

**WORCESTER PLUMBERS AND PIPEFITTERS LOCAL UNION NO. 4
PENSION FUND**

P.O. Box 5817
Wallingford, CT 06492-7617
(888) 547-2462



**ANNUAL FUNDING NOTICE
FOR
PLUMBERS AND PIPEFITTERS UNION LOCAL NO. 4 PENSION PLAN**

Introduction

This notice includes important funding information about your pension plan (“the Plan”). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2008 and ending December 31, 2008 (“Plan Year”).

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan’s assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	2008 Plan Year	2007 Plan Year	2006 Plan Year
Valuation Date	January 1	NA	NA
Funded percentage	81.32%	NA	NA
Value of Assets	\$29,119,991	NA	NA
Value of Liabilities	\$35,810,459	NA	NA

Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The plan has entered “not applicable” in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For the 2007 Plan Year, the Plan’s “funded current liability percentage” was 55.14%, the Plan’s assets were \$26,747,719 and Plan liabilities were \$48,507,351. For the 2006 Plan Year, the Plan’s “funded current liability percentage” was 57.5%, the Plan’s assets were \$25,569,320 and Plan liabilities were \$44,467,944.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2008, the fair market value of the Plan's assets was \$24,353,626, as reported in the January 1, 2009 Actuarial Certificate of Zone Status. Once the December 31, 2008 audit is finalized, this figure may change. As of December 31, 2007, the fair market value of the Plan's assets was \$30,993,472. As December 31, 2006, the fair market value of the Plan's assets was \$29,266,134.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 559. Of this number, 212 were active participants, 240 were retired or separated from service and receiving benefits, and 107 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The Board of Trustees shall recommend a sufficient hourly contribution rate to meet the actuarial scheduled cost and to satisfy the requirements of the Pension Protection Act.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is set forth in a Statement of Overall Investment Objectives and Policy prepared by a professional investment advisor setting forth an investment return objective, an allocation between asset classes, performance benchmarks, quality standards, reporting requirements, and parameters for each investment manager, with the overall objective over time to achieve an investment return that will exceed the actuarial investment return assumption while managing risk.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Domestic Equity	43%
2. International Equity	13%
3. Fixed Income	26%
4. Real Estate	13%
5. Cash	5%
100% of the assets are in the common/collective trust investment.	

The asset allocation, and related asset values, are preliminary and subject to change during the annual audit process.

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact:

Mr. Richard Poulaino
Insurance Programmers, Inc.
Plumbers and Pipefitters Union Local No. 4 Pension Plan
60 North Main Street, Wallingford, CT 06492
Telephone: (203) 269-7741

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status for the 2008 Plan Year. However, due to the adverse investment experience in 2008, the Plan has been certified by the Plan's actuary as being in seriously endangered or yellow zone status for the 2009 Plan Year because the Plan is projected to have an accumulated funding deficiency within seven years and has a funded percentage below 80%. 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. As is explained in the enclosed Notice of Funded Status for the 2009 Plan Year, the Trustees have made such an election.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. The Annual Report for the 2008 Plan Year will not be available until mid-October of 2009.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC’s guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan’s monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC’s maximum guarantee, therefore, is \$35.75 per month times a participant’s years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant’s years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant’s guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the participant’s guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person’s monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan’s

termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact:

Mr. Richard Poulaino
Insurance Programmers, Inc.
Plumbers and Pipefitters Union Local No. 4 Pension Plan
60 North Main Street, Wallingford, CT 06492
Telephone: (203) 269-7741

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 04-6069434. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

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NOTICE OF FUNDED STATUS OF PENSION PLAN

April, 2009

Background

This notice contains important information about the Plumbers and Pipefitters Union Local No. 4 Pension Plan, E.I.N. 04-6069434, 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 (WREERA)*. The law allows multiemployer plan trustees 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 funded percentage as of January 1, 2009 is less than 80%.

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 Fund’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 Fund’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 Fund 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 Fund’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 Fund, contact:

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