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April 5, 2004

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Special Reports Processing
Insurance Operations Department
Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Washington DC 20005-4026

Re: Special Withdrawal Liability Rule

Ladies and Gentlemen:

On behalf of the Board of Trustees of the Local 25, S.E.I.U. and Participating Employers Pension Trust (the "Plan"), I am submitting for PBGC approval a Plan amendment which establishes special complete and partial withdrawal liability rules. In support of the request for approval, the following information is submitted:

1. Local 25, S.E.I.U. and Participating Employers Pension Trust
   111 East Wacker Drive, 25th Floor
   Chicago, Illinois 60601-4205

   Authorized Representative:

   Leonard J. Elberts
   Asher, Gittler, Greenfield & D'Alba, Ltd.
   200 West Jackson Blvd., Suite 1900
   Chicago, Illinois 60606-6942
   (312) 263-1500

2. A copy of the executed amendment, with an effective date of September 30, 2002.

3. The Board of Trustees certifies that notice of the adoption of the amendment and request for approval has been given to all employers who have an obligation to contribute to the Plan and to all employee organizations representing employees covered under the Plan.

4. A statement indicating how the withdrawal liability rules in the Plan amendment would operate in the event of a sale of assets by a contributing employer or the cessation of the obligation to contribute or the cessation of covered operations by all employers.

5. A copy of the Plan's most recent actuarial valuation.

6. Copies of Form 5500 for Plan years beginning October 1, 1997.

7. The industry to which the Plan applies is the commercial building cleaning and security industry. The Plan is a multiemployer plan, maintained pursuant to collective bargaining agreements between S.E.I.U. Local 1, the Building Owners and Managers Association of Chicago and independent cleaning contractors. The Plan, which is located in Chicago, Illinois, covers employees who are employed to clean and to provide security for commercial office buildings in the Chicago area.

INTRODUCTION

Number of Active Participants as of October 1, 2002	10,061
Number of Pensioners and Survivors as of October 1, 2002	4,088
Number of Inactive Participants with vested benefits	3,272

Amount of contributions for the year ended September 30, 2002	$6.579 million
Amount of benefits paid for the year ended September 30, 2002	$13.258 million
Amount of operating expenses for the Plan Year ended September 30, 2002	$1.827 million
Value of Plan assets as of October 1, 2002	$174.021 million
Present value of vested liabilities as of October 1, 2002	$198.020 million
Value of assets as of December 31, 2003	$208.942 million

The total number of contributing employers has remained relatively stable for several years, as indicated below, until April 1, 2001, when employees employed by independent contractors who clean the Chicago public schools and police stations became participants.

YEAR ENDING	NUMBER OF EMPLOYERS	NUMBER OF ACTIVE PARTICIPANTS
1996	162	6,876
1997	162	6,887
1998	156	7,038
1999	164	7,346
2000	164	7,502
2001	173	8,665
2002	173	10,466

CONTRIBUTION RATES

The contribution rate was $12 per employee per week from 1981 until 2003 when it was increased to $18 per employee per week. Contributions have remained fairly constant, ranging from $4.518 million for the Plan year ended September 30, 1998 to $4.688 million for the Plan year ended September 30, 2000. With the addition of the new groups, contributions were $5.340 million for the Plan year ended September 30, 2001 and $6.579 million for the Plan year ended September 30, 2002.

BENEFITS

The monthly benefit is $27 for each year of credited service earned after December 1, 1968, plus $10 for each year of credited service earned prior to December 1 1968, with total service not to exceed 25 years. Normal Retirement Age is 65. The $27 benefit rate became effective October 1, 2001 . Recent prior benefit rates were as follows:

Effective October 1, 1999, the benefit rate increased from $21.50 to $25.00

Effective October 1, 2000, the benefit rate increased from $25.00 to $26.00

Several pension increases have been adopted over the years. The most recent was for retirees and beneficiaries whose retirement occurred prior to October 1, 2001. These individuals received a 1% increase in their benefit payments. Recent prior pension increases were as follows:

Effective October 1, 1998, pensions payable were increased by 4.87%

Effective October 1, 2000, pensions payable were increased by 1.00%

Benefits for Plan years during the period October 1, 1997 through September 30, 2002 have ranged from $11.195 million to $13.258 million.

PLAN NOT ADVERSELY IMPACTED

In order to determine the appropriateness of the special withdrawal liability rules being submitted, the PBGC will consider the effect of the cessation of contributions by employers on the plan's contribution base. The Board of Trustees of the Plan believes the history of the Plan shows that a cessation of contributions by any particular employer has not had an adverse impact on the Plan's contribution base.

The following list shows the names of employers who were contributing to the Plan in 1994 and the names of the replacement employers. Reasons for the cessation of the obligation to contribute included outsourcing of the cleaning work or security by a building owner to an independent contractor, a contractor's loss of a cleaning or security contract with a building owner, or bankruptcy.

Employers Contributing in 1994	Successor Employer
Ogden Allied Service Corp.	UNICCO
Metro Pier-Expo-Authority	Windy City
Mid-America Building Service	UBM
Alliance Maintenance	KCR
Helmsly-Spear of Illinois	Miglin-Beitler
Arcade Building Maintenance	ABM Security
Safeguard Security	Pinkerton
The Kane Service	Securitas
Spann Building Maintenance Co.	Bldg. One, Encompass, ABM
Jupiter Maintenance Service	Capital Maintenance Engineering
Intercon Security Limited	ABM Security
Safe Security, Inc.	Command, Artc, Titan
A.I.C. Security	SDI
National Cleaning Contractors	Maintenance Services, Lakeside

Total Plan contributions remained stable during this period (there were no rate increases), ranging from $4.113 million for the plan year ended September 30, 1994 to $4.688 million for the Plan year ended September 30, 2000, indicating the withdrawal of the fourteen employers listed above did not have an adverse impact on the Plan, as indicated above.

An example of a recent withdrawing employer's situation is Ashley's Cleaning Service. Ashley's obtained contracts with the Chicago Board of Education and the City of Chicago to clean the Chicago Public Schools and certain police stations, respectively. Ashley's eventually had financial problems and was unable to meet its obligations under its government contracts and lost the business. The successor employers, A&R Janitorial and Total, entered into similar contracts with the Chicago Board of Education and the City of Chicago to do the same work Ashley had been doing with generally the same number of employees. This circumstance has occurred repeatedly over the years. In each case, the Plan's contribution base remained the same. We also note Ashley's has filed a bankruptcy petition.

The regulations permitting a plan to request PBGC approval of a special withdrawal liability rule indicate an important line of inquiry is the extent to which the particular industry possesses those characteristics that led Congress to adopt special rules for the construction and entertainment industries. Those characteristics include, but are not limited to, the mobility of the employees, the intermittent nature of the employment, the project-by-project nature of the work, the extreme fluctuations in the level of an employer's covered work under the plan, the existence of a consistent pattern of entry and withdrawal by employers and the local nature of the work performed.

The Trustees believe that the characteristics of the cleaning and the security of the commercial office building industry are similar to the characteristics of the construction and entertainment industries as indicated above. The employees are mobile in the sense that they change employers while remaining in the Plan. More specifically, most employees work at a particular commercial office building. They often remain at that same building throughout their careers. However, their employers may change as the building outsources its work or changes cleaning or security contractors. In each case, the employee will merely be terminated by the departing contractor and become employed by the new contractor. Furthermore, the nature of the work is local. An employer cannot move the work to another location because the work involves either cleaning or providing security for buildings in the Chicago area.

Two additional factors protect the Plan. First, the contracts negotiated between the Building Owners and Managers Association of Chicago and Local 1 S.E.I.U. require a building which is a member of the Association which outsources its work to require the contractor to agree to contribute to the Plan. Second, any contractor who enters into an agreement with the City of Chicago must agree to pay prevailing wages, which would include making contributions to the Plan.

Based upon the foregoing, the Trustees believe the Plan's contribution base is stable and secure. Withdrawal by individual employers does not impose a risk to the Plan, or ultimately, to the PBGC.

The special withdrawal liability rule adopted by the Trustees tracks both the construction and entertainment industry rule in the statute in that a withdrawal occurs if an employer who ceases to have an obligation to contribute to the plan continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required, or resumes such work within five years after the date on which the obligation to contribute under the plan ceased, and does not renew the obligation at the time of the resumption. The Trustees adopted this special withdrawal liability rule in order to avoid the expense of pursuing collection against employers who are generally judgment proof. Furthermore, the special rule will make it less likely that growth in the contribution base will be prevented because of perceived unjust enrichment of the Plan under the statutory rule. Because the special withdrawal liability rule adopted by the Trustees will not have an adverse impact on the Plan, it will not pose a risk to the PBGC insurance system. The Trustees request approval of the amendment.

Please contact me if any additional information is needed.

Very truly yours,

Lee Elberts

Leonard J. Elberts

LJE:jsw

cc: Trustees
Mr. James McArdle
Mr. Robert Behar