

2009 JUL 28 AM 6:44

201 Queen Anne Avenue North, Suite 100
Seattle, Washington 98109-4896
(206) 282-4100 1-800-426-5980

July 21, 2009

U.S. Department of Labor
Employee Benefits Security Administration
200 Constitution Ave., N.W.
Washington, DC 20210

RE: Washington State Plumbing and Pipefitting Industry Pension Plan
WRERA Notice for Plan Year 2009

Attached is the Notice mailed to all participants, beneficiaries, participating unions, and employers on July 17, 2009.

Sincerely,

WASHGTON STATE PLUMBING AND PIPEFITTING INDSTRY PENSION PLAN
ZENITH ADMINISTRATORS, INC.
Administrative Agent



Jeri Trice
Senior Client Services Manager

JT:dhl

(1) Enclosure

Notice of Special Election

For

WASHINGTON STATE PLUMBING AND PIPEFITTING INDUSTRY PENSION PLAN

This Notice includes important information about the Washington State Plumbing and Pipefitting Industry Pension Plan (the "Plan"), Plan No. 001, Plan and Plan Sponsor EIN 91-6029141. This Notice relates to the plan year beginning January 1, 2009 and ending December 31, 2009 (the "2009 Plan Year"). Under the Pension Protection Act of 2006 ("PPA"), the Plan's actuary annually certifies the Plan's status. The PPA created "zones" based on a multiemployer pension plan's funding status. Depending on a pension plan's funding status, it may be in critical status ("red" zone), or in endangered status ("yellow" zone), or outside of these categories ("green" zone).

Special Election

The Plan has been certified by its actuary as endangered (yellow) for the 2009 Plan Year. This certification has been filed with the Internal Revenue Service. A notice has been distributed to the Plan's participants, employers, the PBGC, and the Department of Labor informing them the Plan has been certified as endangered (yellow) in 2009. The Plan's annual filing with the IRS for the 2009 Plan Year which is filed in 2010 will report that the Plan's actuary certified the Plan as endangered (yellow) for the 2009 Plan Year.

Nevertheless, in accordance with section 204 of the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA"), the Plan's Trustees made a special election to treat the plan as being neither in endangered (yellow) nor in critical status (red) for the 2009 Plan Year. The Plan will be treated in 2009 based on its status for the plan year beginning January 1, 2008 and ending December 31, 2008 (the "2008 Plan Year"). For the 2008 Plan Year, the Plan was certified as being in the "green" zone. Therefore, for the 2009 Plan Year, the Plan will also be treated as though it is in the "green" zone. This means the Trustees and the Bargaining Parties can take such measures as they see best fit to ensure the financial health of the Pension Plan without following the specific procedures and forms mandated by law for plans in the yellow zone.

After careful consideration, the Plan's Trustees determined that it is in the best interest of the Plan's Participants to make the special election at this time. In making this decision, the Plan's Trustees carefully reviewed with the Plan's professional advisors the funding requirements under Federal law, including the effect of making the special election and the effect of not making the election.

The 2009 Plan Year

The Plan was certified as endangered (yellow) at January 1, 2009 based on the requirements of the Pension Protection Act (PPA) of 2006. If the Trustees had not made the special election described in this notice, then the Trustees would have been required to provide a Funding Improvement Plan as specified by the PPA to the Bargaining Parties by the end of 2009. However, the Trustees and the Bargaining Parties have already taken steps to improve the Plan's funding without waiting to formulate a Funding Improvement Plan as specified by the PPA. Benefit accruals have been reduced as described in the notice sent to participants earlier

this year. Contributions have already been increased by most bargaining parties. If these actions had been completed before the Plan's actuary performed the calculations for the 2009 actuarial certification, the Plan would have been certified as green in 2009.

Further Action Possible in 2009

The Trustees wish to be very clear the election reported in this notice is not a signal that further actions will not be needed or that the Plan's funding challenges are resolved.

The market crisis of 2008 had a profound impact on this and other pension plans. The Plan's actuary calculated that the Plan's market value of assets was \$129 million less than the value of the participants' accrued benefits at January 1, 2009. There are no quick solutions to this challenge. It will most likely take many years to fund the benefits that have already been earned. This continues to be a significant concern. The Trustees are monitoring the Plan's funded status very carefully to see if additional measures will be needed. The Trustees will not hesitate to take further action reducing future benefit accruals or requesting further contributions from the Bargaining Parties if they believe it is in the best financial interest of the Plan and its Participants. It is possible such action could be taken before the end of 2009. The election reported in this notice merely allows the Trustees to address the situation in the manner they deem best without being limited by the requirements of the Pension Protection Act until after 2009.

The 2010 Plan Year

The special election reported in this notice is only available for the 2009 Plan Year. If the Plan is certified to be in critical "red," or endangered "yellow" status for the plan year beginning January 1, 2010 and ending December 31, 2010 (the "2010 Plan Year") then you will be provided with a notice informing you of that status, and the Plan's Trustees will be required by law to adopt a funding improvement plan which may include further increases in contributions and reductions in future benefit accruals as specified by law. The law requires the Trustees to provide this plan to the bargaining parties who would make the final decisions concerning any options surrounding the plan's implementation.

Where to Get More Information

For more information about the special election described in this Notice, you may contact:

Washington State Plumbing and Pipefitting Industry Pension Plan
c/o Zenith Administrators, Inc.
201 Queen Anne Avenue North, Suite 100
Seattle, Washington 98109-4896
206-352-9728 or 1-888-406-3246

This notice is intended to meet the notification requirements of section 204(c)(2)(A) of WREPA and IRS Notice 2009-31.