

Plumbers & Steamfitters Local 106

Health and Welfare Fund

Pension Trust Fund

822 NORTH LAKESHORE DRIVE

LAKE CHARLES, LA 70601

(337) 433-1447

October 22, 2008

Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Ave. NW
Washington, DC 20210

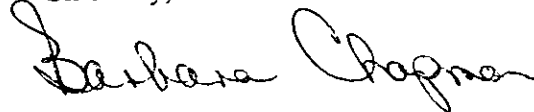
EIN: 72-0545875

Plan No. : 001

To Whom It May Concern:

In compliance with the regulations set forth in the Pension Protection Act of 2006 enclosed is the Notice of Critical Status for the Plumbers and Steamfitters Local No. 106 Pension Trust Fund.

Sincerely,

A handwritten signature in black ink that reads "Barbara Chapman". The signature is written in a cursive style with a large initial "B".

Barbara Chapman
Administrative Manager

Plumbers & Steamfitters Local 106

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Notice of Critical Status

For

Plumbers and Steamfitters Local No. 106 Pension Trust Fund

October 22, 2008

EIN: 72-0545875

Plan No.: 001

To: Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act ("PPA" or "Act"), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan's "financial health" with participants and others directly related to the Plan.

Plan's Critical Status- Red Zone

On September 22, 2008, the Plan's actuary certified to the U.S. Department of the Treasury and the Trustees, that the Plumbers and Steamfitters Local No. 106 Pension Trust Fund ("Plan") is in critical status for the plan year beginning July 1, 2008. Federal law requires that you be notified of the funding status of the Plan and its classification of critical status ("red zone").

On February 1, 2007 you were notified that the Plan's actuary was projecting in 2007 that the Plan would be classified as critical or in the red zone and were advised of the possible consequences should that occur for the 2008 Plan Year. You were also notified that if you began receiving benefits on or after February 1, 2007, your benefit may be changed, reduced or eliminated as permitted under the Act.

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary determined that the sum of the Plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the plan is projected to have an accumulated funding deficiency for the 2008 through 2010 Plan Years.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires the Board of Trustees of pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. In addition to revising the Plan's formula for future benefit accruals and making similar changes, as part of a Rehabilitation Plan, the law permits pension plans in critical status or the red zone to reduce, or even eliminate, benefits called "adjustable benefits." The Board of Trustees has adopted a Rehabilitation Plan on September 23, 2008. A separate notice entitled *Notice of Adjustment to Benefits Due to Critical Status*, is forthcoming. This notice will identify the benefits that are being eliminated or reduced under the Rehabilitation Plan that the Board of Trustees has adopted and will illustrate the effect of those cutbacks on Retirees' benefits. The actual benefit changes put into effect will depend on choices made in collective bargaining.

No reduction of adjustable benefits will reduce the level of a Participant's basic benefit payable at Normal Retirement Age under the terms of the Plan. In addition, the reductions will only apply to Participants and Beneficiaries whose benefit commencement date is on or after February 1, 2007.

Restriction on Lump Sum Death Benefits

You should also be aware, that effective on October 22, 2008, the Plan is prohibited from paying any lump sum benefit, or any other payment in excess of the monthly amount paid under a single life annuity. Consequently, the payment of the Lump Sum Death Benefit provided by the Plan is no longer permitted, for deaths that occur on and after October 22, 2008 and while the Plan is in critical status.

Adjustable Benefits

As part of the Rehabilitation Plan, the Plan offers the following adjustable benefits that may be reduced or eliminated if your benefit commencement date is on or after February 1, 2007:

Disability Pensions (if not yet in pay status),

Rule of 80 Retirement Pensions

Early Retirement Pension or retirement-type subsidy,

Subsidized Qualified Joint-and Survivor Annuity (QJSA),

Subsidized Qualified Pre-Retirement Survivor Annuity (QPSA).

Lifetime only with 10- Year Certain Options

Employer Surcharge

Any Employer who fails to timely agree to a schedule of contributions authorized by the Rehabilitation Plan on or before November 22, 2008, will incur a surcharge. The surcharge is payable to the Plan to help correct the Plan's financial situation. 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. A 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year while the Plan is in critical status, until the Employer agrees to a collective bargaining agreement that implements the Rehabilitation Plan. The 5% surcharge is payable on contributions required for work performed on and after October 22, 2008, until June 30, 2009, and the 10% surcharge is payable with respect to contributions required for work performed after that, until a negotiated contribution rate that satisfies the Rehabilitation Plan goes into effect.

The surcharges will be disregarded in determining benefits and withdrawal liability, as required by the law.

What's Next

As the Rehabilitation Plan was adopted by the Board of Trustees on September 23, 2008, The Board of Trustees is in the process of sending a copy of it to Contributing Employers and the Union.

You will receive notices like this each year, letting you know of the Plan's progress in stabilizing its financial status. Since the funding of the Plan is influenced by economic and financial variables beyond control of the Trustees (such as investment market volatility and changes in employment levels and/or the number of contributing employers), unexpected developments can affect the Plan's status and cause modification of the Rehabilitation Plan and the required corrective actions as needed.

The Rehabilitation Plan and any recommended changes in benefits, contributions, or other Plan provisions will be communicated to all affected individuals and parties before any changes are made. However, as previously noted, no benefit changes will be included in the Rehabilitation Plan for any Retiree or Beneficiary currently in pay status, except for participants or beneficiaries who commenced receiving benefits on or after February 1, 2007, as previously explained in the Notice dated February 1, 2007.

Where to Get More Information

For more information about this Notice, you may contact:

Ms. Barbara Chapman
Plumbers and Steamfitters Local No. 106 Pension Trust Fund
822 North Lakeshore Drive
Lake Charles, Louisiana 70601

(337) 433-1447

We understand that legally required notices like this one can create concern about the Plan's future. We are working closely with our professional advisors to monitor the Plan's condition and develop strategies to improve the Plan's funding and provide you with a sound pension plan.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation