

# UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

UP Plumbers' & Pipefitters' Health & Welfare Fund  
UP Plumbers' & Pipefitters' Pension Fund  
UP Plumbers' & Pipefitters' Defined Contribution Plan  
UP Plumbers' & Pipefitters' Educational Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

October 2008

## Notice of Endangered Status For Upper Peninsula Plumbers' & Pipefitters' Pension Fund

The 2006 Pension Protection Act requires that the Board of Trustees provide notice to you that on September 29, 2008 the plan actuary certified to the U.S. Department of the Treasury and to the plan sponsor that the plan is in endangered status for the plan year beginning July 1, 2008. This is a new law; in the future you will receive an annual update of the Pension Plan's status and the progress the Plan is making towards the goals described below.

### Endangered Status

The plan is considered to be in endangered status because the Funded percentage is less than 80%. The plan's actuary determined that the plan's funded percentage is 68% as of July 1, 2008. The "funded percentage" is the fraction of benefits earned by participants that can be funded with existing Fund assets based upon the Plan Actuary's current assumptions including projected mortality rates and investment returns on Fund assets.

As required by law, the plan actuary's certification includes only those contribution rates that have already been negotiated into the plan. It cannot assume the Pension contribution increases that are likely to occur through negotiated wage increases and the fact the Pension contributions are a percentage of wages.

### Funding Improvement Plan

Federal law requires pension plans in endangered status adopt a funding improvement plan aimed at improving the financial health of the plan. The funding improvement plan requires that the plan's funded percentage improve at least one-third of the way to 100% over the next 10 years. Therefore, the minimum target for this Plan under the law is a funded percentage of 79% by 2018. The Trustees will be working on details of this plan over the next several months.

### Future Experience and Possible Adjustments

The funding improvement plan will be based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

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### **Commitment to Continued Improvement**

Beginning in 2003 the Trustees have taken actions to balance the contributions and benefits and improve the financial health of the Fund. With the past changes in place, and the ability to make future changes if necessary, the Trustees anticipate that the Fund will emerge from endangered status and continue to see improved funded percentages in the future. The Trustees are committed to providing a retirement benefit that you can rely upon to pay a lifetime benefit and that will play a significant role in your overall retirement planning.

### **Where to Get More Information**

For more information about this Notice, you may contact the Pension Fund. You have a right to receive a copy of the funding improvement plan once it has been formally approved by the bargaining parties.