

UA LOCAL 190 PLUMBERS/PIPEFITTERS/  
SERVICE TECHNICIANS/ GAS DISTRIBUTION  
PENSION PLAN

**REHABILITATION PLAN**

The Trustees of the UA Local 190 Plumbers/ Pipefitters/ Service Technicians/ Gas Distribution Pension Plan and Trust (“Pension Plan”) have been notified by the Pension Plan Actuary that the Pension Plan is in “critical” funding zone status as of June 1, 2009. The Federal law known as the Pension Protection Act of 2006 (“PPA”) requires the Trustees to adopt a “Rehabilitation Plan” consisting of reductions of future benefit accruals, reductions in adjustable benefits, and increases in contributions that the Trustees determine are reasonably necessary to emerge from critical status.

The Trustees have consulted with the Actuary and have determined that the reductions in benefits described in either of the two enclosed schedules, if adopted, may reasonably be expected to enable the Pension Plan to emerge from critical status within the time required by law. These two schedules constitute the Rehabilitation Plan, which was approved by the Pension Plan Trustees at their November 23, 2009 meeting. Only one of them needs to be implemented to meet the PPA requirements.

Both of these schedules assume that the Pension Plan contribution levels currently in effect stay in effect.

PPA requires that one schedule, called the Default Schedule, rely on elimination or reduction of certain benefits and features of the Pension Plan. This schedule is called the “default” schedule because it is required by law to be adopted by the Trustees if any of the collective bargaining agreements in place on June 1, 2009 expire and are not either renewed or replaced with an agreement providing for the same or higher level of contributions as are contemplated by the Rehabilitation Plan.

Both of the schedules would increase the reduction for taking the joint and survivor annuity benefit option for future benefit credits and increase the reduction for early retirement on future benefit credits. Each of the schedules would make different additional benefit changes:

- The most drastic change imposed by the Default Schedule would be complete elimination of the disability pension benefit for participants who are not yet disabled. It would also require elimination of the 10-year guaranteed death benefit for all future service credited to members. **This is the option NOT adopted by the Trustees.**
- Instead of these changes, the Non-Default Schedule would increase the reduction for the joint and survivor annuity benefit option for past service credits as well as future service credits for members whose retirement is effective after May 31, 2010. It also would raise

the contributions needed for a full year of benefit credit from 1500 hours at the highest rate to 1800 hours at the highest rate.

The Trustees have approved the Non-Default Schedule as the preferred method of adjusting benefits to emerge from critical status. This schedule will allow the disability pension and the 10-year guaranteed death benefit to continue unchanged. It also is projected to improve the Pension Plan's funded status more over the same period of time.

You have until Tuesday, January 5, 2010 to object in writing to this method of implementing the Rehabilitation Plan. Objections must be received by the Administrative Manager by that date to be taken into account. Unless the Administrative Manager notifies the Trustees that he has received written objections from the UA Local 190 Business Manager or a majority of (or representatives of a majority of) the contributing employers by Tuesday, January 5, 2010, the Non-Default Schedule will take effect on June 1, 2010. If the collective bargaining parties object, the Trustees will consider the objections, but still may implement the Non-Default Schedule if the Trustees decide that it is the most appropriate method for emerging from critical status.

**If you wish to comment on or object to these proposals, please send your comments to Thomas Hayden, Administrative Manager, UA Local 190 Pension Plan, 33035 Schoolcraft Road, Livonia, Michigan 48150. You may also transmit objections by fax to 734-521-0425.**