

**Notice of Seriously Endangered Status  
For  
Plumbers Local Union No. 24 Pension Plan**

This is to inform you that on March 31, 2011 the plan actuary certified to the U.S. Department of the Treasury, and also the Board of Trustees, that the Plumbers Local Union No. 24 Pension Plan is in seriously endangered status for the plan year beginning January 1, 2011. Federal law requires that you receive this notice.

**Background**

The Pension Protection Act of 2006 ("PPA") imposes new rules on all single employer and multiemployer defined benefit pension plans intended to improve their funding status. The law has established three zones for plans with funding problems – endangered, seriously endangered, and critical. A plan is in endangered status if it is less than 80% funded or the plan is projected to have a funding deficiency within 7 years. A plan is in seriously endangered status if it is less than 80% funded and the plan is projected to have a funding deficiency within 7 years. A plan is in critical status if (1) it is less than 65% funded and with a projected funding deficiency within 5 years, or the inability to pay benefits within 7 years, or (2) it has a projected funding deficiency within 4 years, or an inability to pay benefits within 5 years, regardless of its funded percentage, or (3) it has benefits for inactives that are greater than for actives, contributions that are less than carrying cost and a funding deficiency projected within 5 years.

**Seriously Endangered Status**

The Plumbers Local Union No. 24 Pension Plan is considered to be in seriously endangered status because its funded percentage was less than 80%. More specifically, the plan's actuary determined that the plan's funded percentage was 78% as of January 1, 2011 and the Plan is projected to have a funding deficiency in the plan year beginning January 1, 2015.

**Funding Improvement Plan**

Federal law requires pension plans in seriously endangered status to adopt a funding improvement plan (FIP) aimed at restoring the financial health of the plan. On November 22, 2010, the Plan Trustees adopted an FIP that provides for an increase in the hourly employer contribution rate from \$6.75 to \$8.00, effective May 1, 2010, and a change in the monthly benefit accrual rate from \$75 for each year of credited service to \$.031 times hours of service, effective January 1, 2011. Additionally, the early retirement reduction percentage was increased from 1/6% to 1/2% per month early for benefits earned after January 1, 2011.

**Where to Get More Information**

For more information about this notice, you may contact I.E. Shaffer & Co., P.O. Box 1028, Trenton, N.J. 08628-0230. Telephone number (800) 792-3666. You have the right to receive a copy of the funding improvement plan from the Plan.