

March 26, 2010

**NOTICE OF CRITICAL STATUS**

**FOR**

**IRON WORKERS MID-SOUTH PENSION PLAN**

EIN: 72-6032179

Plan No.: 001

To: Participants, Beneficiaries, Participating Unions and Contributing Employers:

As required under the Internal Revenue Code, on February 26, 2009, the Plan's actuary determined and certified that the Iron Workers Mid-South Pension Plan ("Plan") was in "critical" status for the 2008 Plan Year, of which you were notified on March 27, 2009. This determination was made because the sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the plan is projected to have an accumulated funding deficiency for the 2009 Plan Year. The Plan's actuary formally reviewed the status of the Plan's financial health for the 2009 Plan Year and again certified on February 26, 2010 that the Plan continues to be in critical status for the 2009 plan year. This determination was made because the Plan is projected to have an accumulated funding deficiency at the end of the current Plan year. This is the second Plan Year that the Plan has been in critical status.

**Rehabilitation Plan and Plan Changes**

As previously explained, the "Rehabilitation Plan", which is designed to restore the financial health of the Plan, was adopted by the Board of Trustees on March 10, 2009 and subsequently adopted by the bargaining parties. In accordance with the Internal Revenue Code, on September 15, 2009, a Notice of Adjustment to Benefits Due to Critical Status was sent to you explaining the changes to the Plan as mandated under the Rehabilitation Plan. These changes generally apply to Participants whose benefit commencement date is on or after January 1, 2010. Generally, the changes include modifications to:

- The benefit level for future accruals
- The normal retirement age for benefits accruing on or after January 1, 2010
- Early retirement eligibility for unreduced benefits
- Early retirement eligibility for reduced benefits
- Early retirement reduction factors
- Eligibility for total and permanent disability benefits
- Pre-retirement death benefits
- Factors used to determine optional forms of benefit payment.

The following benefits were also eliminated under the Rehabilitation Plan::

- Lump sum payments over \$5,000, effective March 27, 2009.
- Partial disability benefits, effective January 1, 2010.
- The Social Security level income option, effective March 27, 2009.

As of March 27, 2009, the Plan, while in critical status, is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity.

### **Adjustable Benefits**

In addition to these recent changes to the Plan's formula for future benefit accruals, the law permits pension plans in critical status to make similar changes to future benefits, and to reduce, or even eliminate, benefits called "adjustable benefits." The Plan offers the following adjustable benefits that may be reduced or eliminated as part of an amendment to the Rehabilitation Plan:

- Benefits, rights and features under the Plan, including post-retirement death benefits (other than the 50% qualified joint and survivorship annuity), 36-month guarantees, disability benefits not yet in pay status, and similar benefits;
- Any early retirement benefit or retirement-type subsidy and any benefit payments option, other than a 50% qualified joint and survivorship annuity); and
- Benefit increases that were adopted or took effect less than 60 months before the Plan first entered the red zone (December 1, 2008).

However, no reduction of adjustable benefits will reduce the level of your basic benefit payable at normal retirement. In the event additional benefit reductions are necessary and the Rehabilitation Plan is amended, you will be notified in a separate notice of any additional changes or reductions, and provided an explanation of the effect of those reductions. In addition, these additional reductions may only apply to Participants and beneficiaries whose benefit commencement date is no earlier than March 27, 2009.

### **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 if the Plan is in critical status. The Trustees will timely notify you of any other changes that may be made to the Plan to ensure the Plan's financial stability. If you have questions about this notice or any previous notices sent about these changes, please contact:

Zenith Administrators, Inc.  
2450 Severn, Suite 305  
Metairie, LA 70001-1926  
Phone Number (800) 638-4855 or (504) 831-1544

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees is working closely with the Unions and the Contributing Employers toward taking appropriate actions to improve the financial health of the Plan so that your retirement benefits are secure into the future.

Sincerely,

Board of Trustees

cc: Department of Labor  
Pension Benefit Guaranty Corporation