

MICHIGAN CARPENTERS' FRINGE BENEFIT FUNDS

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

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

Notice of Reduction in Adjustable Benefits Under the Revised 2009 Preferred Schedule

June 9, 2009

The Board of Trustees of the Michigan Carpenters' Pension Fund (Fund) sent you a Notice on December 24, 2008, that the Fund's Pension Plan was certified by its actuary as being in "critical status" for the 2009 Plan Year (September 1, 2008 – August 31, 2009) under recent amendments to the Employee Retirement Income Security Act (ERISA), the federal law that governs pension plans like this one. As required by ERISA, the Board of Trustees has, with the advice and assistance of its actuary and attorneys, adopted a Rehabilitation Plan. The Rehabilitation Plan combines benefit reductions and contribution increases intended to get the Pension Plan out of critical status and financially healthy again within a 13 year Rehabilitation Period. The benefit reductions include permitted changes to "adjustable benefits" as defined in ERISA.

You were notified on January 28, 2009 of changes in adjustable benefits which took effect on March 1, 2009.

The purpose of this communication is to give you 30 days advance notice of additional changes in the Early Retirement Benefit (which is an adjustable benefit) that will take effect on September 1, 2009. This Notice applies to all Participants, Retirees, their Alternate Payees and Beneficiaries and to employees of Contributing Employers who are participating in the Fund under agreements other than a collective bargaining agreement.

Elimination of Index 80 and 85/Change to Index 90

Unreduced Early Retirement Benefits (commonly referred to as Index 80 and Index 85) will change to Index 90 and age 58 or older on September 1, 2009 for anyone who does not have at least 78 points on that date.

If you **do have** at least 78 points then, you will be eligible for Index 80 when your age and Years of Service, excluding Years of Service for Contiguous Non-Covered Employment (subject to the exception set out in the next sentence) and Years of Service for Other Employment, total at least 80, no matter what age you are. **Exception:** up to a maximum of 2 Years of Service for Contiguous Non-Covered Employment will be counted for a Participant who is Active, based on Hours of Work for which his Employer is obligated to make contributions to this Fund on his behalf, on the date that the sum of his age and Years of Service, including up to 2 Years of Service for Contiguous Non-Covered Employment, total at least 80.

If you **do not have** at least 78 points on September 1, 2009, you will have to be at least age 58 and have at least 90 points (Index 90) to be eligible for an Unreduced Early Retirement Benefit, which is a benefit payable before age 65 that is equal to your full Accrued Benefit. You will be eligible when you have reached age 58 and your age and Years of Service, excluding Years of Service for Contiguous Non-Covered Employment (subject to the exception set out above) and Years of Service for Other Employment, total at least 90.

Example 1: Joe will reach age 58 on November 28, 2009 and will have 15 Years of Service (58 plus 15 = 73 points). He wants to retire December 1, 2009. His Accrued Benefit is \$3,991.00. It will be reduced by 5/9ths of one percent for each complete calendar month by which he is under age sixty-five (65) at the time his Early Retirement Benefit commences because he is not eligible for Unreduced Early Retirement Benefits (he is not age 58 and he does not have 90 points for Index 90). His Accrued Benefit of \$3,991.00 will be reduced by 46.67% (84 months early x 5/9% per month = 46.67%), so his monthly benefit in the Straight Life Benefit Form would be \$2,128.40 ($\$3,991.00 - \$3,991.00 \times 46.67\% = \$2,128.40$).

Example 2: Jerry is age 53 on September 1, 2009 and has 32 Years of Service (53 plus 32 = 85 points). He plans to retire on May 1, 2010. He will be eligible for an Unreduced Early Retirement Benefit because he had 80 points on September 1, 2009 and qualifies for an Index 80 benefit.

Example 3: Kevin is age 55 on September 1, 2009 and has 23 Years of Service (55 plus 23 = 78 points). He earns a Year of Service before September 1, 2010 and retires on October 1, 2010 at age 56 (56 plus 24 = 80 points). He will be eligible for an Unreduced Early Retirement Benefit because he had 78 points on September 1, 2009 and qualifies for an Index 80 benefit when he reached 80 points.

Elimination of Special Reduction Rule for 25 Years of Service and Age 58

The provision permitting an Early Retirement reduction from age 60, rather than age 65, for an Active Participant who has at least 25 Years of Service and is at least age 58, will be eliminated effective September 1, 2009 for anyone who does not qualify on that date (to qualify on September 1, 2009, you must be at least 58 and have at least 25 Years of Service).

Example: Mike will reach age 58 on December 3, 2009 and will have 19 Years of Service. He wants to retire January 1, 2013. He will not qualify for Index 90, even if he earns a Year of Service in every year between 2009 and 2013 (4 more years of age and 4 more Years of Service would give him 85 points by 2013). He will not qualify for the 25 Years of Service at age 58 provision either, because he was not age 58 on September 1, 2009 and did not have 25 Years of Service then.

So, his Accrued Benefit of \$2,229.00 will be reduced by 5/9ths of one percent for each complete calendar month by which he is under age 65 at the time his Early Retirement Benefit commences. His Accrued Benefit of \$2,229.00 will be reduced by 46.67% (84 months early x 5/9% per month = 46.67%), so his monthly benefit in the Straight Life Benefit Form would be \$1,188.73 ($\$2,229.00 \times 46.67\% = \$1,188.73$).

Information on Rights and Remedies

As a Participant, Retiree, Alternate Payee or Beneficiary in the Pension Plan of the Michigan Carpenters' Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended, (ERISA). ERISA provides that all Plan Participants and Beneficiaries are entitled to:

- (a) Examine, without charge, at the Fund Office and at other specified locations, such as certain worksites and local union halls, all Plan documents, including the Rehabilitation Plan and Schedules, all notices issued in connection with the Rehabilitation Plan, collective bargaining agreements and copies of documents filed by the Fund with the United States Department of

- Labor, such as detailed annual reports and Plan descriptions. The Fund will, however, charge a reasonable fee established by the Trustees for furnishing the copies.
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the Administrative Manager. The Fund will, however, charge a reasonable fee established by the Trustees for furnishing the copies.
 - (c) Receive the Annual Funding Notice. The Plan mailed that Notice to you on May 29, 2008.
 - (d) Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be supplied more than once a year. The Plan must provide the statement free of charge. The Plan mails such statements to all Participants on an annual basis.

For copies of documents, write to the Board of Trustees, Michigan Carpenters' Pension Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275. The documents are also available on the Fund's website, www.michigancarpenters.org.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your Employer, the Michigan Regional Council of Carpenters, your Local Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Trustees to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Trustees. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person

you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Trustees or the Fund Office. If you have any questions about this Notice or about your rights under ERISA, or if you need assistance in obtaining documents from the Trustees, you should contact the Employee Benefits Security Administration, U.S. Department of Labor, the Detroit office of which is located at 211 W. Fort Street, Detroit, Michigan 48226, (313) 226-7450, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. The website address for the Employee Benefits Security Administration of the Department of Labor is <http://www.askebsa.dol.gov>.