

**Notice of Critical Status  
For  
Birmingham Plumbers and Steamfitters Local Union Number 91 Pension Trust Fund**

EIN: 63-0437949

Plan No. : 001

Date: April 29, 2011

Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act ("PPA" or "Act"), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a Plan's "financial health" with participants and other interested parties directly related to the Plan.

**Plan's Status for 2011 – Red Zone**

On March 31, 2011, the Plan's actuary certified to the U.S. Department of the Treasury and the Board of Trustees that the Plan is in critical status (the "Red Zone") for the Plan Year beginning January 1, 2011. This is the second year the Plan is in critical status. Federal law requires that you be notified of the funding status of the Plan and its classification of critical status ("Red Zone"). The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary has determined that the Plan is projected to have a funding deficiency within five years, the present value of vested benefits for inactive participants is greater than the present value of vested benefits for active participants, and the normal cost plus interest on the unfunded actuarial liability calculated on a unit credit basis is greater than the projected contributions for the current year. In addition, the Plan was in critical status last year and is projected to have a funding deficiency within 10 years.

**Rehabilitation Plan and Reduction in Benefits**

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 May 20, 2010 and subsequently adopted by the bargaining parties. In accordance with the Internal Revenue Code, on November 17, 2010, 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 April 30, 2010. The changes include larger early retirement benefit reductions for participants with less than 30 pension credits, as well as elimination of the 60-month preretirement death benefit, the 60-month guarantee for participants who retire under a life annuity option, the pop-up feature, and the preretirement lump sum death benefit.

## **Adjustable Benefits**

In addition to these recent changes, 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:

- Disability benefits (if not yet in pay status)
- Early retirement benefit or retirement-type subsidy for participants with 30 or more pension credits
- Reduce the 100% Pre-Retirement Survivor Annuity ("QPSA") to a 50% Pre-Retirement Survivor Annuity

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 reductions may only apply to participants and beneficiaries whose commencement date is no earlier than April 30, 2010.

## **Where to Get More Information**

Since the law requires that the Plan's funded status be reviewed and certified annually, notices like this one will be sent each year if the Plan is in critical status.

For more information about this Notice, you may contact:

Birmingham Plumbers and Steamfitters Local Union Number 91 Pension Trust Fund  
3625 Ninth Avenue North  
Birmingham, AL 35222  
205-595-5151

We understand that legally required notices like this one can create concern about the Plan's future. We are working closely with our professional advisors to monitor the Plan's condition and develop strategies to improve the Fund's funding status and provide you with sound pensions.

Sincerely,

Board of Trustees

cc: Department of Labor  
Pension Benefit Guaranty Corporation