



SHEET METAL WORKERS' NATIONAL PENSION FUND

8403 ARLINGTON BOULEVARD, SUITE 300

FAIRFAX, VIRGINIA 22031

TELEPHONE 1-800-231-4622

2016 NOTICE OF ENDANGERED STATUS
EIN 52 6112463 / PLAN No. 001

APRIL 2016

NOTICE OF ENDANGERED STATUS FOR THE SHEET METAL WORKERS' NATIONAL PENSION FUND (2016 PLAN YEAR)

This Notice contains important information about your National Pension Fund. The purpose of this Notice is to inform you of the funded status of the Sheet Metal Workers' National Pension Fund ("NPF" or "Plan") under Section 432(b) of the Internal Revenue Code of 1986, as amended ("Code"), and Section 305(b) of the Employee Retirement Income Security Act of 1974 ("ERISA") and based on the Plan actuary's annual certification.

On March 30, 2016, the Plan's actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor (the NPF's Board of Trustees), that NPF is in endangered status for the plan year beginning January 1, 2016 (the "2016 Plan Year"). This Notice is sent pursuant to Section 432(b)(3)(D)(i) of the Code and Section 305(b)(3)(D)(i) of ERISA. **If you are already retired, nothing in this Notice will affect your National Pension Fund benefit.**

NPF's Endangered Status

The Plan's actuary certified that the NPF is in endangered status for the 2016 Plan Year because the actuary determined that the NPF previously emerged from critical status, is not projected to have an accumulated funding deficiency for the 2016 Plan Year or any of 9 succeeding Plan Years (without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 304(d) of ERISA), is not projected to become insolvent for the 2016 Plan Year or any of the 30 succeeding Plan Years, and its funded percentage for the 2016 Plan Year is less than 80%. In addition, the Plan's actuary certified that the NPF is not projected to be in critical status for any of the succeeding 5 Plan Years.

Funding Improvement Plan

The Code and ERISA require pension plans in endangered status to adopt a funding improvement plan. In February 2014, the NPF's Trustees adopted a Funding Improvement Plan and Funding Improvement Plan Schedule ("FIP Schedule"), effective as of March 1, 2014. The Trustees updated the Funding Improvement Plan and FIP Schedule in 2015 to reflect recent changes made to the Code and ERISA. The Trustees also updated the FIP Schedule, effective March 1, 2015 and December 15, 2015, as described below.

The objective of the Funding Improvement Plan is to have a funded percentage at the close of the funding improvement period that equals or exceeds the sum of the funded percentage as of the beginning of the 2015 Plan Year (January 1, 2015), plus 33 percent of the difference between 100 and such funded percentage (for the 2015 Plan Year). Additionally, the Funding Improvement Plan is

designed to avoid an accumulated funding deficiency for the 2026 Plan Year (taking into account the Plan's extension of its amortization period under ERISA Section 304(d)(1)).

The 2015 Annual Funding Notice, which is enclosed with this Notice, summarizes the three options that are currently provided under the FIP Schedule (the Default, First Alternative, and Second Alternative Options.) Additionally, the 2014 Summary Plan Description ("SPD") describes how those three Options affect Early Retirement Pension benefits and certain benefit features. A copy of the 2014 SPD can be viewed and downloaded by going to the Fund's website: www.smwnpf.org.

Where to Get More Information

For more information about this Notice, you may contact the NPF's Board of Trustees or the Fund Office, by email at BOT@smwnpf.org, or by telephone at 1.800.231.4622, or by mail at 8403 Arlington Boulevard, Suite 300, Fairfax, VA 22031. You have the right to receive a copy of the Funding Improvement Plan and FIP Schedule from the Plan upon written request. You can also view and download a copy of the Funding Improvement Plan and FIP Schedule (including any updates) by visiting the Plan's website: www.smwnpf.org. For identification purposes, the official plan number ("Plan No.") is 001 and the plan sponsor's name and employer identification number or "EIN" are: Board of Trustees of the Sheet Metal Workers' National Pension Fund/EIN 52 6112463.

THE BOARD OF TRUSTEES