

MECHANICAL CONTRACTORS - U.A. LOCAL 119 HEALTH & PENSION PLANS

PLAN MANAGER -
ALABAMA ADMINISTRATORS - 1717 OLD SHELL ROAD
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April 27, 2012

Multiemployer Program Division
Pension Benefit Guaranty Corp.
1200 K Street, NW
Suite 930
Washington, DC 20005

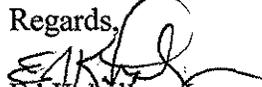
U.S. Department of Labor
Employee Benefits Security Adm.
Public Disclosure Room, N-1513
200 Constitution Ave., NW
Washington, DC 20210

Re: Mechanical Contractors U.A. Local Union 119 Pension Plan
EIN - 63-6055121 - Notice of Critical Status - Distribution Date 4/27/2012

PBGC & DOL:

Enclosed you will find the Pension Protection Act, Notice of Critical Status.

Notice has been sent to all participants, employers, Union, Association and other concerned parties on April 27, 2012.

Regards,

Ed Kalley, Jr.
Trust Administrator

2012 JUN 25 PM 2:08
EBSA/PUBLIC DISCLOSURE

Notice of Critical Status for Mechanical Contractors – U. A. Local 119 Pension Plan



EIN: 63-6055121

Plan Number: 001

Plan Year Ended December 31, 2011

Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act of 2006 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 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" or "critical", the Trustees must notify all participants, employers, unions and other parties in writing of this certification, as well as take corrective action to restore the financial health of the Pension Plan.

Plan's Status – Red Zone

In 2008, 2010 and 2011, the Plan Actuary determined and certified that the Mechanical Contractors U. A. Local 119 Pension Plan ("Plan") was in "critical" status for the 2008, 2010 and 2011 Plan Years. As required, the Pension Plan's actuary again formally reviewed the status of the Plan's financial health for the 2012 Plan year and certified on 3/31/2012 that the Pension Plan continues to be in critical status for the 2012 Plan year. This determination was made because the Plan was in critical status for 2011 and is projected to have a funding deficiency within 10 years.

Rehabilitation Plan

The Pension Protection Act requires any pension plan in the red zone to adopt a "rehabilitation plan" that is designed to restore the financial health of the plan. The Trustees adopted a rehabilitation plan on 11/20/2008 and further amended the Plan on 1/15/2009, 11/18/2010 and 9/30/2011. On 1/25/2009, the Trustees sent out a Notice of Material Modifications, explaining all of the changes adopted under the Rehabilitation Plan. Participants are receiving 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 the rehabilitation plan. The update on 9/30/2011, made no additional changes to benefits or contributions.

Adjustable Benefits

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

- Disability benefits (if not yet in pay status),
- Disability benefit – subsidized benefit amount,
- Early retirement benefit or retirement-type subsidy,
- Post-Retirement Death Benefit,
- Optional forms of payment (66-2/3% and 100% Joint and Survivor Pension and 10-Year Certain and Life Option),
- Recent benefit increases (i.e. those that were adopted or took effect since 1/1/2003), and
- Other similar benefits, rights, or features under the plan, including the Pop-up feature on all Joint and Survivor Pensions for all future retirees.

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 noted above relating to recent benefit increases.

What's Next

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 be receiving formal Annual Funding Notices giving other 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 generally, please contact the Plan administrator's office at the number listed below.

We understand that legally required notices like this one can create anxiety and concern about the Pension Plan's future. The Board of Trustees is working with contributing employers and the unions toward taking appropriate actions to improve the financial health of the Plan so that retirement benefits for participants and their families are secure into the future.

Where to Get More Information

For more information about this Notice contact:

Mechanical Contractors U.A. Local 119 Pension Plan

c/o Alabama Administrators – Plan Manager
1717 Old Shell Road
Mobile, AL 36604
(251) 478-5412

Board of Trustees

Distribution Date 4/27/2012 ▲
CC: DOL-criticalstatusnotice@dol.gov
PBGC-multiemployerprogram@pbgc.gov