



**SHEET METAL WORKERS LOCAL
PENSION FUND
P.O. BOX 368
TROY, MICHIGAN 48099-0368
(248) 641-4902 or Toll Free (866) 599-3176**

August 20, 2010

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

This is to inform you that on July 29, 2010 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, 2010. Federal law requires that you receive this notice. 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

For the plan to emerge from critical status, there must be no projected funding deficiencies for at least 10 years. This has not happened yet, however. The plan's actuary projects that, if no further action is taken, the plan will have an accumulated funding deficiency for the plan year ending April 30, 2011. 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 written into collective bargaining or participation agreements.

Rehabilitation Plan and Possibility of Reduction in Benefits

As a result of the certification, the plan will continue to follow the rehabilitation plan adopted last year, which is aimed at restoring its financial health.

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 2010-2011 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.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan. To receive a copy, you may contact BeneSys at 700 Tower Drive, Suite 300, Troy, MI 48098 or by telephone at 248-813-9800.