

Notice of Critical Status For

UFCW Local 23 and Employers Pension Fund

This is to inform you that on March 28, 2008 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2008. Federal law, the Pension Protection Act of 2006, requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan has a projected funding deficiency for the current plan year.

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 (other than a repeal of a recent benefit increase, as described below) 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 April 25, 2008. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of April 25, 2008, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it 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 the pension plan may adopt [*check appropriate box or boxes*]:

- Post-retirement death benefits;
- 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);
- Other similar benefits, rights, or features under the plan {provide identification}

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 Renee Duncombe at 1-800-423-3863 or 345 Southpointe Blvd., Canonsburg, PA 15317. You have a right to receive a copy of the rehabilitation plan from the plan.

Notice of Yellow Zone Status

for

Iron Workers Locals 40, 361 and 417 Pension Trust Fund

To: All Participants, Beneficiaries, Participating Unions and Contributing Employers

As you may know, the Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial health of multiemployer plans such as ours.

Starting with the 2008 plan year, the PPA requires that a Pension Fund's actuary determine annually the Fund's status under these new rules and to certify that status to the IRS and the Trustees (plan sponsor). This certification was submitted to the IRS on March 28, 2008. It is important to note that if the Fund's status for a plan year is in "endangered" ("yellow zone") or "critical" ("red zone") status, the Trustees must notify all plan participants in writing of this certification and take corrective action to restore the financial health of the plan.

Plan's Status – "Yellow" Zone

This letter will serve as the Notice that our Pension Fund's actuary recently determined and certified that the Fund is in "endangered" status (yellow zone) for the 2008 plan year. This determination was made because, based on the PPA's new funding measures, the Fund is currently less than 80% funded. "Endangered" is a label that the law requires us to use, but in fact, the Fund is meeting its funding goals and is expected to continue doing so into the future.

The PPA also requires that any pension fund in the yellow zone adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to significantly increase a plan's funding percentage and to avoid any accumulated funding deficiency. The Trustees will develop the FIP by late this fall and a notice describing it will be provided to the bargaining parties shortly after that.

Funding Improvement Plan

The current Collective Bargaining Agreements (CBA) between the Contributing Employers and the Unions provide that sufficient annual contributions will be made to the Pension Fund to fund the benefits that participants are earning, to pay the Fund's operating costs, and to amortize over a period the unfunded actuarial liability for Plan benefits defined in the actuarial valuations of the Pension Actuary. Since these agreements started, contributions to the Pension Fund have been roughly \$19.5 million per year and we expect that the Plan's funding percentage will continue to improve, in line with the requirements of the PPA.

The Board does not expect that any other changes will be needed to meet the PPA's requirement for a FIP, while the current CBA is in effect. Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our plan is no longer in the yellow zone. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control, which our advisors will monitor yearly, including market volatility and changes in participation and/or the number of contributing employers.

We understand that legally required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their families with secure retirement benefits.

In the event you have questions or would like additional information, you may contact the Board of Trustees.:

Iron Workers Locals 40, 361 & 417 Pension Fund
451 Park Avenue South
New York, New York 10016
(212) 684-1586

Sincerely,

The Board of Trustees

cc: US Department of Labor
US Pension Benefit Guaranty Corporation