

Insulators & Asbestos Workers Local 112

Health & Welfare Fund and Pension Trust Fund
2126 Oak Park Blvd., Lake Charles, LA 70601
Phone: (337) 474-2298 Fax: (337) 474-2287

October 27, 2010

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

EIN: 72-0626673
Plan No: 001

To Whom It May Concern:

In compliance with the regulations set forth in the Pension Protection Act of 2006 enclosed is the Notice of Critical Status for the Insulators Local #112 Pension Trust Fund.

Sincerely,



Stefanie Stricklin
Administrative Assistant

INSULATORS LOCAL UNION NUMBER 112 PENSION PLAN

2126 Oak Park Blvd
Lake Charles, Louisiana 70601
Tel: 337-474-2298

October 27, 2010

Notice of Critical Status

EIN: 72-0626673

Plan No: 001

Participants, Beneficiaries, Participating Union and Contributing Employers:

On September 29, 2008, the Plan's actuary determined and certified that the Insulators Local Union Number 112 Pension Plan ("Plan") was in "critical" status for the 2008 Plan Year of which you were notified on October 28, 2008. This determination was made because the Plan was projected to have an accumulated funding deficiency for the 2008 Plan Year. The Plan's actuary again certified on September 29, 2009 that the Plan continues to be in critical status for the 2009 Plan Year because the Plan is had an accumulated funding deficiency for the 2009 Plan Year. You were notified about the second year of critical status on October 28, 2009. On September 28, 2010, the actuary again formally certified that the Plan remains in critical status for the 2010 Plan Year because the Plan currently has an accumulated funding deficiency. This is the third Plan Year that the Plan has been in critical status.

Rehabilitation Plan

To restore the financial health of the Plan, the Board of Trustees adopted a Rehabilitation Plan on May 14, 2009 which was subsequently adopted by the bargaining parties. On October 1, 2009, the Trustees sent out a Notice of Adjustment to Benefits Due to Critical Status, explaining the changes to the Plan in accordance with the Rehabilitation Plan, which changes generally apply to Participants and beneficiaries whose benefit commencement date is on or after February 1, 2007. As of October 28, 2008, 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 the existing changes under the Rehabilitation Plan, as explained in the Notice of Adjustment to Benefits Due to Critical Status, 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", which may be reduced or eliminated as part of an amendment to the Rehabilitation Plan.

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 on or after February 1, 2007.

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

Ms. Barbara Chapman
Insulators 112 Pension Trust Fund
2126 Oak Park Blvd
Lake Charles, Louisiana 70601
Tel: 337-474-2298

We understand that legally required notices like this one can create concern about the Plan's future. Please do not hesitate to call the Fund Office if you have any questions concerning this notice or operation of the Plan in critical status.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation

ANNUAL FUNDING NOTICE

For

INSULATORS LOCAL UNION NUMBER 112 PENSION PLAN

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning July 1, 2009 and ending June 30, 2010 (referred to hereafter as "Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2009	2008	2007
Valuation Date	July 1, 2009	July 1, 2008	July 1, 2007
Funded Percentage	50.1%	60.5%	73.0%
Value of Assets	\$6,629,767	\$8,676,670	\$9,318,599
Value of Liabilities	\$13,223,217	\$14,351,826	\$12,760,536

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of June 30, 2010, the fair market value of the Plan's assets was approximately \$5,326,910. As of June 30, 2009, the fair market value of the Plan's assets was \$5,855,425. As of June 30, 2008, the fair market value of the Plan's assets was \$8,523,487.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 343. Of this number, 29 were active participants, 137 were retired or separated from service and receiving benefits, and 177 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to contribute the rate set in the various collective bargaining agreements. For 2009-10 that rate was \$3.28 per hour.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to invest the assets of the Plan in a manner consistent with the fiduciary standards of ERISA. In particular, the investment policy calls for: Equities of no more than 70% of assets; Fixed income and cash of at least 30% of assets.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	0%
2. U.S. Government securities	0%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	0%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	0%
5. Partnership/joint venture interests	0%
6. Real estate (other than employer real property)	0%
7. Loans (other than to participants)	0%
8. Participant loans	0%
9. Value of interest in common/collective trusts	0%
10. Value of interest in pooled separate accounts	0%
11. Value of interest in master trust investment accounts	0%
12. Value of interest in 103-12 investment entities	0%
13. Value of interest in registered investment companies (e.g., mutual funds)	99%
14. Value of funds held in insurance co. general account (unallocated contracts)	0%
15. Employer-related investments:	
Employer Securities	0%
Employer real property	0%
16. Buildings and other property used in plan operation	0%
17. Other	1%

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was in critical status in the Plan Year, and a rehabilitation plan has been adopted. by June 30, 2009. The plan has made the contribution and benefit changes required by the rehabilitation plan. However, the funding ratio and the credit balance are below those anticipated by the rehabilitation plan.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact the Insulators Local Union No. 112 Pension Plan, at 1-337-474-2298, or by writing to 2126 Oak Park Blvd., Lake Charles, LA 70601. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 72-0626673. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).