Automotive Industries Pension Fund

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March 28, 2008

NOTICE OF PROPOSED BENEFIT CHANGES
UNDER
PENSION PROTECTION ACT OF 2006 REHABILITATION PLAN

Dear Participants, Participating Employers and Local Unions:

You have received other material informing you that under funding guidelines mandated under the Pension Protection Act of 2006 ("PPA"), the Automotive Industries Pension Trust Fund has been certified by its actuary to be in "Critical Status" (also known as being in the "Red Zone"). As Trustees of a plan in Critical Status, the Board must implement a "Rehabilitation Plan" to reach the PPA's statutory funding requirements by the end of the "Rehabilitation Period."

The Automotive Industries Pension Trust Fund is a multiemployer plan whose benefits and the contributions required to fund those benefits are the result of collective bargaining. Under the Plan's Rehabilitation Plan, the effective date of many of the Plan changes will vary for active participants depending upon the expiration date of the current collective bargaining agreement between their employers and the Union. In the case of inactive deferred vested participants, the Plan changes will become effective July 1, 2008. The benefits of pensioners and beneficiaries in pay status as of the date of the Plan changes are not affected.

This letter describes the benefit changes that will take place as part of the Rehabilitation Plan, as well as other changes adopted by the Board of Trustees.

<u>BENEFIT ACCRUAL FORMULA</u>

For plan years beginning January 1, 2005, your monthly benefit accrual is based on the sum of the following:

- 1/2 % of the first $250.00 of monthly employer contributions; plus
- 1% of the next $250.00 of monthly employer contributions; plus
- 2% of monthly employer contributions above $500.00

<u>Beginning July 1, 2008, your monthly benefit will be based on 1% of monthly employer contributions.</u>

Here are some examples of how this change affects participants who have different amounts contributed on their behalf during a month.

Monthly Early Retirement Benefit

Participant's Age	*Benefit Under Prior Formula*	*Benefit Under New Formula*
65	*$1,000.00*	*$1,000.00*
64	*$1,000.00*	*$ 896.80*
63	*$1,000.00*	*$ 806.70*
62	*$1,000.00*	*$ 727.60*
61	*$ 970.00*	*$ 658.00*
60	*$ 940.00*	*$ 596.50*
59	*$ 910.00*	*$ 542.00*
58	*$ 880.00*	*$ 493.60*
57	*$ 850.00*	*$ 450.40*
56	*$ 820.00*	*$ 411.70*
55	*$ 790.00*	*$ 377.10*

The changes in the Early Retirement Benefit formula will apply to your entire accrued benefit – both the portions earned before and after the effective date of the Plan change. Therefore, if you retire on an Early Retirement Benefit immediately after the Plan change, you will end up with a smaller monthly benefit than if you had retired prior to that date.

UNREDUCED "RULE OF 85" EARLY RETIREMENT BENEFIT

Participants younger than age 62 whose age and years of credited service add up to 85 or more are currently entitled to a "Rule of 85" Early Retirement Benefit. Unlike an Early Retirement Pension, the accrued benefit is not reduced for participants who are younger than age 62. The Unreduced Rule of 85 Early Retirement Benefit will no longer be available.

Here are some examples of how this change affects participants at different ages who have accrued a monthly benefit of $1,000.00 payable at age 65.

36-PAYMENT PRE-RETIREMENT DEATH BENEFIT

Surviving spouses or dependents of vested participants who die prior to retiring are currently entitled a pre-retirement death benefit. If there is no surviving spouse, dependents are entitled to the vested percentage of contributions made on the participant's behalf, payable over 36 months. If there is a surviving spouse who is either ineligible for or has rejected the pre-retirement Automatic Joint and Survivor Benefit, this benefit consists of 36 monthly payments of the Normal, Unreduced or Early Retirement Benefit that would have been payable to the participant if he had retired on his date of death.

This 36-payment pre-retirement death benefit will no longer be available to survivors of participants who die on or after the effective date of the Plan change. The pre-retirement Automatic Joint and Survivor Benefit will continue to remain available to eligible surviving spouses.

PENSIONER PAYMENT FORMS

Currently, retiring participant may elect (with spousal consent if applicable) to have their monthly benefit paid under one of the following payment forms:

- Lifetime payments with a 36-month minimum guarantee of payments.
- Lifetime payments with a 120-month minimum guarantee of payments
- Automatic Joint and Survivor Benefit (50% continuation to eligible surviving spouse with "pop-up" feature if spouse predeceases participant)
- Full Joint and Survivor Option (100% continuation to eligible surviving spouse with "pop-up" feature if spouse predeceases participant)
- Social Security Option

If you are entitled to a small monthly benefit whose actuarial present value is $1,000.00 or less, your benefit will automatically be cashed out in a single sum and no further benefits will be payable to you by the Plan.

These payment forms (including the automatic cashout) will not be available to participants who retire after the effective date of the Plan change. Participants who retire after that date will be able choose between the following two payment forms.

Lifetime Annuity

After the Plan change, the lifetime annuity forms of payment will no longer have a minimum guarantee period (currently 36- or 120-months) connected with them. After the death of a participant, there will be no further benefits payable to any survivors.

Automatic Joint and Survivor Benefit

Two modifications are being made to this payment form.

- It will no longer have a "pop-up" feature. Previously, participants received a reduced monthly benefit in exchange for providing a 50% continuation of benefit payments to an eligible surviving spouse. If the spouse predeceased the participant, the participant's benefit would be increased prospectively to the amount payable as if no Automatic Joint and Survivor Benefit were payable. After the Plan change, the participant's benefit will remain reduced – even if his spouse predeceases him.

- The Automatic Joint and Survivor Benefit formula will no longer be "subsidized." The current formula is subsidized because the reduction in the participant's benefit is not as great as would occur if true actuarial factors based on the actual ages of both the participant and spouse at retirement.

Here are some examples of how the payment form will be calculated under the pre- and post-Plan change formulas. To keep things simple, we have assumed that the participant is entitled to a $1,000.00 monthly benefit and have not applied any adjustment for early retirement. We have also assumed that both the participant and spouse are the same age.

Notice of Actuary's Certification of Critical Status of the Automotive Industries Pension Plan (the "Plan") under the Pension Protection Act of 2006

March 28, 2008

Dear Participants, Participating Employers, and Local Unions:

If you are a retiree or beneficiary in pay status as of April 27, 2008, the benefit changes described in this notice do not affect you. The Plan is required to send this notice to all plan participants, even those who are not affected.

In recent years, the Plan's Board of Trustees has taken steps to bring the Plan's liabilities into balance with its assets. Despite these efforts, there remains a shortfall that must be addressed in order for the Plan to comply with the requirements of the Pension Protection Act of 2006 ("PPA"), which was passed by Congress and signed into law in August of 2006.

On March 28, 2008, the Plan's actuary issued a certification that the Plan is in Critical Status (as defined under PPA and also known as "Red Zone" status), effective with the Plan Year commencing January 1, 2008.

With the actuary's certification, PPA requires that this notice be sent to all affected parties informing them of the Red Zone Status of the Plan for the Plan Year beginning January 1, 2008. PPA also requires that a Plan in the Red Zone adopt a Rehabilitation Plan designed to enable the Plan to reach PPA's statutory funding requirements over time.

Under PPA, a Rehabilitation Plan is allowed to eliminate or change "adjustable benefits," which include the following:

1. Benefits, rights and features under the plan, including post-retirement death benefits, 36- or 120-month guarantees, disability benefits not yet in pay status and similar benefits,

2. Any early retirement benefit or retirement-type subsidy within the meaning of section 204(g)(2)(A) and any benefit payment option (other than the qualified joint and survivor annuity), and

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March 28, 2008

Dear Retiree:

You may be hearing about some changes that will affect the future of our Plan. It's important that you know that as a retiree, the changes will not affect your monthly pension payment.

In August 2006, President Bush signed the Pension Protection Act (PPA) into law. The Act requires our actuary, The Segal Company, to provide the Trustees with an annual assessment and certification of our Pension Plan's funded status. This review covers:

- The expected contributions from employers in the coming year,
- The value of our benefits earned yearly plus the amount of money needed to fully fund all of the plan's future monthly retirement benefits, and
- The present value of vested benefits for both active and non-active (those currently not working—pensioners, beneficiaries, and those not yet retired) participants.

Today, The Segal Company, certified that our Plan is in "Critical Status," also known as the "Red Zone," effective with our Plan Year that began January 1, 2008.

As a retiree already receiving pension benefits, you should know that your benefits are not affected by this certification. Your pension benefits will continue, uninterrupted and unchanged as a result of these changes.

In this packet, we have also provided you with the official PPA Zone Notification and a detailed brochure that covers our Fund's history and past performance, the specifics of the PPA, and how it applies to our Fund.

It is our intention to keep you informed. We want you to know that we remain focused on our goal of providing our retirees and their families with valuable retirement benefits.

Board of Trustees
Automotive Industries Pension Trust Fund

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March 28, 2008

Dear Participant:

In August 2006, President Bush signed into law the Pension Protection Act of 2006 (PPA). The PPA was largely in response to the falling value of pension plan assets (the money used to pay benefits) and the termination of pension plans by large employers in poor financial health.

This Act calls on Trustees to monitor the Plan's financial prospects actively and to review projections of its funding status at least annually. We have always done this and will continue to do so.

Another requirement of the Act is to have our actuary, The Segal Company, provide the Trustees with an annual assessment and certification of our funded status. This review covers:

- The expected contributions from employers in the coming year,
- The value of our benefits earned yearly plus the amount of money needed to fully fund all of the plan's future monthly retirement benefits, and
- The present value of vested benefits for both active and non-active (those currently not working—pensioners, beneficiaries, and those not yet retired) participants.

On March 28, 2008, The Segal Company, issued our certification. The Plan has been certified as being in "Critical Status," also known as the "Red Zone," effective with our Plan Year that began January 1, 2008.

A fund in the "Red Zone" anticipates a funding deficiency or shortfall within the next five years. Our shortfall is a result of long-term investment performance that did not meet our expectations.

A funding deficiency does not mean that we will stop paying out pension benefits or that we will run out of money in five years. It means the Plan is not expected to meet its federally mandated minimum contribution requirements for 2012 and therefore must consider increasing contributions and reducing some benefits currently in place.

As a plan in the Red Zone, we are required to adopt a ***Rehabilitation Plan (Rehab Plan)*** designed to enable the Plan to reach PPA's statutory funding requirements within ten years of the date that the Rehab Plan is implemented.

Our Rehab Plan consists of specific actions that the Trustees have proposed to the collective bargaining parties. Based upon reasonable anticipated experience and actuarial assumptions, these actions will meet the federal requirements. The Rehab Plan will consist of reductions in future benefit accruals and adjustable benefits, and increases in contributions, which are determined necessary. A more detailed explanation of the Rehab Plan is included in the enclosed brochure. It may also include options to reduce plan expenditures.

Active participants. The Trustees have determined the schedule of benefit changes and employer contribution changes which are to be part of the Rehab Plan and which must be adopted in collective bargaining agreements that are entered into or renewed after April 27, 2008. Until the Rehab Plan is implemented, benefits and contributions will be governed by the existing collective bargaining agreements and there will not be any changes in benefits or contributions.
The changes will go into effect on the earlier of two dates: the date a new CBA is executed, or 180 days after the expiration date of the current CBA. The benefit changes listed above must be reflected in expired CBAs within 180 days after April 27, if not ratified before April 27.

Terminated, vested participants. For those vested participants not currently working in the industry, benefit changes will be effective for retirements on or after July 1, 2008.

Retirees. Benefits for pensioners and beneficiaries who are currently receiving pension benefits will not be affected. The Rehab Plan cannot reduce the accrued benefit payable at normal retirement age as a single life or qualified joint and survivor annuity.

We understand that you may have concerns and questions regarding this news. In this packet we have also included a copy of the Zone Notification and a more detailed brochure that covers our Fund history, the specifics of the PPA, and how it applies to our Fund, and the Rehabilitation Plan.

It is our intention to keep you informed and provide you with the answers you seek. We want you to remain confident that we are staying focused on our goal of providing our participants and their families with valuable retirement benefits.

Our goal is the long-term survival of the Plan. We understand these changes are difficult for some. The law, however, dictates that we take drastic steps in order to ensure the future of the Plan for all participants.

Board of Trustees
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March 27, 2008

Dear Employer/Local Union:

The Trustees of the Automotive Industries Pension Fund are providing you with this important packet of information regarding our Zone Certification under the provisions of the Pension Protection Act of 2006 (PPA).

This Act calls on Trustees to monitor the Plan's financial prospects actively and to review projections of its funding status at least annually. We have always done this and will continue to do so.

Another requirement of the Act is to have our actuary, The Segal Company, provide the Trustees with an annual assessment and certification of our funded status. This review covers:

- The expected contributions from employers in the coming years,
- The value of our participants' benefits earned yearly plus the amount of money needed to fully fund all of the plan's future monthly retirement benefits, and
- The present value of vested benefits for both active and non-active (those currently not working—pensioners, beneficiaries, and those not yet retired) participants.

On March 28, 2008, The Segal Company will issue our certification. The Plan will be certified as being in "Critical Status," also known as the "Red Zone," effective for our Plan Year that began January 1, 2008.

A fund in the "Red Zone" anticipates a funding deficiency or shortfall within the next five years. Our shortfall is a result of long-term investment performance that did not meet our expectations.

A funding deficiency does not mean that we will stop paying out pension benefits, or that we will run out of money in five years. It means that the Plan is not expected to meet its federally mandated minimum contribution requirements for 2012 and therefore we must consider increasing contributions and reducing some benefits currently in place.

As a plan in the Red Zone, we are required to adopt a ***Rehabilitation Plan (Rehab Plan)*** designed to enable the Plan to reach PPA's statutory funding requirements within ten years of the date that the Rehab Plan is implemented.

A Rehab Plan consists of specific actions that the Trustees are proposing to the collective bargaining parties. Based upon reasonably anticipated experience and actuarial assumptions, we expect these actions to meet the federal requirements. The Rehab Plan will consist of reductions in adjustable benefits, and increases in contributions, which are determined necessary. Those items to be included in the Rehab Plan are:

- Remove the early retirement subsidies (both the Rule of 85 and the 3% per year reductions from age 62) and pay future Early Retirement awards as benefits that are actuarially equivalent to the pension payable at age 65;

- Eliminate future Disability Retirement Benefit awards;

- Eliminate 36-payment pre-retirement death benefit awards;

- Eliminate Automatic Joint and Survivor Benefit subsidies on all future pension awards; and
- Eliminate all optional forms of payments on pension awards. This means that single participants will receive a single life annuity with no death benefits; and married participants will receive the reduced 50% Automatic Joint and Survivor Benefit unless this form is waived in favor of a single life annuity.

In addition, the Rehab Plan calls for a 12.5% increase in employer contributions per year for each of the next seven years beginning in 2013. These contributions will not count toward benefit accruals. The collective bargaining parties should be prepared to address this potential in collective bargaining agreements (CBA) that pertain to the 2013 calendar year.

The Trustees have determined the schedule of benefit changes and employer contribution changes that are to be part of the Rehab Plan and that must be adopted in collective bargaining agreements that are entered into or renewed after April 27, 2008. No new CBAs with lower contribution rates will be accepted after March 28. Until the Rehab Plan is implemented, benefits and contributions will be governed by the existing collective bargaining agreements and there will not be any changes in benefits or contributions.

The changes will go into effect on the earlier of two dates: the date a new CBA is executed, or 180 days after the expiration date of the current CBA. The benefit changes listed above must be reflected in expired CBAs within 180 days after April 27, if not ratified before April 27.

It is important to remember that the Rehab Plan will be re-evaluated each year in light of the Plan's developing financial situation, and its requirements may change for CBAs that have not yet been renegotiated.

Benefits for pensioners and beneficiaries (retirees) who are currently receiving pension benefits will not be affected. The Rehab Plan cannot reduce the accrued benefit payable at normal retirement age as a single life or qualified joint and survivor annuity.

We understand that you may have concerns and questions regarding this news. In this packet, we have also included:

- a copy of the official Zone Notification from the Board of Trustees,
- a copy of the letters being sent to active participants, terminated, vested participants, and retirees, and
- a brochure that covers our Fund history, the specifics of the PPA, and how it applies to our Fund, and the Rehabilitation Plan.

It is our intention to keep you informed and provide you with the answers you seek. Please feel free to contact the Fund Office if you have questions.

We want you to know that we are staying focused on our goal of providing our participants and their families with valuable retirement benefits. Our goal is the long-term survival of the Plan. We understand these changes are difficult for some. The law, however, dictates that we take drastic steps in order to ensure the future of the Plan for all participants.

Board of Trustees
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