

# MICHIGAN CARPENTERS' FRINGE BENEFIT FUNDS

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Michigan Carpenters' Health Care Fund  
Michigan Carpenters' Pension Fund  
Michigan Carpenters' Apprenticeship & Training Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

December 2008

## Notice of Critical Status For the Pension Plan of the Michigan Carpenters' Pension Fund

This is to inform you that on November 28, 2008 the Plan's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees (the Plan sponsor) that the Plan is in critical status for the Plan Year beginning September 1, 2008. Federal law requires that you receive this Notice. This is a new law; in the future you will receive an annual update on the Plan's status and the progress the Plan is making toward the goals described below.

### Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the Plan Year ending August 31, 2013.

### Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after November 28, 2008. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of September 1, 2008, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

### Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Certain Pre-Retirement Death Benefits;
- Disability Benefits (if not yet in pay status);
- Early Retirement Benefits or retirement-type subsidy;
- Benefit payment options other than a qualified joint and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years).

### Employer Surcharge

The law requires that all contributing employers pay a surcharge to the Plan to help correct the Plan's financial situation **if the Rehabilitation Plan is not timely adopted**. The amount of the surcharge is equal to a percentage of the amount the employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some

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exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each Plan Year in which the Plan is in critical status.

### **Where to Get More Information**

For more information about this Notice, you may contact the Board of Trustees of the Michigan Carpenters' Pension Fund at 6525 Centurion Drive, Lansing, Michigan 48917 or by telephone at (517) 321-7502 or Toll Free (800) 273-5739. You have a right to receive a copy of the Rehabilitation Plan from the Plan after it is adopted.