Notice of Critical Status For

Composition Roofers Local 42 Pension Plan

This is to inform you that on March 31, 2010 the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor ("the Board of Trustees"), that the Plan is in critical status for the Plan Year beginning January 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 determined that over the next two Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2012 Plan Year.

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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Plan determine that 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 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 April 30, 2010.

But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of April 30, 2010, 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. Therefore, effective April 30, 2010, the following benefits are no longer offered by the Plan:

1. Lump Sum benefit in excess of $1,000.

2. Death benefit one-time payment of the total employer contributions made on behalf of the deceased participant.

3. Disability benefit one-time payment equal to the total employer contributions made on behalf of the disabled participant.

These changes do not affect participants who have already received these benefits.
Adjustable Benefits

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

☑ Post-retirement death benefits;
☑ Disability benefits (if not yet in pay status);
☑ Early retirement benefit or retirement-type subsidy;
☑ Other similar benefits, rights, or features under the Plan including the Plan’s pre-retirement death benefits.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan’s financial situation. 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. This surcharge does not generate increased benefit accruals. **Effective for hours worked on or after June 1, 2010 and due July 15, 2010, employers are required to add 5% to their Pension Plan remittances.**

Where to Get More Information

For more information about this Notice, you may contact Board of Trustees, Composition Roofers Local 42 Pension Plan, c/o Stoner & Associates, 205 West Fourth Street, Suite 225, Cincinnati, OH 45202, (513) 381-6886. You have a right to receive a copy of the rehabilitation plan from the Plan.

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