

**Pipe Fitters Local Union No. 120 Pension Fund**  
**Notice of Plan Status**

**April 26, 2010**

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***Participants, Beneficiaries, Contributing Employers of the Pipe Fitters Local Union No. 120 Pension Fund (the "Plan"), and Participating Unions:***

The US Congress enacted the Pension Protection Act of 2006 (PPA or Act), in part, to improve the financial condition of pension plans by ensuring that pension plans have the assets necessary to fund pension benefits when participants retire. The Act implemented several safeguards aimed at improving plan funding levels as well as notification requirements to share more information about a plan's "financial health" with participants and others related to the plan.

Many of the Act's safeguard provisions relate to funding, which, in simplest terms, is how much a pension plan has coming in, going out, and what is in reserve (or "in the bank") to pay pension benefits in the future. These safeguards are intended to create more discipline in determining the funding strategy for pension benefits to prevent avoidable funding problems.

Starting with the 2008 plan year, the Act requires that pension plans be tested annually to determine how well they are funded. The Act established formal benchmarks for measuring a plan's funding. Plans that are in the Yellow ("endangered") or Red ("critical") Zones must notify all plan participants, unions, and contributing employers of the plan's status, as well as take corrective action to restore the plan's financial health.

**Plan's Status – Yellow Zone**

For the Plan Year beginning January 1, 2010, the Pension Plan is less than 80% funded. The Plan's actuary provided this certification based on the Act's funding measures. As a result, the Plan was categorized as being in the Yellow "Endangered" Zone for the 2010 Plan Year.

**Funding Improvement Plan**

Yellow Zone status is like an early warning to focus on correcting problems to head off more serious trouble. To comply with the Act, the Plan Sponsor will adopt a Funding Improvement Plan before November 26, 2010, designed to improve the Plan's funded position. Once a Funding Improvement Plan is adopted, employers and unions will be notified of the items that will need to be covered in new or renewed collective bargaining agreements.

**What's Next**

While no changes are being made at this time, once the Funding Improvement Plan is adopted, any necessary changes will be communicated to all affected individuals and/or parties. However please note that since the Plan's financial condition generally changes with changes in the economy, the Act requires that the Plan's funding status be reviewed and certified annually, which means that you will receive a notice like this each year until the Plan is no longer in the Yellow Zone.

We understand that legally required notices like this one can create concern about the Pension Plan's future. While the "Endangered" label is required to be used by law, the fact is that we have been working with our actuaries and consultants for some time now to address these issues. Please be aware that improving the Plan's funded status is a top priority and we are committed to taking any actions necessary to ensure your benefits will be there when you retire.

For more information about this Notice or the Plan in general, contact the Plan's Administrator at the address or phone number listed at the start of this letter.

Sincerely,

Board of Trustees

*As required under the Pension Protection Act of 2006, this notice regarding the Plan's funding status is being disclosed to each Plan Participant and Beneficiary, the Union and all Contributing Employers. This Notice is also being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.*