

**Notice of Critical Status
For
Sheet Metal Workers Local Pension Fund**

This is to inform you that on July 1, 2009 the plan actuary certified to the U.S. Department of the Treasury and to the plan sponsor that the plan is in critical status for the plan year beginning May 1, 2009. Federal law requires that you receive this notice. This is a new law; in the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The plan is considered to be in critical status because it is projected to satisfy the following:

Funded percentage less than 65% and projected accumulated funding deficiency within the current or next 4 plan years
The plan's actuary determined that the plan's funded percentage is 47.2% on May 1, 2009. The "funded percentage" is the fraction of earned benefits that could be funded with existing Fund assets. The plan's actuary also projects that, if no further action is taken, the plan will have an accumulated funding deficiency (not recognizing any amortization extensions) for the plan year ending April 30, 2010. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the plan actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The plan offers the following adjustable benefits which may be reduced or eliminated (for participants not yet in pay status) as part of any rehabilitation plan the pension plan may adopt:

- 60-month payment guarantees;
- Disability benefits;
- Early retirement benefits or subsidies;
- Death Benefits;
- Pop-up provisions of the Joint and Survivor benefit options

You will receive a separate notice identifying and explaining the effect of the reductions. You should also know that, effective as of July 1, 2009, the plan is not permitted to pay any lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Future Experience and Possible Adjustments

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 8.00% (in the 2009 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge beginning on August 30, 2009 to help correct the plan's financial situation. The surcharges continue until the Board of Trustees and bargaining parties formally approve a rehabilitation plan. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Because the Board of Trustees and bargaining parties have already approved a rehabilitation plan, no surcharges will be required.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan. To receive a copy, you may contact the Fund Office at 700 Tower Drive, Suite 300, Troy, MI, 48098 or by telephone at (866) 599-3176.