

**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 Residential Pipe Trades  
Commercial Metal Trades  
Mechanical Equipment Service Tradesman

Your rate of future pension benefit accrual has been reduced effective August 1, 2008. 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 1,700 hours in the plan year ending May 31, 2008, and your pension contribution rate was \$1.00 per hour, the service credit would be calculated like this:

- Step 1.            1,700 hours X \$1.00 =        \$1,700
- Step 2.             $\frac{\$1,700.00}{\$11,757.50}$  =        .1446
- Step 3.            .1446 rounded to the nearest 1/10th = .1 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, you will have to work more hours to get the same amount of service credit in the future than last year. 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 work 1,700 hours in the plan year ending May 31, 2009, at the rate of \$1.00 per hour, the service credit will be calculated like this:

- Step 1.            1,700 hours X \$1.00 =        \$1,700
- Step 2.             $\frac{\$1,700.00}{\$12,445.00}$  =        .1366
- Step 3.            .1366 rounded to the nearest 1/10th = .1 year of service credit

On the following page is a table that compares the minimum hours needed to get different fractions of a year of service credit for pension purposes before and after this change.

Classification	Rate 8/1/08	Hours Needed to get 1/10 Year of Benefit <u>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 Benefit <u>Credit</u>	
		Before	Future	Before	Future	Before	Future	Before	Future
Residential Pipe Trades, Commercial Metal Trades, Mechanical Equipment Service Tradesmen	1.00	599	634	1775	1879	2951	3123	1175	1244

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