

PLUMBING & HEATING WHOLESALERS RETIREMENT INCOME PLAN

BOARD OF TRUSTEES
FOR LABOR

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SHOPMEN'S DIVISION OF PIPE FITTERS' ASSOCIATION LOCAL UNION 597

45 North Ogden Avenue • Chicago, Illinois 60607
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BOARD OF TRUSTEES
FOR MANAGEMENT

Donald R. McNeeley
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Susan Hamilton

APR 23 2009 10:01
April 23, 2009

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Ave., N.W.
Washington, DC 20210

Re: Plumbing & Heating Wholesalers Retirement Income Plan for the Benefit of
Shopmen's Division of Pipe Fitters' Association Local Union 597 – Notice of
Funded Status

To Whom It May Concern:

Attached is the Notice of Funded Status of the above Plan for the year beginning
January 1, 2009.

If you have any questions, please contact me.

Sincerely,

Peter A. Driscoll

**PLUMBING AND HEATING WHOLESALERS RETIREMENT INCOME PLAN
FOR THE BENEFIT OF SHOPMEN'S DIVISION
OF PIPEFITTERS' ASSOCIATION LOCAL UNION 597**

NOTICE OF FUNDED STATUS OF PENSION PLAN

APRIL 2009

**TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS AND THE
SHOPMEN'S DIVISION OF PIPEFITTERS' ASSOCIATION LOCAL UNION NO. 597**

**FROM: BOARD OF TRUSTEES OF THE PLUMBING AND HEATING WHOLESALERS
RETIREMENT INCOME PLAN FOR THE BENEFIT OF SHOPMEN'S DIVISION OF
PIPEFITTERS' ASSOCIATION LOCAL UNION 507**

BACKGROUND

This notice contains important information about the Plumbing and Heating Wholesalers Retirement Income Plan for the Benefit of Shopmen's Division of Pipefitters' Association Local Union 597, E.I.N. 36-6511016, Plan Number 001. Based on funding criteria set forth in the Internal Revenue Code, multiemployer pension plans are required – beginning with the 2008 plan year – to be certified by their actuaries as being in one of three funded status zones:

- *Neither Endangered nor Critical* (unofficially called the "Green Zone")
- *Endangered* (unofficially called the "Yellow Zone")
- *Critical* (unofficially called the "Red Zone")

While Trustees of "Green Zone" plans must continue to exercise diligence to protect the funded position of their plans, the law does not require them to take any specific actions or adopt particular programs to maintain or improve plan funding. On the other hand, Trustees of plans that are not in the "Green Zone" must take specific actions spelled out in the law, including the adoption of a "funding improvement plan" for plans in endangered status or a "rehabilitation plan" for plans in critical status that are designed to restore the plans to "Green Zone" status over a period of time. For example, a plan in critical status may reduce or eliminate adjustable benefits, collect an employer surcharge, or require the bargaining parties to negotiate for additional employer contributions.

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). The law allows multiemployer plan Trustees to take more time to come up with a plan of action for dealing with these issues by giving them the option 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.

2008 PLAN YEAR CERTIFICATION

The Plan's actuary certified the Plan's zone status for the January 1, 2008 through December 31, 2008 plan year to be neither endangered nor critical ("Green Zone").

2009 PLAN YEAR CERTIFICATION

For the January 1, 2009 through December 31, 2009 plan year, the Plan's actuary has certified the Plan to be in endangered status ("Yellow Zone") because the Plan is projected to have a funding deficiency within seven years.

ELECTION TO CONTINUE IN THE 2008 PLAN YEAR ZONE STATUS

In accordance with section 204(a) of WRERA, the Trustees have elected to "freeze" the Plan's 2008 plan year "Green Zone" status and have it apply to the January 1, 2009 through December 31, 2009 plan year. Therefore, while the Trustees may take certain actions to improve the funding position of the Plan, they will not adopt a funding improvement plan at this time.

Please be advised that the freezing of the Plan's 2008 plan year Green Zone status does not extend beyond December 31, 2009. By March 31, 2010, the Plan's actuary will again certify its funded status and zone classification. If the Plan is certified to be in either endangered or critical status at that time, within 30 days after the date of certification, you will be sent a notice similar to this one explaining the Plan's zone status and actions that the Trustees may be required to take under the law to improve the funded status of the Plan.

WHAT'S NEXT?

We understand that legally required notices like this one can create concern about the Plan's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Plan. With the assistance of the Plan's actuary, legal counsel and other Plan professionals, and working with the contributing employers and the Union, the Trustees will continue to work towards strengthening the funded position of the Plan.

Since the Pension Plan is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Plan's status and any future corrective actions needed. The Board of Trustees is continuously monitoring and reviewing the Plan's progress with its professional advisors.

QUESTIONS?

For more information about this notice, contact the Administration Office at:

Mr. Peter A. Driscoll
Plumbing and Heating Wholesalers Retirement Income Plan for the Benefit of Shopmen's
Division of Pipefitters' Association Local Union 597
45 North Ogden Avenue
Chicago, IL 60607
(312) 633-0597

Sincerely,

Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.