

MECHANICAL CONTRACTORS - U.A. LOCAL 119 HEALTH & PENSION PLANS

PLAN MANAGER -
ALABAMA ADMINISTRATORS - 1717 OLD SHELL ROAD
PO BOX 66745 - MOBILE, AL 36660
PHONE (251) 478-5412 - TOLL-FREE (800) 221-7025 - FAX (251) 478-0203

April 24, 2008

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


Re: Mechanical Contractors U.A. Local Union 119 Pension Plan
EIN - 63-6055121

DOL:

Enclosed you will find the Pension Protection Act critical status notice for this Pension Plan.
This is being filed to discharge the obligation to furnish notice to the DOL.

Notice was sent to all participants, employers, Union, Association and other concerned parties on
April 24, 2008.

Regards,


Ed Kahalley, Jr.
Trust Administrator

**Notice of Critical Status For –
Mechanical Contractors U. A. Local 119 Pension Plan**

Participants, Beneficiaries, Union and 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 Status – Red Zone

On March 28, 2008 the plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the plan is in critical status (the "red zone") for the plan year beginning January 1, 2008. Federal law requires that you be notified of this. 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; the Plan is projected to have an accumulated funding deficiency for the 2010 through 2012 plan years.

Rehabilitation Plan & 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. In addition to revising the plan's formula for future benefit accruals and making similar changes, as part of the rehabilitation plan, the law permits pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits." 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. No reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants whose benefit commencement date is on or after April 25, 2008.

Adjustable Benefits

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of the rehabilitation plan: Disability benefits if not yet in pay status, Disability benefit subsidized benefit amount, Early retirement benefit or retirement-type subsidy, Pre-Retirement Death Benefit lump sum payment to other than a qualified spouse, Post-Retirement Death Benefit, Optional forms of payment (66-2/3% and 100% Joint and Survivor Pension and 10-Year Certain and Life Option), recent benefit increases (i.e. those that were adopted or took effect since January 1, 2003), other similar benefits, rights, or features under the plan, including the Pop-up feature on all Joint and Survivor Pensions for all future retirees.

Employer Surcharge

The law requires that all contributing employers pay the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percent of the amount an employer is otherwise required to contribute to the plan under the collective bargaining agreement. A 5% surcharge applies in the initial critical year and a 10% surcharge 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 May 23, 2008, until December 31, 2008, 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 are disregarded in determining benefits and withdrawal liability.

What's Next

The Rehabilitation Plan will be adopted no later than November 25, 2008. Shortly after that the Plan will be sent to employers, the union and a summary to all participants.

You will receive notices like this each year, letting you know of the Plan's progress. Since the Pension Plan is influenced by economic and financial variables beyond our control (such as investment volatility and changes in employment levels and the number of contributing employers), unexpected developments can affect the Plan's status and future corrective actions needed.

While no benefit changes are being made at this time, once the Rehabilitation Plan is adopted, 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 (with benefits started by April 25, 2008), except for a possible rollback of benefit increases effective after 2002.

For Contributing Employers (Employers): In the event contribution surcharges are required, the Administrator will send a revised contributions "transmittal" form with a letter explaining the surcharge. The contribution surcharge will be a separate line item to allow the Plan to track these contributions separately from the regular contributions to the Plan.

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 Fund's funding and provide you with sound pensions.

Board of Trustees

Cc: Employers, Union, Association, Department of Labor,
Pension Benefit Guaranty Corporation

Distribution Date 4/25/2008 ▲

ADDITIONAL INFORMATION – For more information about this Notice, you may contact the Plan Manager,

Alabama Administrators at:

**Mechanical Contractors U.A. Local 119 Pension Plan
P.O. Box 66745, Mobile, AL 36660, (251) 478-5412**