

# Plumbers & Steamfitters Local 106

Health and Welfare Fund

Pension Trust Fund

2126 OAK PARK BLVD.  
LAKE CHARLES, LA 70601  
(337) 474-6355

October 28, 2009

Department of Labor  
Employee Benefits Security Administration  
Public Disclosure Room, N-1513  
200 Constitution Ave. NW  
Washington, DC 20210

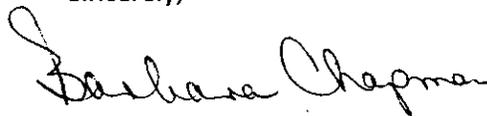
EIN 72-0545875

Plan No. : 001

To whom it may concern:

In compliance with the regulations set forth in the Pension Protection Act of 20056 enclosed is the Notice of Critical Status for the Plumbers and Steamfitters Local No. 106 Pension Trust Fund.

Sincerely,

A handwritten signature in black ink that reads "Barbara Chapman". The signature is written in a cursive style with a large initial 'B'.

Barbara Chapman  
Administrative Manager

Sent 10-28-09

## **Notice of Critical Status**

**For**

### **Plumbers and Steamfitters Local No. 106 Pension Trust Fund**

EIN: 72-0545875  
Date: October 30, 2009

Plan No. : 001

Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act of 2006 (PPA) added requirements for measuring the financial health of multiemployer pension plans such as ours. It now requires that the Pension Plan's actuary determine annually the Plan's financial status under new rules and certify that status to the IRS and the Trustees. It is important to note that if the Plan's status for a plan year is either "endangered" (known as the yellow zone) or "critical" (known as the red zone), the Trustees must notify all participants, employers, unions and other parties in writing of this certification, as well as take corrective action to restore the financial health of the Pension Plan.

#### **Plan's Status – Red Zone**

On September 22, 2008 the Pension Plan's actuary determined and certified that the Plan was in "critical" status for the 2008 plan year. This determination was made because the Plan was projected to have an accumulated funding deficiency by June 30, 2011. As required, the Pension Plan's actuary again formally reviewed the status of the Plan's financial health and certified on September 28, 2009, that the Pension Plan continues to be in critical status for the 2009 Plan Year. This determination was made because the Plan is still projected to have an accumulated funding deficiency by June 30, 2011.

#### **Rehabilitation Plan**

The Pension Protection Act also requires any pension plan in the red zone to adopt a "rehabilitation plan" that is designed to restore the financial health of the plan. The Board of Trustees adopted a rehabilitation plan on September 23, 2008. As required by the law, a notice describing the Pension Plan's rehabilitation plan was thereafter provided to the bargaining parties. On October 22, 2008, the Trustees sent out a Notice of Adjustment to Benefits Due to Critical Status, explaining the changes adopted under the Rehabilitation Plan. Participants are receiving a summary of the rehabilitation plan plus any updates, describing any changes to the Plan, as part of the annual funding notice which is included with this red zone notice. In addition to revising the Pension Plan's formula for future benefit accruals and making similar changes to future benefits, the law permits pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of the rehabilitation plan.

#### **Adjustable Benefits**

The Plan still offers the following adjustable benefits that may be reduced or eliminated as part of the rehabilitation plan including some:

- Disability benefits (if not yet in pay status), and
- The option for an Early retirement benefit,

**However, no reduction of adjustable benefits will reduce the benefit that is already accrued, payable at normal retirement age.**

### **Pension Plan Changes**

On September 23, 2008, the Board of Trustees adopted a rehabilitation plan that proposed various changes to the Pension Plan in order to improve the financial health of the Plan. The Plan's participating Unions and contributing Employers agreed to a schedule of changes as set forth under the preferred schedule of the rehabilitation plan. The Pension Plan sent you a notice describing those changes on October 22, 2008. The changes generally apply to participants whose benefit commencement date is on or after February 1, 2007. The changes include a change in the benefit level for future accruals, a reduction in early retirement pensions, a reduction in the pre-retirement surviving spouse pension payable to inactive vested participants, new reduction factors for the optional forms of payment, and a change in the eligibility for a disability pension. For participants who began receiving benefits after February 1, 2007 but prior to the date the Notice was distributed, their benefits were adjusted beginning December 1, 2008. The Pension Plan also eliminated the lump sum pre-retirement death benefit.

### **Where to Get More Information**

Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year. You will also be receiving formal Annual Funding Notices giving other details about the Plan's finances, in addition to other communications about the Plan that the Trustees send out from time to time. If you have any questions about this notice or about the Plan generally, please contact:

Ms. Barbara Chapman  
Plumbers and Steamfitters Local No. 106 Pension Trust Fund  
2126 Oak Park Blvd.  
Lake Charles, LA 70601  
(337)474-6355

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees is working with contributing employers and the unions toward taking other appropriate actions to improve the financial health of the Plan so that retirement benefits for participants and their families are secure into the future.

Sincerely,

Board of Trustees

cc: Department of Labor  
Pension Benefit Guaranty Corporation