

REHABILITATION PLAN
IRON WORKERS LOCAL UNION NO. 25 PENSION FUND

EIN: 38-6056780
PN: 001
Plan Year: May 1 – April 30

On July 29, 2009, the Iron Workers Local 25 Pension Fund Plan (IW 25 Plan) actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Plan is in critical status for the plan year beginning May 1, 2009.

Critical Status

A plan is considered to be in critical status if any one of the following applies:

- The plan assets will not be sufficient to pay benefit and administrative expenses during the next 5 years (or 7 years if less than 65% funded).
- A funding deficiency is projected within the next 4 years (or 5 years if the plan is less than 65% funded).
- Contributions not anticipated to cover normal cost¹ plus interest on the unfunded liabilities, and the plan is projected to have a funding deficiency within the next 5 years.

The Plan's actuary determined that the IW 25 Plan's funded percentage for the 2009 plan year is less than 65% (it is 55.75%) and the Plan is projected to have a funding deficiency as of 4/30/2012 and, thus, is in critical status.

Rehabilitation Plan

Adoption of Rehabilitation Plan: This is the first year the IW 25 Plan has been in critical status. Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The rehabilitation plan must be adopted by the Plan Sponsor within 240 days of the actuarial certification, which for the IW 25 Plan is on or before March 27, 2010. The goal of the rehabilitation plan is, in general, to:

- Enable the plan to emerge from critical status within the rehabilitation period (to "emerge from critical status" means the plan is not projected to have a funding deficiency for the current or the succeeding nine plan years); or
- If that is not possible, avoid insolvency (i.e. insufficient assets to pay benefits due) within the rehabilitation period.

¹ Normal cost is the annual cost of benefits actuarially assigned to the funding year.

The rehabilitation period is a thirteen year period² beginning the first day of the first plan year after the earlier of:

- 2nd anniversary of the adoption of the rehabilitation plan, or
- Expiration of collective bargaining agreements that were in effect on the due date of the certification covering at least 75% of the active participants.

Applying these rules, the rehabilitation period for the IW 25 Plan begins 5/1/2011 and ends 4/30/24.

Contents of Rehabilitation Plan: The rehabilitation plan includes one or more schedules reflecting revised benefit structures, revised contribution structures, or both, which, if adopted, may reasonably be expected to enable the multiemployer plan to emerge from critical status. Such schedules shall reflect reductions in future benefit accruals and adjustable benefits (as defined at ERISA §305(e)(8)(A)(iv)), and increases in contributions, that the plan sponsor determines are reasonably necessary to emerge from critical status. One schedule shall be designated as the default schedule and such schedule shall assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits (other than benefits the reduction or elimination of which are not permitted under section 204(g)) have been reduced to the maximum extent permitted by law.

Operation of Plan: During the rehabilitation plan adoption period (i.e. period from date of critical status certification to the beginning of rehabilitation period) and rehabilitation period, a plan may not be amended to increase benefits, including future benefit accruals, unless the plan actuary certifies that such increase is paid for out of additional contributions not contemplated by the rehabilitation plan and taking into account the benefit increase, the multiemployer plan still is reasonably expected to emerge from critical status by the end of the rehabilitation period on schedule.

Presentation of Rehabilitation Plan to Bargaining Parties: Within 30 days of adoption, the rehabilitation plan is presented to the bargaining parties. If the bargaining parties cannot agree to incorporate into the collective bargaining agreement one of the schedules in the rehabilitation plan, the default schedule will automatically be implemented within 180 days after the current collective bargaining agreement expires.

Employer Surcharge: A 5 % surcharge is imposed on employer contributions 30 days after the employer has been notified that the plan is in critical status and that the surcharge is in effect. (The IW 25 Plan provided this Notice August 28, 2009, and therefore the surcharge is to become effective September 27, 2009.) This surcharge increases to 10% the second year the plan is in critical status. This surcharge ceases once a collective bargaining agreement has been amended to adopt one of the schedules set forth in the rehabilitation plan.

² ERISA §305(e)(4) provides that the rehabilitation period is a 10 year period. Section 205 of the Worker, Retiree, and Employer Recovery Act of 2008 allows plan sponsors to extend this period to 13 years for the 2009 plan year. The plan sponsor of the IW 25 plan hereby elects the 13 year rehabilitation period.

Rehabilitation Plan Schedules

Schedule 1

A. Benefit Changes

Effective November 2, 2009 (or if later, the date the schedule is adopted by the bargaining parties), the IW 25 Plan will be amended as follows for participants working under a collective bargaining agreement adopting Schedule 1:

1. No unreduced pension benefits will be payable upon retirement to any Participant under age 58.
2. If a participant retires prior to age 58, his accrued benefit (including the supplement referred to in item 3, below) will be reduced 0.5% per month (6% per year) from age 55 to 58, and a full actuarial reduction for each year prior to age 55.
3. The \$400 monthly supplement currently payable to pensioners prior to age 65 and \$375 after age 65 will be eliminated for all participants who do not have 20 years of service as of the effective date of the amendment.
4. Total contributions credited for benefit accrual purposes consistent with current plan provisions.

B. Contributions

Employer contributions to the Iron Workers Local 25 Pension Fund required for Schedule 1:

Effective 6/1/2010:	\$1.25 increase in all current contribution rates
Effective 6/1/2011:	\$1.25 increase above 6/1/10 contribution rates
Effective 6/1/2012:	\$1.25 increase above 6/1/11 contribution rates
Effective 6/1/2013:	\$1.25 increase above 6/1/12 contribution rates

Schedule 2 (Default Schedule)

A. Benefit Changes

Effective November 2, 2009 (or if later, the date the schedule is adopted by the bargaining parties), the IW 25 Plan will be amended as follows for participants working under a collective bargaining agreement adopting Schedule 2:

1. Disability benefits, except for those in pay status as of effective date, are eliminated.
2. Preretirement survivor annuities other than 50% joint and survivor annuity payable at earliest retirement age are eliminated.
3. Postretirement death benefits payable to a nonspouse beneficiary eliminated.
4. No future accruals on any contributions in excess of the contribution rates in effect 5/1/09.
5. Future benefit accruals (including the supplement referred to in item 6, below) are reduced for early retirement 0.5% per month (6% per year) from age 65 to 55, with a full actuarial reduction each year prior to age 55.
6. The \$400 monthly supplement currently payable to pensioners prior to age 65 and \$375 after age 65 will be eliminated for all participants who do not have 20 years of service as of the effective date of the amendment.

B. Contributions

Employer contributions to the Iron Workers Local 25 Pension Fund required for Schedule 2:

Effective 6/1/2010: \$4.25 per hour increase in all current contribution rates

Assumptions and Methods

The following statement was provided by the Plan actuary:

The projections performed for the determination of the above Rehabilitation Plan were an open group forecast utilizing the census data, assumptions and plan provisions of the May 1, 2008, funding valuation, except expenses have been projected at the 2009 level increased for inflation at 3% per annum after the 2009 plan year. For the purposes of Schedule 1, above, the assumed rates of early retirement were modified to reflect the actuary's best estimate of the future

experience under the revised benefit structure. A new entrant profile consistent with the active population was assumed. Unaudited financial statements as of April 30, 2009, and May 31, 2009, were provided by the third party plan administrator and utilized in the projection. Per the Fund's Trustees, 2,400,000 work hours were assumed for 2009, 2,800,000 for 2010, and 3,200,000 thereafter. Annual benefit payments were projected in accordance with the Fund population, demographic assumptions and plan provisions with no future benefit modifications assumed (other than those specified in the Schedules, above). We are neither aware of, nor did we incorporate in the projections, any future changes to the Fund population that might substantially affect projected Fund liabilities or contributions.

Adoption by Plan Sponsor

The Trustees have adopted this rehabilitation plan on 9/10, 2009, and will provide the schedules contained herein to the bargaining parties within 30 days of adoption.

Union Trustees

Jim Hamric
Steven Gruen
Jack O'Donnell
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Employer Trustees

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