

Chicago Regional Council of Carpenters Pension Plan

Notice of Plan Status

October 29, 2012

Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act 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.

Starting with the 2008 plan year, the Act requires that all pension plans be tested annually to determine how well they are funded. The Act established formal benchmarks for measuring a plan's funding. Plans that are in endangered status ("Yellow Zone") or critical status ("Red Zone") must notify all plan participants, unions, and contributing employers of the plan's status, as well as take corrective action to restore the plan's financial health.

Plan's Status – Yellow Zone

For the Plan Year beginning July 1, 2012, the Plan is less than 80% funded. The Plan's actuary provided this certification based on the Act's funding measures. As a result, the Plan was categorized as being in endangered status ("Yellow Zone") for the 2012 Plan Year.

Funding Improvement Plan

Yellow Zone status represents an early warning to focus on correcting funding percentages before they lead to more serious trouble. As required by the Act, after the Plan was first certified as being in the "Yellow Zone" in 2010, the Trustees adopted a Funding Improvement Plan ("FIP") in May 2011 designed to improve the Plan's funded position during the Funding Improvement Period (a 10-year period). The FIP made no change in the plan of benefits but requires continuation of contribution rates at least equal to those in effect when the FIP was adopted. The Trustees review the progress of the FIP each year and make changes as necessary.

The Act requires that the Plan's funding status be reviewed and certified annually, as the Plan's financial condition generally fluctuates with changes in the economy. Consequently, you will receive a notice like this each year until the Plan is no longer in endangered status ("Yellow Zone"). We understand that legally-required notices like this one can create concern about the Plan's future. While the "endangered" label is required by the PPA, we have been conferring with our actuaries and consultants for some time now to address these issues and continue to improve the Plan's long-term financial stability. Improving the Plan's funded status is our top priority, and we are committed to taking any actions necessary to ensure your core pension benefits will be there when you retire.

For more information about this Notice or the Pension Plan in general, please contact Kristina Guastaferrri, Plan Administrator at the Chicago Regional Council of Carpenters Pension Plan, 12 East Erie Street, Chicago, IL 60611, (312) 787-9455.

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.