

Iron Workers Pension Plan of Western Pennsylvania

Notice of Plan Status

Date Issued: April 30, 2009

The Board of Trustees is providing this notice to you and all other participants, beneficiaries, participating unions, and contributing employers to inform you about a recent actuarial certification.

The US Congress enacted the Pension Protection Act (the “PPA”) of 2006, in part, to improve the financial condition of pension plans by ensuring that pension plans have the assets necessary to fund pension benefits when participants retire. The PPA implemented several safeguards aimed at improving plan funding levels as well as notification requirements to share more information about a plan’s “financial health” with participants and others related to the plan.

Many of the PPA’s safeguard provisions relate to funding, which, in simplest terms, is how much cash a plan has coming in, going out, and what is in reserve (or “in the bank”) to pay pension benefits in the future. These safeguards are intended to create more discipline in determining the funding strategy for pension benefits to help prevent avoidable funding problems.

Starting on January 1, 2008, the PPA requires that pension plans, including the Iron Workers Pension Plan of Western Pennsylvania (the “Plan”), be tested annually to determine how well they are funded. The PPA established formal benchmarks for measuring a pension plan’s funded status. Plans that are in the yellow (“endangered”), orange (“seriously endangered”) or red (“critical”) zones 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.

Recognizing that the value of the assets, and therefore the funding, of almost all pension plans has declined due to the impact of the current economic crisis, Congress passed the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) which allows multiemployer plan trustees to keep their plan in its 2008 plan year’s zone status for one more year, regardless of the plan’s actual funded status for the 2009 plan year.

Plan’s Status – Yellow Zone

For the certification for the Plan Year 2009, the trustees of this Plan have decided to adopt the freeze under WRERA. As the Plan was categorized as being endangered, or in the yellow zone, as of January 1, 2008 because the Plan was less than 80% funded, the Plan is also categorized as being in the yellow zone for the Plan Year beginning on January 1, 2009.

What’s Next

Last year the Trustees adopted a Funding Improvement Plan that was designed to improve the Plan’s funded percentage and eventually move the Plan into the green zone. That Funding Improvement Plan was provided to contributing employers and union representatives. However, since the Plan’s financial condition can change based on the financial markets and the economy, the PPA requires that the Plan’s funding status be reviewed and certified annually. Thus, each year the Plan is in the yellow zone, you will receive a notice like this one.

We understand that legally required notices like this one can create concern about the Plan’s future. While the “endangered” label is required to be used by federal law, the fact is that we have been working with our actuaries and consultants for some time now to address these funding issues. Please be aware that improving the Plan’s funded status is a top priority and we are committed to taking any actions necessary to ensure your benefits will be there when you retire.

This Notice is being provided as required under the Pension Protection Act of 2006, which requires that certain information regarding the Plan’s funding status be disclosed to individuals and parties interested in the Plan. As required by law, this Notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of the Department of Labor.