April 15, 2010

US Department of Labor
Employee Benefits Security Administration
Public Disclosure Room
By e-mail to criticalstatusnotice@dol.gov

and

Pension Benefit Guaranty Corporation
ATTN: Multiemployer Data Coordinator
By e-mail to multiemploverprogram@pbgc.gov

Re: 2010 Notice of Critical Status for Sheet Metal Workers' National Pension Fund
EIN 526112463 PN 001

Dear EBSA and PBGC:

Enclosed is the 2010 Notice of Critical Status for the Fund.

Sincerely,

Marc LeBlanc
Fund Administrator
mleblanc@smwnpf.org

Enclosure

cc w/enc: K. Elliott
This is to inform you that on March 31, 2010, the plan’s actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, that the Sheet Metal Workers’ National Pension Fund (“NPF” or “Plan”) is in critical status for the plan year beginning January 1, 2010. Federal law requires that you receive this notice.

Critical Status

The NPF is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan’s actuary, has determined, and advises, that (a) the Plan is projected to have an accumulated funding deficiency within four years; (b) the funded percentage of the Plan is less than 65%, and the Plan is projected to have an accumulated funding deficiency within five years; and (c) the Plan was in critical status last year and the Plan is projected to have an accumulated funding deficiency within the next ten years. For more information on the NPF’s funded status, please see the accompanying Annual Funding Notice.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the plan’s financial health. This is the third year that the NPF has been in critical status and so the third year this Notice has been sent. In March 2008, you were notified that as of March 1, 2008 the NPF is not permitted to pay lump sum benefits (in excess of the statutory limit for mandatory cash-outs – currently $5,000) (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. In addition, the law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of its rehabilitation plan. Depending upon the collective bargaining agreement under which you worked in 2008, you were notified between May of 2008 and February of 2009 that the NPF reduced or eliminated adjustable benefits. In the rehabilitation plan (and schedules) as modified since 2008, the NPF’s Trustees determined that further benefit reductions were necessary, and you have received, or will receive, a separate notice identifying and explaining the effect of those reductions, if you are affected. You may obtain copies of previous notices that explained changes in adjustable benefits from the Fund’ website or office. Likewise, if in the future the NPF’s Trustees determine that further benefit reductions are necessary, you will receive a separate notice explaining the effect of those reductions if they affect you. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase or scheduled increase 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 March 1, 2008 (other than recent benefit increases or scheduled increases such as those described below).
Adjustable Benefits

The NPF has the following adjustable benefits which have been reduced or eliminated, as described in previous notices, or which may in the future be further reduced or eliminated, as part of its rehabilitation plan (including any amendments or modifications to the rehabilitation plan):

- Post-retirement death benefits;
- Sixty-month payment guarantees
- Disability benefits (not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Recent benefit increases (i.e., those increases that would not be guaranteed by the PBGC on the first day of the initial critical year (January 1, 2008) because the increase was adopted (or if later took effect or was scheduled to take effect) less than 60 months before that date;
- Other similar benefits, rights, or features under the Plan, such as the reversion option (i.e., the “pop-up” feature).

NOTE: Regardless of the rehabilitation plan or the NPF’s funded status, the NPF’s Trustees may at any time reduce or eliminate in whole or in part any benefit that is not treated as an accrued benefit under the anti-cutback rule of ERISA (§204(g)), including but not limited to any current or future retiree medical benefit (e.g., Medicare premium subsidy under the Plan’s 401h account), incidental death benefit, or disability benefit not in excess of the monthly benefit payable if a Participant separated service at normal retirement age.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan’s financial situation, until the employer’s employees are covered under a collective bargaining agreement (or other similar agreement) that includes terms consistent with the schedules in the rehabilitation plan adopted by the NPF’s trustees. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under any applicable collective bargaining agreement that is not consistent with the rehabilitation plan schedules. With some exceptions, a 5% surcharge applied in the initial critical year (2008), and a 10% surcharge applies for each succeeding plan year thereafter in which the Plan is in critical status. Note that very few employers (approximately 10) are currently subject to a surcharge as the vast majority of employers’ collective bargaining agreements contain terms that are consistent with one of the rehabilitation plan schedules.

Where to Get More Information

For more information about this Notice including copies of all prior notices, go to the NPF’s website www.smwnpf.org. Or, you may contact the Fund Office at the address and phone number in the letterhead at the top of this Notice, or by e-mail bot@smwnpf.org or info@smwnpf.org. You have a right to receive a copy of the rehabilitation plan from the NPF. If you would like a copy, go to the website, or contact the Fund Office.

cc: Local Unions
    Employers