

Twin City Iron Workers Fringe Funds

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Fund Administrators

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Notice of Funded Status

April 27, 2012

To: Participants and Beneficiaries
International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union No. 512
All Contributing Employers
Associated General Contractors of Minnesota, Inc.
Associated General Contractors of North Dakota
Minnesota Steel Erectors Association

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EBSA/PUBLIC DISCLOSURE

The Pension Protection Act (PPA), signed into law in 2006, is intended to improve the financial condition of pension plans. The PPA implemented several safeguards, as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Many of the PPA's safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out, and what is in reserve for the future. The safeguards are intended to create more discipline to prevent avoidable funding problems.

Starting with the 2008 Plan Year, the PPA requires that the Twin City Iron Workers Pension Plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in endangered status (the Yellow Zone) or critical status (the Red Zone) must notify all plan participants, beneficiaries, unions, contributing employers, and other collective bargaining parties of the plan's status, as well as take corrective action to improve or restore the plan's financial health.

Plan's Status – Yellow Zone

For the 2012 Plan Year, the Plan's actuary has certified the Plan to be in endangered status, or in the Yellow Zone. This is because the Plan was less than 80% funded.

Funding Improvement Plan

Yellow Zone status is like an early warning to focus on correcting problems to head off more serious trouble. To comply with the PPA, the Trustees were required to adopt a Funding Improvement Plan. The Trustees adopted a Funding Improvement Plan on November 13, 2008 and updated it on May 14, 2009.

What's Next

Please note that, since the Plan's financial condition generally changes with changes in the economy, the PPA requires that the Plan's funding status be reviewed and certified annually. Consequently, you will receive a notice like this each year until the Pension Plan is no longer in the Yellow Zone.

You also should note that, so long as the Plan remains in the Yellow Zone, the Board of Trustees may not accept a collective bargaining agreement that (1) reduces the contribution rate for any participant, (2) suspends contributions with respect to any period of service, or (3) excludes new groups for entry into the plan.

We understand that legally required notices like this one can create concern about the Pension Plan's future. While the "endangered" label is required to be used by law, the fact is that we have been working with our actuaries and consultants for some time now to address these issues. Nevertheless, we must provide this notice and a written Funding Improvement Plan to you. Any updates to the Funding Improvement Plan will be shared with you. Please be aware that improving the Plan's funded status is a top priority and we are committed to taking any actions necessary to ensure your benefits will be there when you retire.

For more information about this notice or the Pension Plan in general, please write to the Fund Administrator at the address listed at the start of this letter.

Sincerely,
Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.