

**Notice of Endangered Status as of September 1, 2008  
For The  
Plumbers and Steamfitters Local No. 577 Pension Plan**

The Pension Protection Act of 2006 (“PPA”) has added requirements for measuring the financial health of multiemployer plan such as yours. Starting now, the PPA requires that the plan actuary determine annually the Plan’s status under these new rules, and to certify that status to the IRS and the Board of Trustees. If the Plan’s status for a plan year is “endangered” (i.e., “yellow” zone) or “critical” (i.e., “red” zone), the Trustees must notify all plan participants, and other interested parties, and take corrective action to restore the financial health of the Plan.

**Endangered Status (i.e., “Yellow” Zone)**

This notice is to inform you that on November 26, 2008 the plan actuary certified to the U.S. Department of the Treasury, and to the Board of Trustees, that the Plan is in “endangered status” for the plan year beginning September 1, 2008. Federal law requires that you receive this notice.

The Plan was 78.8% funded at September 1, 2008. This means that the ratio of Plan assets to Plan liabilities was 78.8% at that date. The Plan would need to have a funded ratio of at least 80% in order to be out of the “yellow” zone.

Since the Plan is “endangered”, the Trustees are required to develop a “Funding Improvement Plan”. The Funding Improvement Plan will be developed by August 2009, and a notice describing the Funding Improvement Plan will be sent shortly afterwards.

**Funding Improvement Plan**

Federal law requires plans in endangered status to adopt a Funding Improvement Plan, designed to improve the financial health of the Plan. The Funding Improvement Plan will be developed by the Board of Trustees and will identify several options that will be proposed to the union and the employers. These options may include increases in the contribution rate and/or reductions in future benefit accruals. (Note that the Funding Improvement Plan CANNOT take away benefits you have already accrued.) No benefit increases are permitted while the Plan is under a Funding Improvement Plan, unless such increases are funded by additional contributions.

**Where to Get More Information**

For more information about this Notice, you may contact the Fund Office at 1-888-999-7741, or via mail at 333 W. Vine Street, Suite 500, Lexington, KY 40507. You have a right to receive a copy of the Funding Improvement Plan once it has been adopted.

December 26, 2008