

**SHEET METAL WORKERS' LOCAL 7-ZONE 3
BENEFIT FUNDS**

**P.O. Box 0547
Troy, MI 48099-0547
(248) 641-4973 (800) 451-5733**



August 27, 2008

Sent Via Certified Mail

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

RE: Sheet Metal Workers Local 7-3 Pension Trust Fund
EIN: 38-6237161

To Whom It May Concern:

Enclosed is a copy of the Pension Plan Status Notification for the Sheet Metal Workers Local Union No. 7, Zone 3 Pension Plan.

If you have any questions, please contact the undersigned.

Yours Truly,

Thomas L. Frazier

Thomas L. Frazier
Plan Manager

TLF/gad

Enclosure

CERTIFIED MAIL
7007 0710 0004 5776 0924





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TO: Plan Participants, Beneficiaries and Bargaining Parties
FROM: Board of Trustees, Sheet Metal Workers Local 7-3 Pension Plan
RE: Pension Plan Status Notification

We are contacting you regarding the status of the Sheet Metal Workers Local Union No. 7, Zone 3 Pension Fund (the "Fund"). Under a federal law known as the Pension Protection Act of 2006 (PPA), a multiemployer Plan Actuary must certify that the Plan falls into one of several categories as defined in the PPA. The categories are yellow (endangered), orange (seriously endangered), red (critical), and green. If a Plan falls into any of the categories other than green, the Plan must provide a notice, such as this one, of the categorization. A Plan is not required to provide notice of categorization if it falls into the green category.

In general, determination of which category a Plan falls into depends upon sufficiency of projected contributions, sufficiency of projected cash flow, and funded status. As of May 1, 2008, the Fund meets the benchmarks for projected cash flow and funded status. However, the Fund does not meet the benchmark for projected contributions because future contributions are projected to result in the Fund failing to satisfy IRS minimum funding standards for the plan year ending April 30, 2013. Because a Plan year in which IRS minimum funding standards were not satisfied occurs in one of the seven plan years 2008 through 2014, the benchmark for projected contributions has not been met. As a result, the Actuary has certified the Fund as yellow.

Plans in the yellow zone are required to adopt a Funding Improvement Plan (FIP). The FIP is an action plan designed to help the Fund meet certain funding benchmarks required by the PPA. It is entirely possible that the Fund will be certified as green by this time next year if certain economic conditions improve. By law, the Fund has 240 days from the date of certification (July 30, 2008) to implement a FIP.

Despite the Fund's certification as yellow being attributable to recent favorable market conditions, assets remain sufficient to provide for over 90% of the Fund's accrued benefit obligations.

The PPA requires that the Fund's funding status be reviewed and certified annually by the Fund's Actuary. For more information about this notice, you may contact the Fund Office at 700 Tower Drive, Suite 300, Troy, MI 48098-2808, 248 641 4973.