



Connecticut Carpenters Pension Fund

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Notice of Endangered Status for Connecticut Carpenters Pension Fund

To: All Participants and Beneficiaries

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 in "endangered" ("yellow zone") or "critical" ("red zone") status, the Trustees must notify all Plan participants in writing of this certification and take corrective action to restore the financial health of the Plan.

Plan's Status – Yellow Zone

This letter will serve as the Notice that on May 22, 2008 our Pension Fund's actuary determined and certified that the Fund is in "endangered" or yellow zone status for the 2008 Plan year. This determination was made because as of April 1, 2008 the Plan's funded percentage of 77.04%, based on the PPA's new funding measures, is less than 80% and the Plan is not and will not be in "critical" status for the Plan year. "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 that any pension fund in the yellow zone adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to significantly increase a Plan's funding percentage and to avoid any accumulated funding deficiency. The FIP will be developed by late this fall and a notice describing it will be provided to the bargaining parties shortly after that. You have a right to receive a copy of the FIP from the Plan.

Funding Improvement Plan

Based on the current plan design and contribution levels and the Plan meeting its actuarial assumptions including demographic characteristics and investment returns, the Plan's actuaries have projected that the Plan's funded status should be 80% or greater and emerge from the yellow zone within 2-4 years.

The Board does not expect that any changes will be needed to meet the PPA's requirement for a FIP, while the current CBA is in effect. Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our Plan is no longer "endangered" or in the yellow zone. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control which our advisors will monitor yearly, including market volatility and changes in participation and/or the number of contributing employers.

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 Fund Office or the Board of Trustees by telephone at (203) 281-5511 or by mail at Connecticut Carpenters Pension Fund, 10 Broadway, Hamden, CT 06518.

Sincerely,

The Board of Trustees

cc: New England Regional Council of Carpenters and Locals 24, 43 and 210
Northeast Regional Council of Millwrights and Local 1121
Contributing Employers
Connecticut Construction Industries Association, Inc.
AGC/CCIA Building Contractors Labor Division of CT, Inc.
US Department of Labor
US Pension Benefit Guaranty Corporation

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