

IRON WORKERS LOCAL UNION NO. 28 PENSION FUND

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LAWRENCE C. MUSGROVE ASSOCIATES, INC.
Administrators



APRIL 2009

IRON WORKERS LOCAL UNION NO. 28 PENSION FUND

NOTICE OF ELECTION TO FREEZE PENSION PROTECTION ACT FUNDED STATUS

This notice, which federal law requires, includes important information about the funded status of the Iron Workers Local Union No. 28 Pension Fund ("Fund"), Plan Number 001, Employer Identification Number 54-6112218 (Fund and Plan Sponsor). In 2006 the Pension Protection Act ("PPA") was enacted to improve pension plans' financial condition by ensuring that pension plans have sufficient assets to fund pension benefits when participants retire. PPA implemented several safeguards aimed at improving plan funding levels as well as notice requirements to share more information about a plan's financial status with participants and others related to the Plan. Beginning with the 2008 Plan year, PPA requires the annual certification of the Plan's funded status as critical, endangered or neither, also referred to as the red, yellow or green zone, respectively.

For the 2008 Plan Year, the Plan's Actuary certified that the Plan was in the green zone — the best of the three zones. The Plan was considered to be in the green zone because the funded percentage was greater than 80% on January 1, 2008 and there were no projected funding deficiencies in any of the six subsequent Plan Years. 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 Plan are outpacing its assets.

On March 30, 2009 the Plan's Actuary certified the Plan's funded status as Critical or in the Red Zone for the 2009 Plan Year. The Plan is considered to be in the red zone because there are projected funding deficiencies beginning with the 2013 Plan Year. The decline in those results is largely a result of the current crisis in the financial markets. PPA requires pension plans in the red zone to adopt a rehabilitation plan aimed at restoring the financial health of the Plan.

Section 204 of the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) allows the Board of Trustees of the Iron Workers Local Union No. 28 Pension Fund to freeze the Fund's PPA funded status from the prior year, so that the Plan will be treated as though it was certified green for the Plan Year beginning January 1, 2009. The Board of Trustees made such an election under Section 204 of WRERA to freeze the 2008 certification of green zone status for the Plan Year beginning January 1, 2009. An election to freeze the PPA funded status does not restrict the Board of Trustees' ability to improve the Plan's funded status. It is the intent of the Trustees to develop and begin implementing such a plan informally right now. You will receive future notice regarding this effort. The Board of Trustees remains committed to the proper funding of your pension benefits and assures you that they will take appropriate actions to meet this goal.

The decision to freeze the PPA funded status applies only for the 2009 Plan Year. If the Plan is certified to be in the yellow or red zone for the 2010 Plan Year, the Board of Trustees will provide notice of the Plan's status on or before April 30, 2010, and additional steps will be taken to improve the Plan's funding, which may include additional increases in contributions and/or reductions in future benefit accruals.

If the Plan is certified to be in critical (red zone) status for the 2010 Plan year, the steps that will have to be taken to improve the Plan's funded situation will include a surcharge on employer contributions and the suspension of the payment of lump sums and similar accelerated distributions for individuals who commence receiving benefits after notice is given of the Plan's critical status, and may include amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

You may contact the Board of Trustees of the Iron Workers Local Union No. 28 Pension Fund for further information about this Notice at the principal office of the plan administrator, at P.O. Box 13487, Roanoke, VA 24034, or you may call 1-800-552-6972.