

MICHIGAN CARPENTERS' FRINGE BENEFIT FUNDS

Michigan Carpenters' Health Care Fund
Michigan Carpenters' Pension Fund
Michigan Carpenters' Apprenticeship & Training Fund

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TIC INTERNATIONAL CORPORATION

January 20, 2009

Notice of Schedules for the 2009 Rehabilitation Plan

The Board of Trustees of the Michigan Carpenters' Pension Fund (Fund) sent a Notice of Critical Status on December 24, 2008 to inform all parties to an agreement that requires contributions to the Fund that the Fund's Pension Plan had been certified by its actuary as being in "critical status" for the 2009 Plan Year (September 1, 2008 – August 31, 2009) under the Pension Protection Act of 2006 ("PPA").

This Notice of Schedules for the 2009 Rehabilitation Plan is also being sent to all those parties to provide the attached Alternative Schedule of Revised Benefits and Contribution Increases that will be part of the Fund's Rehabilitation Plan.

Unless a Rehabilitation Plan Schedule is adopted by January 23, 2009, the PPA requires that Employers pay a surcharge to the Fund to help correct its financial situation. The surcharge for the first Plan Year the Fund is in critical status, the 2009 Plan Year, would be 5% of the contribution otherwise required under the respective collective bargaining agreement ("CBA") (or other agreement under which the Employer contributes). For each Plan Year thereafter that the Fund is in critical status, the surcharge would be 10% of the otherwise required contribution.

The requirement for a surcharge terminates immediately when the bargaining parties adopt an agreement that includes terms consistent with the Rehabilitation Plan Schedule of Revised Benefits and Contribution Increases presented by the Fund for the period of the agreement. As current agreements expire and are renegotiated, those future agreements must include terms consistent with any updated Schedules.

The PPA requires that each CBA (or other agreement requiring Employer contributions) adopt the terms of one of the schedules in order to avoid the assessment of surcharges on the Employers.

If a CBA/agreement is not modified by January 23, 2009 to include a Rehabilitation Plan Schedule, a 5% surcharge will be assessed on all contributions required after that date. No benefit will be earned on the 5% surcharge. For example, if CBA requires a contribution of \$3 per hour, the Employer will be required to pay \$3 plus 15¢ for each hour unless a Schedule is adopted by January 23, 2009. If neither Schedule is adopted before the end of the 2009 Plan Year, August 31, 2009, the surcharge will increase to 10% in the 2010 Plan Year. PPA requires the Fund to treat an unpaid surcharge as a delinquent Employer contribution.

The Board of Trustees has, with the advice and assistance of its actuary and attorneys, adopted the attached Alternative Schedule of Revised Benefits and Contribution Increases as part of a Rehabilitation Plan. The Trustees believe that the Alternative Schedule is consistent with the contribution rates currently required by the CBA/Agreements, but may not be consistent with future contribution increases that will be required through 2013.

The Alternative Schedule of Revised Benefits and Contribution Increases combines benefit reductions and contribution increases expected to enable the Fund to emerge from critical status under the Rehabilitation Plan. That Schedule will be part of the Rehabilitation Plan. Both must be reviewed annually and may be revised if necessary. The benefit reductions include permitted changes to “adjustable benefits” as defined in ERISA.

Also attached is the Default Schedule of Revised Benefits and Contribution Increases, which is also required to be developed under the Rehabilitation Plan. The Default Schedule assumes that there are no increases in contributions other than those increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. **The Fund will be required to implement the Default Schedule if the Alternative Schedule is not adopted by the bargaining parties.**

Because the attached Schedules do not require contribution increases greater than currently provided for in the CBA/agreement, the Union and Employers may feel that they need do nothing. We respectfully urge them to act immediately to avoid the mandated surcharges.

Enclosed is a sample Memorandum of Agreement to adopt the Alternative Schedule of Revised Benefits and Contribution Increases. It states that the 2009 Alternative Schedule has been incorporated into your CBA and that all the required contribution increases will be made.

Please send us the Memorandum of Agreement or other documentation concerning the adoption of either Schedule as soon as it is completed and signed. The Fund must have it to avoid unnecessarily imposing a surcharge.

Alternative Schedule of Revised Benefits and Contribution Increases

Revised Benefits
The lump sum Pre-Retirement Death Benefit is terminated and shall not be payable on behalf of any Participant who dies after February 28, 2009
The 100% Qualified Pre-Retirement Survivor Annuity is reduced to a 50% Qualified Pre-Retirement Survivor Annuity for the eligible Surviving Spouse of any Participant who dies after February 28, 2009
The increase in the Future Service Benefit Credit earned for Hours of Work performed from September 1, 2003 through August 1, 2004 from 1% to 3% is reduced to 1% effective March 1, 2009
The increase in the Future Service Benefit Credit earned for Hours of Work performed from September 1, 2004 through August 1, 2005 from 1% to 3% is reduced to 1% effective March 1, 2009

Contribution Rate Increase					
2008	2009	2010	2011	2012	2013
\$1.00	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80

All these contributions increases are non-credited.

If the hourly Employer Contribution is made on behalf of an Employee pursuant to the collective bargaining agreement between 1) the OPEIU and the Michigan Regional Council of Carpenters, 2) the Union and McClelland Millwork, or 3) the Union and Silver Creek, or is made at an hourly rate lower than the hourly Employer contribution for Journeymen in the collective bargaining agreement that applies to the work performed by the Employee, the amount not credited shall be determined by the specific provisions of the agreement, subject to approval by the Trustees, or, if there is no specific provision, pro rated based on the standard percentage of non-credited contributions for Journeymen covered by that agreement, if any, or other agreements pursuant to which the Plan is maintained.

Default Schedule of Revised Benefits and Contribution Increases

Revised Benefits
The Disability Benefit is terminated and shall not be payable on behalf of any Participant who applies after February 28, 2009
The lump sum Pre-Retirement Death Benefit is terminated and shall not be payable on behalf of any Participant who dies after February 28, 2009
The 100% Qualified Pre-Retirement Survivor Annuity is reduced to a 50% Qualified Pre-Retirement Survivor Annuity for the eligible Surviving Spouse of any Participant who dies after February 28, 2009
The increase in the Future Service Benefit Credit earned for Hours of Work performed from September 1, 2003 through August 1, 2004 from 1% to 3% is reduced to 1% effective March 1, 2009
The increase in the Future Service Benefit Credit earned for Hours of Work performed from September 1, 2004 through August 1, 2005 from 1% to 3% is reduced to 1% effective March 1, 2009
Index 80 available only to those with 80 points as of 9/1/09
Early Retirement Reduction from age 60 available only to those age 58 with 25 years of service as of 9/1/09

Contribution Rate Increase					
2008	2009	2010	2011	2012	2013
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	-

All these contribution increases are non-credited.

If the hourly Employer Contribution is made on behalf of an Employee pursuant to the collective bargaining agreement between 1) the OPEIU and the Michigan Regional Council of Carpenters, 2) the Union and McClelland Millwork, or 3) the Union and Silver Creek, or is made at an hourly rate lower than the hourly Employer contribution for Journeymen in the collective bargaining agreement that applies to the work performed by the Employee, the amount not credited shall be determined by the specific provisions of the agreement, subject to approval by the Trustees, or, if there is no specific provision, pro rated based on the standard percentage of non-credited contributions for Journeymen covered by that agreement, if any, or other agreements pursuant to which the Plan is maintained.

Memorandum of Agreement

The undersigned [Employer Association/Employer], and the undersigned [Local Union] are parties to the [Agreement], a collective bargaining agreement (“CBA”) requiring that Employers pay contributions to the Michigan Carpenters’ Pension Fund (“Fund”) for each hour of work performed by Employees under the CBA.

Upon receipt of the Notice of Schedules for the 2009 Rehabilitation Plan, the Parties have agreed to adopt the 2009 Alternative Schedule of Revised Benefits and Contribution Increases as distributed by the Michigan Carpenters’ Pension Fund; provided that the Contribution Rate requirements in the 2009 Alternative Schedule are consistent with the Contribution Rate increases set forth in Exhibit A of this Memorandum of Agreement. The Employer’s Contribution Rate to the Fund will be increased by the date and in the amount required in the 2009 Alternative Schedule.

The parties recognize that with respect to the revision of Fund benefits the CBA is consistent with the 2009 Alternative Schedule as the Trustees of the Fund, not the parties, are, under the terms of the Agreement and Declaration of Trust of the Michigan Carpenters’ Pension Fund, granted authority to develop and publish a Plan which sets out the rules and regulations governing eligibility, benefit structure, vesting, benefit accrual, participation, and related matters and that the Trustees are empowered to amend the Plan if, in their discretion, such amendment is desirable or required by law.

The Agreement’s remaining terms continue in effect to the extent they are consistent with the 2009 Alternative Schedule.

This Memorandum of Agreement is entered into this 23rd day of January 2009.

Signed for [Employer Association/Employer] by:

Date _____

Signed for [Union] by:

Date _____

EXHIBIT A

Contribution Rate Increase					
2008	2009	2010	2011	2012	2013
\$1.00	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80

All these contribution increases are non-credited.

If the hourly Employer Contribution is made on behalf of an Employee pursuant to the collective bargaining agreement between 1) the OPEIU and the Michigan Regional Council of Carpenters, 2) the Union and McClelland Millwork, or 3) the Union and Silver Creek, or is made at an hourly rate lower than the hourly Employer contribution for Journeymen in the collective bargaining agreement that applies to the work performed by the Employee, the amount not credited shall be determined by the specific provisions of the agreement, subject to approval by the Trustees, or, if there is no specific provision, pro rated based on the standard percentage of non-credited contributions for Journeymen covered by that agreement, if any, or other agreements pursuant to which the Plan is maintained.