

**UPPER PENINSULA PLUMBERS AND PIPEFITTERS PENSION FUND
REHABILITATION PLAN ADOPTED JULY 1, 2009**

Rehabilitation Period: July 1, 2010 – June 30, 2023

This rehabilitation plan document, which federal law requires, includes important information about the funding level of the Upper Peninsula Plumbers and Pipefitters Pension Fund (“Fund”), Plan Number 001, Employer Identification Number 38-6233970 (Plan and Plan Sponsor).

Background

In 2006 the Pension Protection Act (“PPA”) was enacted. Beginning with the 2008 Plan Year, that law requires the annual certification of the Plan’s funding status as critical, endangered or neither, generally referred to as red, yellow or green, respectively.

On July 1, 2009, the Fund’s actuary certified the Plan’s funding status as red for the 2009 Plan Year. The Plan is considered to be in the red zone because the funded percentage has dropped to 60% and there are projected funding deficiencies starting at the end of the 2013-2014 Plan Year. The funded percentage is the percentage of earned benefits that could be funded with existing Plan Assets. A projected funding deficiency is a sign that the anticipated liabilities of the Fund are outpacing its assets.

The decline in these results is largely a result of the recent crisis in the financial markets. Federal law requires pension plans in the red zone to adopt a rehabilitation plan aimed at restoring the financial health of the Plan.

Goal and Requirements of the Rehabilitation Plan

The rehabilitation plan has one goal to meet, which is to project no funding deficiencies for at least a 10-year period. For this Plan, the WRERA election allows for 13 years to accomplish this goal. If this goal is met, then other funding measures will return to acceptable levels. For example, the funded percentage will be projected to return to 100% (benefits are fully funded) within years after accomplishing the main goal.

Default Schedule

<p>Benefit changes effective August 1, 2009</p>	<ul style="list-style-type: none"> • Eliminate the unreduced benefit with 85 points on service prior to February 2003. However, Participants with 85 points on August 1, 2009 will still be eligible even if they retire after August 1, 2009. • Eliminate the temporary disability benefit for future disability. Participants can receive their regular benefit at normal retirement or early retirement with reduction. Participants in pay status on account of disability will not be affected. • The minimum \$1,000 payout total has been eliminated for retirements on or after August 1, 2009. • The return of contributions preretirement death benefit has been eliminated for deaths occurring on or after August 1, 2009. • The pre-retirement death benefit has been decreased from 100% to 50% and the cost of the pre-retirement death benefit has been transferred from the plan to the participant – Participants would pay for coverage with a reduction in their accrued benefit according to the following schedules: <p>Married participants buying 50% of the joint and 50% survivor benefits payable at first retirement age:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Age Range</u></th> <th style="text-align: center;"><u>Percent Reduction Per Month Covered</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">35-44</td> <td style="text-align: center;">0.002%</td> </tr> <tr> <td style="text-align: center;">45-49</td> <td style="text-align: center;">0.004%</td> </tr> <tr> <td style="text-align: center;">50-54</td> <td style="text-align: center;">0.008%</td> </tr> <tr> <td style="text-align: center;">55-59</td> <td style="text-align: center;">0.017%</td> </tr> <tr> <td style="text-align: center;">60-65</td> <td style="text-align: center;">0.045%</td> </tr> </tbody> </table>	<u>Age Range</u>	<u>Percent Reduction Per Month Covered</u>	35-44	0.002%	45-49	0.004%	50-54	0.008%	55-59	0.017%	60-65	0.045%
<u>Age Range</u>	<u>Percent Reduction Per Month Covered</u>												
35-44	0.002%												
45-49	0.004%												
50-54	0.008%												
55-59	0.017%												
60-65	0.045%												
<p>Funding changes</p>	<p>Contribution rate increases of \$1.25 in July of 2009 followed by \$1.00 in each of the years July 2010 through 2014 and \$1.75 in July 2015.</p>												

Red Zone Status Limitations

Contribution Reductions – After the certification of the red zone and throughout the rehabilitation plan period lasting from July 1, 2010 through June 30, 2023, there cannot be a change to a contribution agreement that provided a reduction in the level of contributions for any participants, a suspension of contributions with respect to any period of service, or any new direct or indirect exclusion of younger or newly hired employees from plan participation. Rejection of the contract may cause a withdrawal and assessment of withdrawal liability.

Benefit Increase –The Plan may only increase benefits, including future benefit accruals, only if the Plan actuary certifies that the increase is paid for out of additional contributions not contemplated by the rehabilitation plan to accomplish the previously noted funding goal. Such restrictions continue until the end of the rehabilitation plan period or potentially earlier if the Plan emerges from the red zone at an earlier point.

Other Details Regarding the Rehabilitation Plan

Automatic 431(d) amortization extension	No
Assumed return on assets	-18.96% for 2008; 7.0% thereafter
2009 PPA status	Critical/Red
Length of critical status	13 years (Section 205 of WRERA elected)
Projected status at close of rehabilitation period	Healthy (81% funded, no projected deficiencies)

Annual Standards for Meeting Requirements of Default Schedule

Date	Credit Balance		Date	Credit Balance
6/30/2010	\$ 7,687,000		6/30/2017	(2,954,000)
6/30/2011	6,286,000		6/30/2018	(4,368,000)
6/30/2012	5,559,000		6/30/2019	(4,957,000)
6/30/2013	4,861,000		6/30/2020	(4,887,000)
6/30/2014	4,232,000		6/30/2021	(4,116,000)
6/30/2015	1,307,000		6/30/2022	(2,913,000)
6/30/2016	(1,049,000)		6/30/2023	(1,563,000)

IN WITNESS WHEREOF, we have approved and adopted this Rehabilitation Plan this _____ day of July, 2009.

APPROVED:

MANAGEMENT TRUSTEES:

[Signature]
[Signature]
[Signature]
Greg Mequert
Mike Meheus

UNION TRUSTEES:

[Signature]
[Signature]
[Signature]
[Signature]