

# UPPER PENINSULA PLUMBERS' & PIPEFITTERS' FRINGE BENEFIT FUNDS

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UP Plumbers' & Pipefitters' Health & Welfare Fund  
UP Plumbers' & Pipefitters' Pension Fund  
UP Plumbers' & Pipefitters' Defined Contribution Plan  
UP Plumbers' & Pipefitters' Educational Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

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## Notice of Critical Status For the Pension Plan of the Upper Peninsula Plumbers and Pipefitters Pension Fund

This is to inform you that on September 28, 2011 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical status for the plan year beginning July 1, 2011. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

### Critical Status

The Plan is still considered to be in critical status because it is projected to satisfy the following:

#### Projected accumulated funding deficiency within the current or next 9 plan years

The Plan's actuary projects that, if no further action is taken, the Plan will have an accumulated funding deficiency for the plan year ending June 30, 2018. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become insolvent or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

### Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. The Trustees of the Plan have determined that benefit reductions are necessary and you received a separate notice identifying and explaining the effect of those reductions in July of 2009. Any reduction of adjustable benefit will not reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after August 1, 2009. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of July 1, 2009, 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.

(See Reverse Side)

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## **Adjustable Benefits**

The Plan offers 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).

## **Future Experience and Possible Adjustments**

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 8.0% (in the 2011 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

## **Where to Get More Information**

For more information about this Notice, you may contact the Board of Trustees of Upper Peninsula Plumbers and Pipefitters 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.