

## **NOTICE OF REDUCTION IN RATE OF FUTURE BENEFIT ACCRUAL**

Dated: July 1, 2008

UA Local 190 Plumbers/ Pipefitters/Service Technicians/ Gas Distribution Pension Plan  
Plan No. 001

Plan Sponsor and Plan Administrator:

UA Local 190 Plumbers/ Pipefitters/ Service Technicians/ Gas Distribution Pension Trustees  
c/o Benefit Advisors, Inc.  
33035 Schoolcraft Road  
Livonia, Michigan 48150  
EIN: 38-6065579

**NOTICE TO ALL ELIGIBLE PARTICIPANTS WORKING IN THE FOLLOWING CLASSIFICATIONS UNDER THE UA LOCAL 190 PLUMBERS/ PIPEFITTERS/SERVICE TECHNICIANS/ GAS DISTRIBUTION PENSION PLAN AFTER JULY 31, 2008:**

Michigan Distribution Journeyman Welder  
Michigan Distribution Apprentice Helper Zones 1 and 2  
Michigan Distribution Journeyman Installer Zones 1 and 2

Your rate of future pension benefit accrual has been changed effective August 1, 2008. If you are a Journeyman Welder, an Apprentice Helper, or a Journeyman Installer Zone 1, the future rate of pension benefit accrual has been reduced, so you may need to work more hours this plan year to get the same amount of benefit credit as last year. If you are a Journeyman Installer Zone 2, the future rate of pension benefit accrual has been increased, so you may be able to work fewer hours to receive the same amount of benefit credit as you would have earned last year.

The UA Local 190 Plumbers/ Pipefitters/ Service Technicians/ Gas Distribution Pension Plan bases pension service credit on the pension contributions required to be paid for you by your employer. The amount of service credit earned each plan year is determined by dividing (a) the contributions owed for the hours you worked, by (b) the amount that would be contributed if you worked 1,500 hours (125 hours per month) at the highest contribution rate paid for any classification covered by the plan (the "service credit divisor"). The result is rounded to the nearest 1/10th of a year of service credit.

For the plan year that just ended, the highest rate recognized for the service credit divisor calculation was \$7.38 then \$7.88 per hour. This means that your service credit was determined by the following steps:

Step 1. Your contributions for the year were added up.

Step 2. The amount from Step 1 was divided by the service credit divisor of \$11,757.50 (1,500 hours total; 125 hours at \$7.38 per hour for June, 2007, and 1,375 hours at \$7.88 per hour for July, 2007, through May, 2008).

Step 3. The result from Step 2 is rounded to the nearest 1/10th of a year.

FOR EXAMPLE: If you worked 1,208 hours in the plan year ending May 31, 2008, and your pension contribution rate was \$7.71 per hour for 1,098 hours through April 30, 2008, then \$8.14 per hour for 110 hours through May 31, 2008, the service credit would be calculated like this:

Step 1.	1,098 hours X \$7.71	=	\$8,465.58
	110 hours X \$8.14	=	<u>\$ 895.40</u>
			\$9,360.98

Step 2.	<u>\$9,360.98</u>	=	.7962
	\$11,757.50		

Step 3. .7962 rounded to the nearest 1/10th = .8 years of service credit

#### WHAT IS CHANGING?

The highest rate increased to \$8.38 effective June 1, 2008. This increase will be taken into account in the service credit divisor starting for months after July, 2008. This means that in some cases, Michigan Distribution Journeyman Welders, Apprentice Helpers, and Installers Zone 1 will have to work more hours to get the same amount of service credit in the future than last year. Note that because Michigan Distribution Journeyman Installer Zone 2 increased their contributions by a larger percentage this year, their rate of benefit accrual actually increases on a plan year basis. Your service credit will be determined by the following steps:

Step 1. Your actual contributions for the year will be added up.

Step 2. The amount from Step 1 will be divided by **\$12,445.00**, the new service credit divisor, which is determined as follows:

250 X \$7.88 for June, 2008, through July, 2008	=	\$ 1,970.00
1,250 X \$8.38 for August, 2008, through May, 2009	=	<u>\$10,475.00</u>
Total		\$12,445.00

Step 3. The result from Step 2 will be rounded to the nearest 1/10th of a year.

FOR EXAMPLE: If you worked 1,150 hours in the plan year ending May 31, 2009, and your pension contribution rate was \$8.14 per hour, the service credit would be calculated like this:

Step 1.	1,150 hours X \$8.14	=	\$9,361.00
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Step 2.	<u>\$9,361.00</u>	=	.7522
	\$12,445.00		

Step 3. .7522 rounded to the nearest 1/10th = .8 years of service credit

The following table compares the minimum hours needed to get different fractions of a year of service credit for pension purposes before and after this change. Note that for Journeyman Installers Zone 2, the number of hours needed to get 1/10 of a year of benefit credit actually go down when compared to the number of hours needed in the 2007-2008 plan year:

Classification	Rate 8/1/08	Hours Needed to get 1/10 Year of <u>Benefit Credit</u>		Hours Needed to get 2/10 Year of <u>Benefit Credit</u>		Hours Needed to get 3/10 Year of <u>Benefit Credit</u>		Hours Needed to get each additional 1/10 Year of <u>Benefit Credit</u>	
		Before	Future	Before	Future	Before	Future	Before	Future
Michigan Distribution Journeyman Welder	8.14	375*	375*	375*	375*	382	383	152	152
Michigan Distribution Apprentice Helper Zones 1 and 2	3.1	375*	375*	553	585	919	973	366	387
Michigan Distribution Journeyman Installer Zone 1	2.40	375*	375*	739	782	1229	1301	489	518
Michigan Distribution Journeyman Installer Zone 2	2.58	375*	375*	739	728	1229	1210	489	482

\* A minimum of 375 hours must be credited to earn any Benefit Credit for the year.

If you have any questions, please contact Thomas Hayden, Benefit Advisors, Inc., 33035 Schoolcraft, Livonia, Michigan 48150, 888-390-7473, during normal business hours.