NOTICE OF ENDANGERED STATUS

April, 2014

TO: PARTICIPANTS AND BENEFICIARIES
   CONTRIBUTING EMPLOYERS
   LOCAL UNIONS
   PENSION BENEFIT GUARANTY CORPORATION
   SECRETARY OF LABOR

This is to inform you that on March 31, 2014 the actuary for the Employer-Industrial Sheet Metal Workers Local No. 16 Pension Plan (the “Plan”) certified to the U.S. Department of the Treasury, and to the Board of Trustees that the Plan is in endangered status (the “yellow zone”) for the Plan Year beginning January 1, 2014. Federal law requires that you receive this notice.

PRIOR FUNDING STATUS

The Pension Protection Act of 2006 requires the annual certification of the funded status of each multiemployer defined benefit pension plan by an actuary. Based on criteria specified in the Pension Protection Act of 2006, plans are classified as being in one of three funding zones:

- “Endangered status,” which is often called the “yellow zone,”
- “Critical status,” which is often called the “red zone,” or
- “Neither endangered nor critical status,” which is often called the “green zone.”

Beginning with the January 1, 2010 Plan Year, the Plan had been certified as being in the critical status. As required of plans in critical status, the Board of Trustees adopted a rehabilitation plan aimed at restoring the financial health of the Plan by calling for increased employer contributions and the cutback or elimination of certain “adjustable benefits.” Plan participants and other parties were previously notified of these and other Plan changes.

As a result of the rehabilitation plan and the economy the Plan’s financial condition improved between 2010 and 2014, resulting in the Plan’s emergence from critical status (and ending the rehabilitation period) when it was certified as being in endangered status for the Plan Year beginning January 1, 2014.
ENDANGERED FUNDING STATUS FOR 2014

The Plan is now certified to be in endangered status for the Plan Year beginning January 1, 2014 because its funded percentage is less than 80%.

FUNDING IMPROVEMENT PLAN

Federal law requires pension plans in endangered status to adopt a funding improvement plan ("FIP") aimed at restoring the financial health of the Plan. The FIP will be developed over the coming months. You will receive notice once the FIP is adopted by the Board of Trustees. You will be notified of any benefit reductions under the FIP.

ANNUAL CERTIFICATION OF FUNDED STATUS

The Pension Protection Act of 2006 requires that the Plan’s funding status be reviewed and certified annually. Each year around the end of March, the Plan’s funded status will again be certified by its actuary as being in the green, yellow or red zone. You will be notified of its status and steps that the Plan may need to take due to being in a particular funding status zone.

WHERE TO GET MORE INFORMATION

For more information about this notice, you may contact the Plan Administrator at the following address:

Employer-Industrial Sheet Metal Workers Local No. 16 Pension Plan
C/o The William C. Earhart Company, Inc.
P.O. Box 4148
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(503) 460-5221
1-877-396-2921

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