

Sheet Metal Workers' Pension Plan of Southern California, Arizona, and Nevada

Taxpayer I.D. No. 95-6052257 Plan No. 001

Notice of Election of Funding Relief

April 29, 2011

To: All Participants and Beneficiaries of the Sheet Metal Workers' Pension Plan of Southern California, Arizona, and Nevada

From: The Board of Trustees

Last year, Congress passed a law that eases certain funding requirements for eligible multiemployer pension plans, if their trustees choose to follow the new rules. The relief gives plans a longer period to overcome the investment losses that they suffered in 2008 and early 2009. For a plan to qualify for the relief, its actuary must be able to certify that the plan is projected to have enough funds to cover all benefit payments and expenses for the extended funding period.

We are pleased to advise you that based on the Plan actuary's certification, the Plan qualifies for the relief. The Board of Trustees has decided to elect the following elements of funding relief:

1. The Plan will adjust the asset value that is used for funding purposes to recognize the 2008 losses over a 10-year period, to smooth out the immediate effect on the assets, rather than using the Plan's regular smoothing policy, which calls for 5-year recognition, and
2. The investment losses that the Plan incurred for the 2008 plan year will be amortized over up to 29 years, rather than the 15-year period that the regular rules would have required.

The Board of Trustees has already reflected this funding relief in the Rehabilitation Plan that was adopted in 2010.

The decision to elect the relief means that, until after the plan year ending December 31, 2016, the Plan cannot be amended to increase benefits unless certain conditions are met.

If you have questions about this notice or any other aspect of the Pension Plan, please contact Richard Wondra, Administrative Director, Sheet Metal Benefit Plans Admin. Corp., P.O. Box 10067, Manhattan Beach, CA 90266; phone no. 800-947-4338.

cc: PBGC // Contributing Employers // Employer Associations // Union Locals