

Wyoming Carpenters' Pension Fund
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April 30, 2010

EIN: 83-6013705

Plan No: 001

TO: All Participants, Beneficiaries, Participating Unions and Contributing Employers

1. As you may know, the Pension Protection Act of 2006 (PPA) added requirements for measuring the financial health of multiemployer pension plans such as ours. It requires that the Pension Plan's actuary determine annually the Plan's financial status under specific rules and certify that status to the IRS and the Trustees. It is important to note that if the Plan's status for a plan year is either "endangered" (known as the yellow zone) or "critical" (known as the red zone), the Trustees must notify all participants, employers, unions and other parties in writing of this certification, as well as take corrective action to improve the financial health of the Plan.

Red Zone Status

2. On March 28, 2008 the Pension Plan's actuary determined and certified that the Plan was in "critical" status for the 2008 plan year. This determination was made because the Plan had an accumulated funding deficiency for such plan year where the amortization extension granted by the IRS in July 2007 is not, as required under the law, taken into account for funding status purposes. This means that contributions at past rates would not be high enough to meet government standards for funding the promised benefits if the Plan did not have IRS permission to use a longer funding period. The Pension Plan's actuary certified that the Plan continued to be in critical status for the 2009 plan year. As required, the Pension Plan's actuary again formally reviewed the status of the Plan's financial health and certified on March 31, 2010 that the Pension Plan continues to be in critical status for the 2010 plan year. This determination was made because the Plan has an accumulated funding deficiency for the current plan year.

Rehabilitation Plan

3. The Pension Protection Act also requires that any pension plan in the red zone to adopt a "rehabilitation plan" that is designed to restore the financial health of the plan. The Board of Trustees adopted a rehabilitation plan on November 19, 2008. As required by law, a notice describing the Pension Plan's rehabilitation plan was provided to the bargaining parties shortly after that. Participants receive a summary of the rehabilitation plan plus any updates, describing any changes to the Plan, as part of the annual funding notice, which is included with this red zone notice. In addition to revising the Pension Plan's formula for future benefit accruals and

making similar changes to future benefits, the law permits pension plans in the red zone to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan.

Adjustable Benefits

4. The “adjustable benefits” that are subject to change, reduction, adjustment or elimination as part of a rehabilitation plan include:

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

However, under no circumstances is the level of your accrued normal retirement benefit payable at normal retirement age subject to reduction or elimination, except as provided under paragraph C. above relating to recent benefit increases.

Pension Plan Changes

5. On November 19, 2008, the Board of Trustees adopted a rehabilitation plan that proposed various changes to the Pension Plan in order to improve the financial health of the Plan. The Plan’s participating Unions and contributing Employers agreed to a schedule of changes as set forth under the rehabilitation plan. The Pension Plan sent you a notice describing those changes on February 10, 2009. The changes apply to active and inactive participants who file or have filed an application for benefits after November 19, 2008. The changes do not apply to any individuals already receiving benefits or who filed an application for benefits before November 19, 2008. The changes include a reduction in early retirement pensions and elimination of disability pensions for payments made on or after April 1, 2009. The Pension Plan also eliminated the lump sum pre-retirement death benefit. The Board of Trustees have not revised the Rehabilitation Plan to provide for any additional changes in the benefits payable from the Pension Plan since April 1, 2009.

Employer Surcharges

6. The Pension Protection Act also requires that contributing employers of a plan in the red zone pay a surcharge to help improve the Plan’s financial health, until the employer agrees to and begins contributing under a collective bargaining agreement that implements the rehabilitation plan. Since the Pension Plan’s participating Unions and contributing Employers agreed to a new collective bargaining agreement, as of January 1, 2009, that establishes a contribution rate in accordance with the rehabilitation plan and acknowledges the corresponding benefit changes, the employer surcharge is no longer applicable.

Where to Get More Information

7. Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year. You will also receive formal annual funding notices that provide details about the Plan's finances in addition to other communications about the Plan that the Trustees send out from time to time. If you have any questions about this notice or about the Plan in general, please contact the Plan administrator's office at the number listed above.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor
Pension Benefit Guaranty Corporation

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