

NOTICE OF FUNDED STATUS OF PENSION PLAN

April 28, 2009

TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS OF THE SHEET METAL WORKERS LOCAL NO. 218(C) PENSION PLAN

FROM: BOARD OF TRUSTEES OF THE SHEET METAL WORKERS LOCAL NO. 218(C) PENSION PLAN

BACKGROUND

This notice contains important information about the Sheet Metal Workers Local No. 218(C) Pension Plan E.I.N. 37-6083535, Plan Number 001. Based on funding criteria set forth in the Internal Revenue Code, multiemployer pension plans are required – beginning with the 2008 plan year – to be certified by their actuaries as being in one of three funded status zones:

- *Neither Endangered nor Critical* (unofficially called the “Green Zone”)
- *Endangered* (unofficially called the “Yellow Zone”)
- *Critical* (unofficially called the “Red Zone”)

While trustees of Green Zone plans must continue to exercise diligence to protect the funded position of their plans, the law does not require them to take any specific actions or adopt particular programs to maintain or improve plan funding. On the other hand, trustees of plans that are not in the Green Zone must take specific actions spelled out in the law, including the adoption of a “funding improvement plan” for plans in endangered status or a “rehabilitation plan” for plans in critical status that are designed to restore the plans to Green Zone status over a period of time. For example, a plan in endangered status may reduce or eliminate future benefits or recommend that the bargaining parties negotiate additional employer contributions.

Recognizing that the value of the assets, and therefore the funding, of almost all pension plans has declined due to the impact of the current economic crisis, Congress passed the *Worker, Retiree, and Employer Recovery Act of 2008 (WRERA)*. The law allows multiemployer plan trustees to take more time to devise a plan of action for dealing with these issues by giving them the option to keep their plan in its 2008 plan year’s zone status for one more year – regardless of the plan’s actual funded status for the 2009 plan year.

2008 PLAN YEAR CERTIFICATION

The Plan's actuary certified the Plan's zone status for the January 1, 2008 through December 31, 2008 Plan Year to be neither endangered nor critical ("Green Zone").

2009 PLAN YEAR CERTIFICATION

For the January 1, 2009 through December 31, 2009 Plan Year, the Plan's actuary has certified the Plan to be in endangered status ("Yellow Zone") because the Plan is projected to have a minimum funding deficiency within seven (7) years.

ELECTION TO CONTINUE IN THE 2008 PLAN YEAR ZONE STATUS

In accordance with Section 204(a) of WRERA, the Trustees have elected to "freeze" the Plan's 2008 Plan Year Green Zone status and have it apply to the January 1, 2009 through December 31, 2009 Plan Year. Therefore, while the Trustees may take certain actions to improve the funding position of the Plan, they will not adopt a funding improvement plan at this time.

Please be advised that the freezing of the Plan's 2008 Plan Year Green Zone status does not extend beyond December 31, 2009. By March 31, 2010, the Plan's actuary will again certify its funded status and zone classification. If the Plan is certified to be in either endangered or critical status at that time, within 30 days after the date of certification, you will be sent a notice similar to this one explaining the Plan's zone status and actions that the Trustees may be required to take under the law to improve the funded status of the Plan.

WHAT'S NEXT?

We understand that legally required notices like this one can create concern about the Trust's future. Be assured that the Board of Trustees takes its obligation to preserve the financial viability of the Trust very seriously. With the assistance of the Trust's actuary, legal counsel and other Plan professionals, and working with the contributing employers and the Union, the Trustees will continue to work towards strengthening the funded position of the Plan.

Since the Pension Trust is influenced by economic and financial variables beyond our control (e.g., market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Trust's status and any future corrective actions needed. The Board of Trustees is continuously monitoring and reviewing the Plan's progress with its professional advisors.

QUESTIONS?

For more information about this notice or the Trust, contact the Administration Office at the address or phone number listed at the top 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 Department of Labor.