

CMTA - TOOL AND DIE CRAFTSMEN ASSOCIATION PENSION TRUST

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Location: 1640 South Loop Road
Alameda CA 94502

December 27, 2010

VIA ELECTRONIC MAIL

U.S. Dept. of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, NW
Washington, DC 20210

Re: Notice of Critical Status

Dear Sir or Madam:

Enclosed please find a copy of the Notice of Critical Status for the CMTA - Tool and Die Craftsmen Association Pension Trust, which is in the process of being distributed to all Plan participants, alternate payees and other beneficiaries; Communication Workers of America Local 9415; the PBGC and all contributing employers.

Sincerely,

Kirsten Brooks/cd
Kirsten Brooks
Fund Manager

KB/cd

Encl.

cc: Dave Crutcher, Esq. (w/encl.)
CWA Local 9415, (w/encl.)

CMTA-TOOL & DIE CRAFTSMEN ASSOCIATION PENSION TRUST

NOTICE OF CRITICAL STATUS PENSION PLAN

DECEMBER 2010

TO: Participants and Beneficiaries
Contributing Employers
Communications Workers of America Local 9415
Pension Benefit Guaranty Corporation
U.S. Department of Labor

FROM: Board of Trustees

This is to inform you that on November 29, 2010 the actuary for the CMTA-Tool & Die Craftsmen Association Pension Trust (the "Plan") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Plan is in critical status for the Plan Year beginning September 1, 2010 (the "2010 Plan Year"). Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary determined that:

1. over the next three Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2012 and 2013 Plan Years ; and
2. the funded percentage of the Plan is 65% or less and over the next four Plan Years; the Plan is projected to have an accumulated funding deficiency for the 2012, 2013, 2014 Plan Years ; and
3. the sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan Year exceeds the present value of all expected contributions for the Plan Year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four Plan Years the Plan is projected to have an accumulated funding deficiency for the 2012, 2013 and 2014 Plan Years ; and
4. the Plan was in critical status last year and over the next 9 Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2012 through 2020 Plan Years.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the third year the Plan has been in critical status. The law permits pension plans in critical status to reduce, or even eliminate benefits called "adjustable benefits" as part of a rehabilitation plan. In December 2008 of the first year that the Plan was in critical status, you were notified that the Plan would reduce or eliminate

early retirement benefits and 60-month death benefit payments. If the Trustees of the Plan determine that further 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 falls after December 31, 2008.

Adjustable Benefits

The Plan offered the following adjustable benefits which were reduced or eliminated as part of the Rehabilitation Plan that the Plan's Board of Trustees adopted:

- Early Retirement Pension benefits;
- 60-month payment guarantee that is part of the life annuity payment form

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation beginning 30 days after the employer is notified that the plan is in critical status. The surcharge is a percentage of an employer's negotiated contribution rate. A 5% surcharge is applicable the first year in critical status. The surcharge increases to 10% for each succeeding plan year in which the plan is in critical status, until the employer agrees to a collective bargaining agreement that implements one of the schedules in the rehabilitation plan.

For the remainder of the first critical status Plan Year (through August 31, 2009), the 5% surcharge was imposed with respect to any contribution required to be paid on or after January 26, 2009. For Plan Years beginning after August 31, 2009, the 10% surcharge has been imposed on contributions required to be paid or actually paid on and after that date. These surcharges will be disregarded in determining benefit amounts and potential withdrawal liability, as required by the law.

Additional Comments

The principal reason for the Plan's funding problems is adverse financial market experience since the Plan was amended to freeze new benefit accruals back in 1999. The Board of Trustees attempted to alleviate the Plan's funding problems by adopting a rehabilitation plan that will eventually call for higher contributions. Although it is not possible for the Board of Trustees to predict how the financial markets will perform in the future, the Plan's assets continue to be invested among a diversified array of equity and fixed income funds in order to minimize the risk of large losses. To keep fees down, most of the funds are indexed instead of actively managed. The Board of Trustees regularly monitors the Plan's funding situation, and notify you as the law requires.

For more information about this notice or the Trust, contact the Fund Office at the address or phone number listed at the top of this letter.

Where to Get More Information

For more information about this notice or the Trust, contact the Fund Office at the address or phone number listed at the top of this letter. You have a right to receive a copy of the rehabilitation plan from the Plan.