



December 18, 2008

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

FROM: Board of Trustees

**RE: Carpenters Pension Trust Fund for Northern California
NOTICE OF PLAN STATUS**

The Pension Protection Act (PPA) was signed into law in 2006. Starting with the Plan year beginning September 1, 2008, the PPA requires that the Carpenters Pension Plan be tested annually to determine how well it is funded. The PPA established benchmarks for measuring a plan's funding with formal labels attached. Plans that are in the Yellow Zone ("endangered" or "seriously endangered") or Red Zone ("critical") must notify all Plan participants, beneficiaries, unions and contributing employers of the Plan's status, as well as take corrective action to restore the Plan's financial health. This is to inform you that on November 26, 2008, the Plan's actuary certified to the U.S. Department of the Treasury, and to Plan Trustees, that the Plan is in "seriously endangered" status for the Plan year beginning September 1, 2008. Federal law requires that you receive this notice.

Plan's Status - Yellow Zone

As a result of investment activity, according to the PPA, the Plan is labeled as "seriously endangered" because its funded percentage is less than 80% (currently the Plan is funded at 77.4%) and there will be a projected negative balance in the Funding Standard Account beginning September 1, 2013 if no remedial steps are taken.

Funding Improvement Plan

The Pension Protection Act requires pension plans, labeled with a "seriously endangered" status, to adopt a funding improvement plan aimed at improving the financial health of the Plan. While no changes are being made at this time, a funding improvement plan will be adopted by mid-July 2009 and necessary changes will be communicated to all affected individuals and/or parties. **No benefits already earned will be reduced or eliminated as part of the funding improvement plan.**

While the "seriously endangered" label is required to be used by law, **the Fund is, in fact, making all benefit payments and is expected to do so in the future.** The Trustees are confident that with appropriate adjustments the Fund will continue to provide participants, and their families, secure retirement benefits while satisfying PPA benchmarks.

Where To Get More Information

For more information about this notice or the Pension Plan in general, please contact the Trust Fund Office at:

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