

MICHIGAN CARPENTERS' PENSION FUND

Michigan Carpenters' Pension Fund
December, 2009

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

NOTICE OF CRITICAL STATUS

This is to inform you that on November 25, 2009 the Plan's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees (the Plan sponsor or Trustees) that the Plan remains in critical status for the Plan Year beginning September 1, 2009. Federal law requires that you receive this Notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan was in critical status last year and, over the next 9 years, the Plan is predicted to have an accumulated funding deficiency (taking into account amortization extensions) for the Plan Years ending August 31, 2018 and August 31, 2019. An "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Plan would become bankrupt or run out of money.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the Plan has been in critical status and a rehabilitation plan has been adopted. The law permits the Plan to reduce, or even eliminate, benefits called "adjustable benefits" as part of its rehabilitation plan. On January 28, 2009 and June 9, 2009, you were notified that the Plan reduced or eliminated certain adjustable benefits. On December 24, 2008, you were notified that as of September 1, 2008 the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the Trustees determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any future reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after December 24, 2008 (other than the repeal of the benefit increase adopted in the previous five years, which has already occurred).

Adjustable Benefits

The Plan continues to offer the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Certain Pre-Retirement Death Benefits;
- Disability Benefits (if not yet in pay status);
- Early Retirement Benefits or retirement-type subsidy;
- Benefit payment options other than a qualified joint and survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers pay a surcharge to the Plan to help correct the Plan's financial situation until the bargaining parties formally approve a rehabilitation plan. **Since the bargaining parties have approved the rehabilitation plan, employer surcharges are not currently applicable.** The amount of the surcharge is equal to a percentage of the amount the employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each Plan Year in which the Plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the Michigan Carpenters' Pension Fund at 6525 Centurion Drive, Lansing, Michigan 48917 or by telephone at (517) 321-7502 or Toll Free (800) 273-5739. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

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