EBSA/PUBLIC DISCLOS 2012 AUG 27 PM 3:09

PLUMBING AND PIPE FITTING INDUSTRY LOCAL 219 PENSION PLAN
2012 NOTICE OF CRITICAL STATUS
August 2012

On July 27, 2012 the actuary for the Plumbing and Pipe Fitting Industry Local 219 Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan is in critical status for the 2012-2013 Plan Year as defined by the *Pension Protection Act of 2006* ("PPA"). The 2012-2013 Plan Year began on May 1, 2012 and will end on April 30, 2013. Federal law 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. As of the Plan's 2012-2013 PPA certification date, the Plan was projected to have an accumulated funding deficiency for the 2015 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government's minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The 2012-2013 Plan Year is the first Plan Year that the Plan has been certified to be in critical status.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at improving the plan's funded status. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of "adjustable benefits", and/or (3) increases in the hourly contribution rate.

The Board of Trustees is currently working with the Plan's actuary and other professionals to develop a rehabilitation plan. If the Board of Trustees determines that any benefit reductions are necessary, you will receive a separate Notice in the future identifying the type of the reduction and their effect. It should be noted that any reduction of adjustable benefits will not reduce the amount of a participant's basic benefit payable at their Normal Retirement Age. In addition, the reductions can only apply to participants and beneficiaries whose benefit commencement date is on or after August 24, 2012.

In addition, federal law stipulates that pension plans in critical status are not allowed to pay "restricted benefits", such as lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity. Prior to being in critical status, the Plan's Joint & Survivor Annuity featured a free "pop-up" benefit. Under this feature, when a participant's spouse dies before him the participant's benefit increases or pops-up to the amount that he would have received at retirement had he selected a Single Life Annuity instead of a Joint & Survivor Annuity.

Because the free pop-up is more valuable than a single life annuity, this benefit is now restricted by law. Therefore, for retirements on or after August 24, 2012, the free Joint & Survivor Annuity pop-up provision is no longer available. The pop-up will remain in effect for any retirees who commenced receipt of benefits prior to August 24, 2012. Participants who commence receipt of their benefits on or after August 24, 2012 will still be able to elect a Joint & Survivor Annuity benefit with the pop-up feature. However, the cost of this feature will be paid for by those participants who elect this form of payment and will no longer be paid for by the Plan.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- ☑ Subsidized Early Retirement benefits for participant's with 10 or more years of Vesting Service;
- ☑ Unreduced/subsidized Early Retirement benefits for participant's with 30 or more years of Vesting Service;
- ☑ Disability benefits (if not yet in pay status);
- ☑ Other similar benefits, rights, or features under the Plan, including the Plan's pre-retirement death benefits and suspension rules.

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. This surcharge would not generate benefit accruals. If a rehabilitation plan is not adopted by the Board of Trustees and ratified by the bargaining parties before October 1, 2012, then starting on October 1, 2012 Employers would be required to add 5% to their Pension Plan remittances.

Where to Get More Information

For more information about this Notice, you can contact the Fund Office at 33 Fitch Boulevard, Austintown, Ohio 44515, or by calling toll-free at 1-800-435-2388. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 34-6682376.