Hospitals Pension Plan for Licensed Practical Nurses was in the Green Zone. On March 31, 2009, the plan actuary for the Plan certified to the U.S. Department of the Treasury, and also to the LPN Plan Administrative Committee of the Joint Hospital Pension Board (the plan sponsor), that the Plan is in endangered status (the Yellow Zone) for the plan year beginning January 1, 2009. However, as permitted by section 204 of the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), the LPN Plan Administrative Committee has elected to freeze the Plan's status so that it is the same as the Plan's status for the 2008 plan year - i.e., Green Zone status. Therefore, the Plan will not be treated as being in endangered status for the plan year beginning January 1, 2009. Federal law requires that you receive this notice of the LPN Plan Administrative Committee's election.

Absent the status freeze election, the Plan would be considered to be in endangered status because the Plan's actuary determined that the Plan's funded percentage for the plan year beginning January 1, 2009 is estimated to be less than the 80% threshold used to determine endangered status. (The plan actuary has estimated that the Plan's funded percentage, as of January 1, 2009, was 77.9%.)

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This status freeze election applies only for the current plan year. If the plan actuary certifies the Plan to be in endangered or critical status for years after 2009, the LPN Plan Administrative Committee will provide notice of the Plan's status (i.e., endangered or critical) for that following year and the steps that will have to be taken to improve the Plan's funded situation, which may include increases in contributions and reductions in future benefit accruals.

### **More Information**

The EIN for the LPN Plan Administrative Committee is 41-1817108, and the Plan number is 001. For more information about this notice or the Plan in general, please write to the LPN Plan Administrative Committee at the address listed in the letterhead, or call the Plan's contract administrator, Wilson McShane, at the telephone number listed in the letterhead.

Sincerely,  
LPN Plan Administrative Committee

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