

Hall Actuarial Associates

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April 16, 2008

Mrs. Rita Romero
BATON ROUGE SHEET METAL WORKERS
2061 Beaumont Drive
Baton Rouge, Louisiana 70806

Re: Notice of Critical Status

Dear Mrs. Rita,

The Pension Protection Act of 2006 now requires that the fund submit a Notice of Critical Status to the Department of Labor and the Pension Benefit Guaranty Corporation within 90 days of the close of the plan year. As you can see, this notice is late. I recently discovered while attending the Enrolled Actuaries meeting in Washington DC that I had misinterpreted the regulation. I thought that the notice was only required if the plan was in endangered or critical status. I now understand that the notice must be filed annually for all multiemployer plans.

Please forward a copy of this letter with the attached notice to all Trustees. I have e-mailed a copy of this letter and notice to the Department of Labor at criticalstatusnotice@dol.gov and the Pension Benefit Guaranty Corporation at multiemployerprogram@pbgc.gov. This is the first year that the notice is required to be sent.

If you have any questions or care to discuss this matter further, please do not hesitate to contact me.

Sincerely,

Charles G. Hall FCA, MAAA, ASA
Actuary
EA 08-4199

Notice of Funded Status For

BATON ROUGE SHEET METAL WORKERS PENSION TRUST FUND

This is to inform you that on April 16, 2008 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is not in endangered status and the plan is not in critical status for the plan year beginning January 1, 2008. Federal law requires that you receive this notice.

The Funded Status of the plan on January 1, 2008 was determined to be 91.9%, and contributions to the plan will satisfy the minimum funding requirements so there will be no accumulated funding deficiency.

The Funded Status is the ratio of the accrued liability divided by the plan assets.

Endangered Status

A plan is considered to be in endangered status if it is less than 80% funded or has an accumulated funding deficiency. The Act requires the endangered plan to adopt or implement a funding improvement plan, including contribution increases and/or benefit reductions.

Critical Status

A plan is considered to be in critical status if the funded percentage of the plan is 65% or less, or if the plan is projected to have an accumulated funding deficiency for the 2008 plan year and maybe subject to the following;

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the first plan year in which the plan is in critical status.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that further benefit reductions are necessary, you would receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the first plan year in which the plan is in critical status.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan if the pension plan reaches critical status:

- √ Sixty-month payment guarantees;
- √ Disability benefits (if not yet in pay status);
- √ Early retirement benefit or retirement-type subsidy;
- √ Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- √ Recent benefit increases (i.e., occurring in past 5 years);

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact;

Mrs. Rita Romero
BATON ROUGE SHEET METAL WORKERS
2061 Beaumont Drive
Baton Rouge, Louisiana 70806
(225)-927-3930
brroof@bellsouth.net

You have a right to receive a copy of the rehabilitation plan if the plan is in critical status.