

ASBESTOS WORKERS PHILADELPHIA FUNDS



BENEFIT PLAN OFFICES



6513 BUSTLETON AVENUE



PHILADELPHIA, PENNSYLVANIA 19149-2906

PA (215) 535-0800
FAX (215) 535-7885

ADMINISTRATION OF
ASBESTOS WORKERS BENEFIT PLANS
PENSION FUNDS
WELFARE FUNDS
ADDITIONAL BENEFIT ACCUMULATION ACCOUNTS

MICHAEL E. BURNS, *Administrator*

October 26, 2010

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

Re: Notice of Critical Status

Dear Sir or Madam:

Attached is a copy of the letter of "Notice of Critical Status" which was mailed to the participants and employers of the Asbestos Workers Philadelphia Pension Plan.

Yours truly,

Michael E. Burns
Administrator

MEB/dan

Enc.

**Notice of Critical Status
for the
Asbestos Workers Philadelphia Pension Plan**

This is to inform you that on **September 28, 2010** the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning July 1, 2010. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary has determined that the plan has an accumulated funding deficiency for the current plan year (i.e., the plan year beginning July 1, 2010) and each of the following three years.

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. This is the third year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On October 27, 2008, you were notified that as of October 27, 2008 the plan is not permitted to pay 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. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 27, 2008.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);

**Notice of Critical Status
for the
Asbestos Workers Philadelphia Pension Plan**

Employer Surcharge

The law generally requires that all contributing employers pay to the plan a surcharge to help correct the financial situation. The surcharge is not applicable to this plan because the bargaining parties have agreed to and have implemented the rehabilitation plan developed by the Trustees.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator at 215-535-0800, 6513 Bustleton Avenue, Philadelphia, PA 19149. You have a right to receive a copy of the rehabilitation plan from the plan.