

**International Association Full-Time Salaried Officers  
and Employees of Outside Local Unions and District Councils Pension Plan**

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April 30, 2010

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

Under the Pension Protection Act of 2006 (PPA'06), the Pension Plan's actuary is required to make a determination of the Plan's financial status very plan year, and to certify that status to the IRS and the Trustees. If the Plan's status for a plan year is either "endangered" (the "yellow zone") or "critical" (the "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 Pension Plan.

Yellow Zone Status

The Pension Plan's actuary made the initial determination and certification of the Plan's status on March 28, 2008. On that date, the Plan's actuary determined and certified that the Plan was in "endangered" status for the 2008 plan year. This determination was made because the Plan was less than 80% funded under the PPA's new funding measures. On March 31, 2009, the Plan's actuary made the same determination and certification for the 2009 plan year, and for the same reason.

For the 2010 plan year, the Pension Plan's actuary has formally reviewed the status of the Plan's financial health and certified on March 31, 2010, that the Pension Plan continues to be in endangered (yellow zone) status for the 2010 plan year, because the Plan continues to be less than 80% funded under PPA funding measures.

Funding Improvement Plan

PPA'06 also requires any pension plan in endangered status ("yellow zone") to adopt a "Funding Improvement Plan" that is 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 Board of Trustees adopted a Funding Improvement Plan on October 7, 2008. As required by the law, a notice describing the Pension Plan's Funding Improvement Plan was provided shortly after that. The 2010 certification indicates that the Plan is making scheduled progress in meeting the requirements of its Funding Improvement Plan, based on information received from the Plan.

Pension Plan Changes

The Funding Improvement Plan as originally adopted by the Trustees did not include any changes to the Plan benefits. However, due to unexpected market conditions, it became necessary to make additional changes to the Plan's benefit structure, effective February 1, 2009, about which you were notified on January 14, 2009. The changes included an increase in the maximum salary taken into account, a reduction in the percentage of salary used in

determining the benefit amount, changes in the reduction factors for Early Retirement and Joint and Survivor Pensions, and changing the Normal Retirement Age from age 62 to age 65.

At this time, no additional changes to the Plan's benefit structure are contemplated. However, please note that if circumstances change, additional corrective action might be necessary.

#### Where to Get More Information

Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year. You also will continue to receive Annual Funding Notices that provide other details about the Plan's finances, in addition to other communications about the Plan that the Trustees send out from time to time.

If you have any questions about this notice or about the Plan generally, please contact the Plan Administrator's office at the number listed above.

We understand that legally required notices like this one can create anxiety and concern about the Pension Plan's future. The Board of Trustees is taking appropriate actions to improve the financial health of the Plan so that retirement benefits for participants and their families are secure into the future.

Sincerely,

The Board of Trustees

cc: US Department of Labor  
US Pension Benefit Guaranty Corporation

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