

**Notice of Endangered Status**  
for the  
**International Association Full-Time Salaried Officers and Employees  
of Outside Local Unions and District Councils Pension Plan**

To: All Participants, Beneficiaries, Participating Local Unions and District Councils

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.

Starting with the 2008 plan year, the PPA requires that a Pension Fund's actuary determine annually the Fund's status under these new rules and to certify that status to the IRS and the Trustees (plan sponsor). It is important to note that if the Fund's status for a plan year is "endangered" ("yellow" zone) or "critical" ("red" zone), the Trustees must notify all plan participants, and other interested parties, in writing of this certification, as well as take corrective action to restore the financial health of the plan.

Plan's Status – "Endangered" ("Yellow" Zone)

This letter will serve as the Notice that, on March 28, 2008, our Pension Fund's actuary determined and certified that the Fund is in "endangered" status for the 2008 plan year. This determination was made because, based on the PPA's new funding measures, the Fund is currently 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.

The PPA also requires every pension fund in "endangered" ("yellow" zone) status 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. The FIP will be developed by late this fall and a notice describing it will be provided shortly after that.

Funding Improvement Plan

The contribution rate of 30% of payroll for International Association Full-Time Salaried Officers and Employees of Outside Local Unions and District Councils Pension Plan is expected to be sufficient to fund the benefits that participants are earning each year under the career-average benefit formula already in effect, to pay the Plan's operating costs, and to bring the Plan out of "endangered status" within the "Funding Improvement Period." In other words, the Plan is expected to reach an 80% funded level within the period mandated under the law.

The Board does not expect that any other changes will be needed to meet the PPA's requirements for a Funding Improvement Plan. Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one will be sent each year. 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.

We understand that legally required notices like this one can create anxiety and 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, and Jiggs Higgs, Fund Administrator, at International Association Full-Time Salaried Officers and Employees of Outside Local Unions and District Councils Pension Plan 1750 New York Avenue., N.W., Washington, DC 20006, phone: 202-383-4874.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor  
U.S. Pension Benefit Guaranty Corporation