

Notice of Critical Status For The Central New York Painters & Allied Trades Pension Plan

This is to inform you that on August 21, 2008 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning July 1, 2008. Federal law requires that you receive this notice.

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 over the next three years, the plan is projected to have an accumulated funding deficiency for the plan year July 1, 2008 to June 30, 2009.

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 will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after **April 25, 2008**.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt: (i) Post-retirement death benefits; (ii) Sixty-month payment guarantees; (iii) Disability benefits (if not yet in pay status); (iv) Early retirement benefit or retirement-type subsidy; (v) Pre-Retirement death benefits.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge until a Rehabilitation Plan is adopted to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. The Trustees anticipate a Rehabilitation Plan will be adopted before the surcharge goes into effect.

Where to Get More Information

For more information about this Notice, you may contact Cynthia Eagan at Central New York Painters & Allied Trades, at 315.422.4821. You have a right to receive a copy of the rehabilitation plan from the plan.