

NOTICE OF ENDANGERED STATUS
FOR
IRON WORKERS LOCALS 40, 361 AND 417
PENSION 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.

The PPA requires that a Pension Fund's actuary determine the Fund's status under these new rules annually and certify that status to the IRS and the Trustees (who are the plan sponsor). If the actuary determines that the Fund is in "endangered" status ("yellow zone") or "critical" status ("red zone") for the year, the Trustees must notify all plan participants, employers and other interested parties in writing of this certification, as well as take corrective action to restore the financial health of the plan.

Endangered Status

On March 28, 2008 the Pension Fund's actuary determined and certified that the Fund was in "endangered" status for the 2008 plan year. This determination was made because the Fund was less than 80% funded. As required, the Pension Fund's actuary again formally reviewed the status of the Fund's financial health and certified on March 31, 2010, that the Pension Fund continues to be in endangered (yellow zone) status for the 2010 plan year. This determination was made because, based on the PPA's funding measures, the Fund continues to be 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.

Funding Improvement Plan

The PPA also requires every pension fund in the yellow zone to adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase a plan's funding percentage and to assure that contributions will be enough to meet the minimum required under the law. Our FIP was adopted on November 21, 2008 and a notice describing the FIP was provided to the bargaining parties shortly after its adoption. The FIP will be reviewed and updated as necessary by the end of November, 2010.

The negotiated contribution rates already in effect for the Pension Fund are expected to be sufficient to fund the benefits that participants are earning each year, and to pay the Fund's operating costs. At this time, we expect that the Plan's funding percentage will continue to improve, in line with the requirements of the PPA, but that will depend on how the Fund's assets fare in the face of investment market uncertainty.

Please note that the PPA mandates that our Plan's funding status be reviewed and certified annually and notices like this one will be sent each year until the Fund is no longer in the yellow zone. You will also be receiving formal Annual Funding Notices giving other details about the Fund's finances, in addition to other communications about the Fund that the Trustees send out from time to time. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control that our advisors will monitor yearly, including investment market volatility and changes in employment levels and/or the number of contributing employers. Unexpected developments in these or other areas could affect the Fund's status and corrective actions that might be needed in the future.

We understand that legally required notices like this one can create 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 at Iron Workers Local 40, 361 and 417 Pension Fund, 451 Park Avenue South, New York, NY 10016, telephone (212) 684-1586.

Sincerely,

The Board of Trustees

cc: US Department of Labor
US Pension Benefit Guaranty Corporation