(FUND LETTERHEAD)

Notice of Plan Funding Status

Participants, Beneficiaries, Contributing Employers, and Plumbers and Steamfitters Local No. 131:

The Pension Protection Act (the "Act") signed into law in 2006, is intended to improve the financial condition of pension plans. The Act introduced several formal safeguards and controls and added notification requirements for Trustees to share more information about a plan's financial circumstances with participants, contributing employers and others directly related to the plan.

Many of the Act's safeguard provisions relate to funding, which in simplest terms, is how much a plan has coming in, going out, and in reserve for the future. The safeguards are intended to create more discipline to prevent future funding problems and correct those that have already developed.

Starting with the 2008 Plan Year, the Act requires us to test the Pension Plan annually to classify its funding status. Standardized measurements were established for classifying plans based on their funding issues. Plans that are in "critical" status (red zone) must notify all Plan participants, beneficiaries, unions, and contributing employers of the plan's status, as well as have a plan to restore the plan's financial health. Last year, we notified you that the Pension Plan was in critical status for the Plan Year beginning November 1, 2012.

Plan's Status – Red Zone

On January 29, 2014, our actuary certified the Pension Plan remains in critical status (the red zone) for the Plan Year beginning November 1, 2013. This is based on the actuary's determination that the Pension Plan is projected to have a funding deficiency within four years. A "funding deficiency" means that contributions are not expected to be high enough to meet government standards for funding the already promised benefits plus those that participants are currently earning.

Rehabilitation Plan

The Act requires that a plan in the red "critical" zone adopt a Rehabilitation Plan that will enable the Plan to improve its funded position to meet statutory funding requirements over time. To comply with the Act, the Pension Plan adopted a Rehabilitation Plan on July 22, 2009, most recently revised and adopted August 13, 2012. It was also reviewed during the 2012 – 2013 Plan Year and determined to be on course. Employers and the Local were notified of the items covered by that Rehabilitation Plan and applicable collective bargaining agreement(s) reflected the Rehabilitation Plan's contribution requirements.

The Act allows a Rehabilitation Plan to eliminate or change adjustable benefits which include:

- Plan benefits, rights, and provisions, including pre-retirement death benefits (other than surviving spouse annuities), disability benefits not yet in pay status, and similar benefits; and
- Early retirement benefits or retirement-type subsidies.

The notice sent to all participants in October 2006 explained that the Fund would impose a sharper early retirement reduction for retirements after November 1, 2006. Your Regular Pension will now be reduced 6% per year, instead of 1% per year, for each year you retired before normal retirement age.

If the trustees of the Pension Plan determine that more benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement age. The level of benefits already earned that are payable if you retire at normal retirement age with either a single life or qualified joint and survivor annuity cannot and will not be reduced under these PPA rules.

The Rehabilitation Plan was expected to be adequate to meet the standards that the Act sets for plans in the red zone. Unfortunately, due to lower employment than projected, the benchmarks set in the Rehabilitation Plan were not being met. Revisions were made to the Rehabilitation Plan. As of November 1, 2013, the Plan is making scheduled progress meeting the requirements of the Rehabilitation Plan.

Employer Surcharge

The law requires that all contributing employers pay a contribution surcharge to the Plan to help correct the Plan's financial situation. The amount of the surcharge from March 30, 2009 until July 2009 when the Rehabilitation Plan was adopted was 5% of the amount employers were required to contribute to the Plan under the collective bargaining agreement then in force. Once the current collective bargaining agreement conformed to the Rehabilitation Plan, surcharges could no longer be imposed.

What's Next

We understand that legally required notices like this one can create concerns about the Pension Plan's future. While the critical zone label is required to be used by law, the fact is that we are working with our actuaries and consultants to address these issues and take the actions necessary to improve the Pension Plan's financial condition. However, since the Pension Plan is influenced by economic and financial variables beyond our control (such as investment market volatility and the number of hours contributed to the Plan each year), unexpected developments can affect the Plan's status and any future corrective actions needed.

The Rehabilitation Plan and any benefit or other Plan provision changes will be communicated to all affected individuals and parties before any changes are made. Please remember that no future benefit changes will apply to any retiree or beneficiary currently in pay status.

For more information about this notice or a copy of the Rehabilitation Plan, contact the Insurance Programmers, Inc., the third party administrator of the Fund at 1-800-446-8646 or at P. O. Box 5817, Wallingford, CT 06492.

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.

This communication is intended to provide highlights of the Fund's benefit changes. In the event of any inconsistency between this communication and the official Fund documents, the terms of the official Fund documents as interpreted by the Board of Trustees will control.

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