

**Notice of Critical Status
For
Iron Workers Local No. 12 Pension Fund**

This is to inform you that on September 28, 2009 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, 2009. Federal law requires that you receive this notice. This is a new law; 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 expected to be in critical status because the Fund has an accumulated funding deficiency for the current plan year without regard to an extension of amortization periods granted in 2000. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

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. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. As announced in June, the rehabilitation plan effective August 1, 2009 changed the following adjustable benefits.

- Eliminate future disability benefits payable prior to retirement age and treat new disabled participants the same as inactive vested participants.
- Grandfather participants with early reduction factors if age 52 with 10 years of service on or before July 1, 2009. The new reduction factor is 4.5% from age 62 until age 58 and 9% from age 58 to age 55. Factor applies to past and future benefits.

If the Trustees of the plan determine that the additional benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

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 8.00% (in the 2009-2010 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.

Additional Restriction Due to Critical Status

The Fund is not permitted to pay any 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.

Employer Surcharge

The Plan was not subject to Employer Surcharges under the law because the rehabilitation plan was adopted prior to November 28, 2008.

Special Trustee Elections

Section 204 of the Worker, Retiree, and Employer Recovery Act of 2008 allows pension plan to rely upon its prior year's funding status. This election also allows the postponement of the annual update to the rehabilitation plan. Section 205 of the Act also allows pension plans to elect a three-year extension of their rehabilitation plan period. By electing both options, Trustees are given additional time to make decisions toward improved funding. Accordingly, the Board of Trustees of this plan has elected to use both elections to enable the most flexibility in addressing funding issues. The Trustees remain committed to the proper funding of your pension benefits and assure you that they will take appropriate actions to meet this goal.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties. To receive a copy, you may contact Barbara Warn at 890 Third Street, Albany, NY 12206 or by telephone at (518) 434-1206.

ANNUAL FUNDING NOTICE

For
Iron Workers Local No. 12 Pension Fund

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning July 1, 2008 and ending June 30, 2009 (referred to hereafter as "Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2008	2007	2006
Valuation Date	July 1	July 1	July 1
Funded Percentage	55%	53%	53%
Value of Assets	\$ 36,514,537	\$ 35,705,215	\$34,897,959
Value of Liabilities	\$ 65,821,727	\$ 66,749,027	\$66,056,767

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of June 30, 2009 the fair market value of the Plan's assets was \$25,844,608. As of June 30, 2008, the fair market value of the Plan's assets was \$33,724,441. As of June 30, 2007, the fair market value of the Plan's assets was \$37,652,733.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 703. Of this number, 286 were active participants, 301 were retired or separated from service and receiving benefits, 60 were retired or separated from service and entitled to future benefits, and 56 were beneficiaries of deceased participants receiving or entitled to receive benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to collect employer contributions and set the benefits to a level than can be reasonably expected to be provided by those contributions after taking into account future investment returns and the expenses inherent in running the Plan.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among professional investment managers with complementary or diverse investment styles in domestic equity securities, international equity securities, domestic fixed income instruments and other asset classes as may be deemed prudent.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	3.98%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	
4. Corporate stocks (other than employer securities):	
Preferred	
Common	
5. Partnership/joint venture interests	11.49%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	31.07%
10. Value of interest in pooled separate accounts	10.10%
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	43.36%
14. Value of funds held in insurance co. general account (unallocated contracts)	
15. Employer-related investments:	
Employer Securities	
Employer real property	
Buildings and other property used in plan operation	
16. Other	

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was in “critical” status in the Plan Year because of a funded ratio of 54%, a current funding deficiency without regard to 412(e) amortization extension, at least 8 years of benefits payments within plan assets, and other results.

In an effort to improve the Plan’s funding situation, the trustees adopted a rehabilitation plan that includes the following benefit changes effective August 1, 2009.

- Eliminate future disability benefits payable prior to retirement age and treat new disabled participants the same as inactive vested participants.
- Grandfather participants in currently early reduction factors if age 52 with 10 years of service on or before July 1, 2009. The new reduction factor is 4.5% from age 62 until age 58 and 9% from age 58 to age 55. Factor applies to past and future benefits.

The rehabilitation plan also includes planned increases in contributions of 50¢ per year from 2009 to 2013. If all the assumptions in the rehabilitation plan are met, the plan will emerge from critical status in 2020. The rehabilitation plan will be monitored and adjusted annually to account for emerging Plan experience.

Events with Material Effect on Assets or Liabilities

This section is not required for the plan year beginning July 1, 2008

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan’s annual report by making a written request to the plan administrator.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC’s guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan’s monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC’s maximum guarantee, therefore, is \$35.75 per month times a participant’s years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant’s years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant’s guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The

guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 (.75 x \$9), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 (\$17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact the plan administrator at 890 Third Street Albany, NY 12206, or by telephone at (518) 434-1206. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 14-1512731. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).