



SHEET METAL WORKERS' NATIONAL PENSION FUND

601 NORTH FAIRFAX STREET, SUITE 500

ALEXANDRIA, VIRGINIA 22314

TELEPHONE 703-739-7000

Marc LeBlanc
Fund Administrator
mleblanc@smwnpf.org

April 11, 2011

US Department of Labor
Employee Benefits Security Administration
Public Disclosure Room
By e-mail to criticalstatusnotice@dol.gov

and

Pension Benefit Guaranty Corporation
ATTN: Multiemployer Data Coordinator
By e-mail to multiemployerprogram@pbgc.gov

Re: 2011 Notice of Critical Status for Sheet Metal Workers' National Pension Fund
EIN 526112463 PN 001

Dear EBSA and PBGC:

Enclosed is the 2011 Notice of Critical Status for the Fund.

Sincerely,

Marc LeBlanc

Enclosure

cc w/enc: K. Elliott



SHEET METAL WORKERS' NATIONAL PENSION FUND

601 NORTH FAIRFAX STREET, SUITE 500
ALEXANDRIA, VIRGINIA 22314
TELEPHONE 1-800-231-4622

EIN 52 6112463

PLAN No. 001

April 29, 2011

2011 NOTICE OF CRITICAL STATUS FOR THE SHEET METAL WORKERS' NATIONAL PENSION FUND

Introduction

This is to inform you that on March 31, 2011, the actuary for the Sheet Metal Workers' National Pension Fund ("Plan" or "NPF") certified to the U.S. Department of the Treasury, and also to the NPF's Plan Sponsor (the NPF's Board of Trustees), that the NPF is in critical status for the 2011 Plan Year. Federal law requires that you receive this notice. This notice is for our information, you are not required to respond or take any other action in response to this Notice.

The NPF is considered to be in critical status (commonly referred to as the "Red Zone") because it has funding or liquidity problems, or both. More specifically, the Plan's actuary, has determined, and advises, that (a) the Plan is projected to have an accumulated funding deficiency within four years; (b) the funded percentage of the Plan is less than 65%, and the Plan is projected to have an accumulated funding deficiency within five years; and (c) the Plan was in critical status last year and the Plan is projected to have an accumulated funding deficiency within the next ten years. *For more information on the NPF's funded status, please see the Plan's Annual Funding Notice, which is enclosed with this notice.*

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the plan's financial health. This is the fourth year that the NPF has been in critical status, so this is the fourth year a Notice of Critical Status has been sent. In March 2008, you were notified that as of March 1, 2008 the NPF is not permitted to pay lump sum benefits (in excess of the statutory limit for mandatory cash-outs - which is currently \$5,000) (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. In addition, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of its rehabilitation plan. See the next section for more details on NPF's adjustable benefits. Depending upon the Collective Bargaining Agreement or other agreement under which you worked in 2008 and your status as a person for whom contributions are not required to be made to the Plan, you were notified between May of 2008 and February of 2009 that the NPF reduced or eliminated adjustable benefits. Since the last Notice of Critical Status, additional notices of benefit adjustments were sent separately to certain groups

of participants on March 30, 2010, May 30, 2010, July 15, 2010, October 21 and 29, 2010, and March 15, 2011. These additional notices were prompted by Collective Bargaining Agreement changes or a participant's status as a person for whom contributions to the NPF are not required to be made. You may obtain copies of the previous notices that explained changes in adjustable benefits by contacting the Fund Administrator at fundadministrator@smwnpf.org or by writing to him at 601 North Fairfax Street, Suite 500, Alexandria, VA 22314.

If the NPF's Trustees determine that further benefit reductions are necessary under the Rehabilitation Plan and Schedules (as modified since 2008) and you are affected by these, you will receive a separate notice identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase - including a scheduled increase - described below) 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 March 1, 2008 (*other than* the repeal of a recent benefit increase (including a scheduled increase), described below).

Adjustable Benefits

The NPF has the following adjustable benefits which have been reduced or eliminated, as described in previous notices, or which may in the future be further reduced or eliminated, as part of its Rehabilitation Plan (including amendments or modifications to the Rehabilitation Plan and Schedules):

- post-retirement death benefits;
- 60-Certain Payments Option/120- Certain Payments Option guarantees
- Disability Benefits (not yet in pay status);
- early retirement benefits or retirement-type subsidies;
- benefit payment options other than a qualified Joint-and-Survivor Annuity Option (QJSA);
- recent benefit increases, including scheduled increases (i.e., any benefit increases, such as the scheduled increases formerly paid under the NPF COLA Benefit, that had not been adopted or taken effect more than 60 months before the first day of the initial critical year (January 1, 2008); and
- other similar benefits, rights, or features under the Plan, such as the reversion option (i.e., the "pop-up" feature) or an ancillary benefit such as the \$31-401h payment offered towards the Medicare supplemental insurance subsidy, and any other benefit that is not treated as an accrued benefit under the anti-cutback rule of ERISA (Section 204 (g)).

Employer Surcharge

The law requires that all Employers pay to the Plan a surcharge to help correct the NPF's financial situation, until the Employer's employees are covered under a Collective

Bargaining Agreement (or other similar agreement) that includes terms consistent with the schedules in the Rehabilitation Plan adopted by the NPF's trustees. The amount of the surcharge is equal to a percentage of the amount an Employer is otherwise required to contribute to the NPF under any applicable Collective Bargaining Agreement that is not consistent with the Rehabilitation Plan Schedules. With some exceptions, a 5% surcharge was applicable in the initial critical year (2008), and a 10% surcharge applies for each succeeding plan year thereafter in which the Plan is in critical status. Note that the NPF is not aware of any Employers that are currently subject to the surcharge.

Where to Get More Information

For more information about this notice (including copies of all prior notices), go to the NPF's website www.smwnpf.org. Or, you may contact the Fund Office at the address and phone number in the letterhead at the top of this Notice, or by email bot@smwnpf.org or info@smwnpf.org. You have a right to receive a copy of the Rehabilitation Plan from the NPF. If you would like a copy, go to the website, or contact the Fund Office.