



Employee Benefit News



UPDATE ON THE PENSION PROTECTION ACT OF 2006 AND THE FINANCIAL POSITION OF THE GREATER PENNSYLVANIA CARPENTERS' PENSION FUND

On August 17, 2006, President Bush signed into law the Pension Protection Act of 2006 (PPA). It is the most sweeping pension reform legislation since the Employee Retirement Income Security Act (ERISA) was enacted in 1974. PPA contains some key changes specific to multiemployer plans such as our Pension Plan.

PPA significantly changes the rules for funding of plans with the goal that all plans move to a fully funded position and take steps to remain in that position. For plans such as ours, within 90 days of the beginning of the 2008 plan year, our funding status must be certified by our independent actuary to be in one of four classifications:

- Critical status — failing one of 4 tests around solvency, minimum funding deficiency within 4 to 5 years or being below 65% funded - requiring a rehabilitation plan to move out of this classification in 10 years
- Seriously endangered status-being less than 80% funded and having a funding deficiency projected within the next 7 years — requiring a funding improvement plan
- Endangered status — either less than 80% funded or projected deficient in 7 years - requiring a funding improvement plan
- Safe status — the fund passes all of the tests and is subject to the new standard funding requirements which require all future benefit changes and experience be funded over 15 years or less if the benefit is anticipated to be fully paid out over a shorter period (for example 1 year for 13th checks).

CURRENTLY, IT IS PROJECTED

THAT OUR PLAN WILL BE IN THE SAFE STATUS OR HIGHEST CATEGORY IN 2008. At the July 18, 2007 Board of Trustees meeting, Cheiron, Inc., our independent actuary, presented the PRELIMINARY results for the 2007 Actuarial Valuation. Right now, it looks like we are in the safe area because we are 81% funded and it does not look like we will have a funding deficiency until 2015. And so, while we appear to be in the safe category, WE ARE JUST BARELY SO. Current projections are that we could fall into the endangered category in 2009 and the critical category by 2012, if we do not take steps to avoid a funding deficiency projected to occur in 2016. This is a concern. However, it can get erased with investment returns and we were certainly off to a good start the first half of 2007.

The PPA mandates that actuarial assumptions be individually reasonable versus reasonable in the aggregate. Because our actual liabilities were \$760.8 million, some \$10.1 million higher than our expected liability at 1/1/07 of \$750.7 million, this is an indication that our assumptions needed to be reviewed. Cheiron, Inc. completed the review and found that more people are retiring early than anticipated (early retirees are subsidized by the plan) and members are living longer than our mortality assumption (certainly good for our members but not our pension plan). Both of these items are costing the plan money and our assumptions must begin to better reflect anticipated plan experience.

Concerning those two assumptions,

you may find this information interesting. With early retirement, our current structure allows unreduced retirement at age 55 with 30 pension credits and allows for retirement of a vested active member at age 55 without 30 credits with only a 1% per year reduction (90% of the accrued benefit at age 55). From an actuarial standpoint, an early retiree at age 55 should get about 78% of the benefit. This difference between the 78% and the 90% or 100% benefit is the early retiree subsidy and is costly to the plan and increases liability.

Concerning mortality, in 2005, 82.1% of the deaths expected occurred. In 2006, 90.7% of the deaths expected occurred. Again, while longer life is a good thing, this costs the plan money and increases liability.

In summary, our fund is in good shape but we are right at the margin. What this

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Employee Benefit News

published by the

**CARPENTERS' COMBINED FUNDS
INCORPORATED**

JOHN A. BROOKS
President

JAMES R. KLEIN
Administrator

650 Ridge Road – Suite 300
Pittsburgh, PA 15205

**PLEASE CALL US WITH ANY COMMENTS,
QUESTIONS OR SUGGESTIONS,**

Phone: 412-922-5330
Toll Free Number: 1-800-242-2539
www.carpenterscombinedfunds.org

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TERRY L. WALSH

Annuity/Savings Fund Information

HERE IS A SUMMARY OF MARKET VALUE ASSETS AS OF JULY 31, 2007

	Market Value	Percent of Total
Blackrock Total Return II	\$ 3,780,558.15	1.81%
American Beacon Large Cap Value Fund.....	6,712,019.35	3.21%
Blackrock Index Equity.....	2,437,541.59	1.17%
Carpenters Stable Value Fund.....	125,038,916.82	59.87%
American Century Strategic Alloc. Conservative.....	7,484,501.87	3.58%
American Century Strategic Alloc. Moderate.....	10,389,986.46	4.97%
American Century Strategic Alloc. Aggressive	25,457,596.53	12.19%
Federated Mid-Cap Index Fund	803,259.99	.38%
American Fund Growth Fund of America.....	7,965,725.37	3.82%
American Fund EuroPacific Growth Fund	10,158,610.18	4.87%
Third Avenue Small Cap Value Fund.....	3,949,093.87	1.89%
Fidelity Advisor Small Cap Fund	4,674,550.63	2.24%
TOTAL	\$208,852,360.81	100.00%

MEDICAL ELIGIBILITY FOR ACTIVE MEMBERS

The next benefit period for the Medical Plan will start OCTOBER 1, 2007, and end MARCH 31, 2008.

In order to be eligible for this benefit period, an active member needs the following in employer contributions:

**\$3,003 for work performed during the period
JANUARY 1, 2007 through JUNE 30, 2007**

— or —

**\$6,006 for work performed during the period
JULY 1, 2006 through JUNE 30, 2007**

The eligibility level is based on 650 hours of employment at the majority journeyman's rate. Thus, a journeyman can earn full benefits by working approximately four (4) months in the six (6) month work period.

If employer contributions are not sufficient to earn eligibility, a member may be permitted to make self-payment to make up the shortage.

Should you have any questions on eligibility, please do not hesitate to call the Fund Office at 412-922-5330 or 1-800-242-2539.

WELCOME TO RETIREMENT

LOCAL UNION No. 81

Fred Laird
Timothy P. Maruska
Frank T. Soboleski

LOCAL UNION No. 84

Russell F. Jaszewski

LOCAL UNION No. 86

Willie Brazil, Jr.

LOCAL UNION No. 142

John A. Lalama
Paul Senchesen
Howard G. Trieschok
Eugene J. Vennare

LOCAL UNION No. 165

John R. Dekleva
Kenneth G. Thompson

LOCAL UNION No. 211

Norman C. Reiher
Forest Thompkins, Jr.

LOCAL UNION No. 214

Dennis A. Heffner
John G. Sprigg

LOCAL UNION No. 230

Richard M. Desimone
Richard Johnson
Robert C. Smith

LOCAL UNION No. 240

William A. Bitner

LOCAL UNION No. 268

Robert M. Filipovich
Ronald C. Yost

LOCAL UNION No. 333

James R. Everett

LOCAL UNION No. 462

Joseph E. Cononico

LOCAL UNION No. 645

John A. Evanik

LOCAL UNION No. 922

John J. Connelly, Jr.
Remy J. Meisel
Raymond A. Ross

LOCAL UNION No. 947

Richard Sweeney

LOCAL UNION No. 950

Charles L. Clements
Perry Courter

LOCAL UNION No. 1759

Dennis D. Loos
Harry T. Stoker

LOCAL UNION No. 2235

Leo L. Ciletti, Jr.
Kirk E. Keller
Robert A. Wilson

LOCAL UNION No. 2274

Charles E. Allshouse, II
Terry Mostoller, Jr.
Donald L. Reefer
Robert V. Rupp
Richard G. Schoedel

RETIREES, THANK YOU

Many of our retirees continue to sign up for direct deposit of their monthly pension check. Currently, 56% of our retired participants (2,287 individuals) now have direct deposit. Give yourself a hand as you are helping your plan save money because of lower postage costs, processing fees, supplies expense and time reconciling bank statements. It may be only a few cents per transaction but, in time, it adds up. Our review indicates the average cost per check issued is \$1.24 while the average cost for electronic transfer is \$.16.

To those of you not taking advantage of direct deposit, aren't you tired of wasting your gas and time driving to the bank and standing in line? It won't be long until winter is here and it sure will be cold and dangerous out there.

Do yourself and your Pension Plan a favor. Call the Fund Office and request a direct deposit authorization form right away.

Update on the Pension Protection Act of 2006

(continued from page 1)

means is that it won't take very much of anything to change our disposition going into the Pension Protection Act in 2008. The most critical component is our investment return. This could solve a lot of the problem. Chevron's recommendation at this point is that we wait and see where we are later in the year and we make a determination at that point in time as to what steps are taken. There are just too many moving parts right now to determine what our best strategy would be. Once we know our return on investments, it will make our decision process much easier. Bottom line, we are in a holding pattern until we see where the year takes us and then we will do what makes the best sense so that we can maximize the condition of the fund for certification but still be responsible in taking the steps that we need to take. Let there be no doubt that your Trustees have always and will continue to act in your best interest.

THIS IS YOUR NEWSLETTER!

In hopes of keeping you up to date on the activities of your Benefit Office, the Carpenters' Combined Funds, Inc., issues a periodic Newsletter. We use the Newsletter to provide timely notice of benefit changes, along with periodic financial information. The Newsletter also provides clarification on confusing issues along with explanations of the policies and procedures of the Fund Office. Some articles are included only because we think you may find them interesting or useful. We may even be able to give you some information about your friends and brothers.

Your comments and suggestions are welcomed. Should you have a question or subject you would like to see addressed in a future Newsletter, please write to:

Carpenters' Combined Funds, Inc. Newsletter
650 Ridge Road, Suite 300, Pittsburgh, PA 15205
Attention: Jim Klein

We are committed to providing you with the highest quality of service possible. We hope you find this Newsletter an enhancement to that service.

IN MEMORIAM

We pause in respectful silence to honor the memory of all our members or former members whose deaths have been reported to the Fund Office since our last newsletter.

LOCAL UNION No. 84

GEORGE W. LUX
April 25, 2007

FRANK KEEFER
July 3, 2007

LOCAL UNION No. 86

JAMES L. COLLIER
January 25, 2007

LOCAL UNION No. 142

WILLIE F. ARGABRIGHT
July 11, 2007

EDWARD J. SZOTT
July 3, 2007

JOHN A. WRAY, JR.
June 11, 2007

LOCAL UNION No. 165

GEORGE BALKO
June 5, 2007

JOHN E. KAMAUF
June 11, 2007

JOSEPH F. SICKER
July 9, 2007

JOSEPH S. ZIELONKA
May 22, 2007

LOCAL UNION No. 211

DONALD R. STEELE
August 10, 2004

LOCAL UNION No. 214

CLAIR A. BOYER
May 18, 2007

WILLIAM E. BURKE
May 25, 2007

TRUMAN C. PLETZ
June 28, 2007

DAVID SHOLLY
June 11, 2007

LOCAL UNION No. 230

STANLEY H. DINERT
July 17, 2007

JOSEPH TOTH
September 25, 2006

LOCAL UNION No. 268

ROBERT SHANER
January 24, 2007

LOCAL UNION No. 333

RALPH G. GOLICK
May 7, 2007

JEFFREY D. PERRY
July 27, 2007

CARL J. TRUDGEN
June 27, 2007

LOCAL UNION No. 645

ALFRED J. BROWN
June 15, 2007

LOUIS J. LANUZIATA
June 27, 2007

EMIL J. SUCHTER
June 28, 2007

LOCAL UNION No. 922

THOMAS E. BOYLE
April 26, 2007

HARRY J. BRUNNER
May 31, 2007

DONALD L. MOONEY
June 26, 2007

LOCAL UNION No. 947

DALE A. CAMPBELL
July 8, 2007

LOCAL UNION No. 950

JOSEPH A. HOTINSKY
April 14, 2007

AUBERT W. RILEY
July 5, 2007

LOCAL UNION No. 1160

ALOYSIUS A. SPERL
May 15, 2007

LOCAL UNION No. 1233

ERIC E. BIVINS
February 15, 2007

JAMES N. TASILLO
June 30, 2007

LOCAL UNION No. 1759

JOHN F. RIZNER
June 6, 2007

EDWARD SAMBORSKI
November 26, 2006

LOCAL UNION No. 2235

ELLIS H. CHRISTNER
April 27, 2007

KENNETH DALE
April 6, 2007

LOCAL UNION No. 2274

HARRY E. DEGENKOLB
May 21, 2007

FRANK A. PLETCHER
May 22, 2007

WILLIAM K. PUGH
March 14, 2007

JOSEPH E. WOLINSKI
May 4, 2007

TEDDY J. WRIGLESWORTH
May 25, 2007

LOCAL UNION No. 2590

CLAIR E. BARR
May 3, 2007

VARIOUS MEDICAL CONTRIBUTION RATES

As we are sure you know, your employer contributes into your Medical Plan based on a negotiated amount of your total package. In many cases, an employer might not care what the medical contribution rate is because an increase in that rate will only lead to a **DECREASE IN WAGES OR OTHER FRINGE RATES.**

We recently visited the Master Builders website (MBAWPA.ORG) and reviewed a listing of current medical plan contribution rates. While we have different rates, note that our organization has some of the lowest contribution rates of all the trades which leaves more for wages and other fringe benefit packages. This is what the website indicated:

Boilermakers.....	\$8.27	Sprinkler Fitters.....	\$6.40
Asbestos Workers	\$8.20	Operating Engineers.....	\$6.04
Elevator Constructors	\$7.78	Plasterers	\$5.85
Sheet Metal Workers	\$7.48	Laborers.....	\$5.74
Cement Masons	\$7.36	Steamfitters.....	\$5.44
Ironworkers	\$7.05	Pile Drivers	\$5.12
Plumbers.....	\$6.92	Millwrights.....	\$4.80
Electrical Workers.....	\$6.80	Bricklayers	\$4.75
Drywall Finishers.....	\$6.63	Roofers.....	\$4.75
Painters	\$6.63	Carpenters	\$4.75
Glaziers	\$6.41		

OPTION ON 2005 ANNUITY/SAVINGS PLAN DOLLARS

Anyone eligible for an option on 2005 Annuity/Savings Plan dollars should receive that statement from PNC Bank in the same envelope with the September 30, 2007 quarterly statement. Anyone exercising the option to withdraw all or part of the 2005 money will receive the check from PNC Bank during the first week of December 2007.

If you decide to exercise your option to withdraw money, please remember to sign the option form and check the box for the percentage you want to withdraw (100% or 50%). Return the form prior to the due date to the Fund Office using the enclosed envelope.

MEDICAL PLAN COORDINATION OF BENEFITS (COB)

Dear Member:

Coordination of Benefits provides a framework for coordinating payment of medical expenses when you and other members of your family are covered by two or more medical plans. Your medical plan needs the assistance of all carpenters to assure that claims for services which are the responsibility of other health insurance programs are paid for by the proper program. Without current accurate information concerning COB, your medical plan could be paying claims that another insurance provider should be paying. This would ultimately lead to higher medical contribution rates (lower wage rates) and higher member self payment amounts.

Soon, Highmark Blue Cross Blue Shield will be sending you a questionnaire in order to obtain up to date COB information. Please complete the questionnaire and return it in the postage paid return envelope that will be provided. Failure to do so may not only delay the processing of claims, but could cause your medical plan to needlessly waste your medical resources.

We thank you in advance for your assistance with this matter. Please do not hesitate to call us should you have any questions on COB.

Sincerely,
Board of Trustees

WARNING!

The jurisdiction of the Greater Pennsylvania Regional Council of Carpenters is 60 counties in Pennsylvania and this *Newsletter* is mailed to all members in the jurisdiction. Hopefully there is information here that is interesting to all.

However, to all of our members from Central and Northeastern Pennsylvania, when reading this *Newsletter*, please keep in mind that the benefit plans we are talking about are the Greater Pennsylvania Plans and may NOT be the benefit plans with which you currently participate.

Annuity/Savings Fund

Summary Annual Report

This is a summary of the annual report for the Greater Pennsylvania Carpenters' Annuity and Savings Fund (Employer Identification No. 25-6107170, Plan No. 001), for the period January 1, 2006 to December 31, 2006.

The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by a Trust (benefits are provided in whole from Trust Funds). Plan expenses were \$21,572,728. These expenses included \$617,039 in Asset Management Fees and Administrative Expenses and \$20,955,689 in benefits paid to participants and beneficiaries. A total of 13,723 persons were participants in or beneficiaries of the Plan at the end of the Plan Year.

The value of Plan assets, after subtracting liabilities of the plan, was \$196,447,750 as of December 31, 2006 compared to \$180,386,927 as of January 1, 2006. During the Plan Year the Plan experienced an increase in its net

assets of \$16,060,823. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The Plan had total income of \$37,633,551, including Employer contributions of \$23,620,511 and earnings from investments of \$14,013,040.

Minimum Funding Standards

Enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investments; and
3. Transactions in excess of five percent (5%) of Plan assets.

MEDICAL PLAN

Summary Annual Report

This is a summary of the annual report for the Greater Pennsylvania Carpenters' Medical Plan (Employer Identification No. 23-7007718, Plan No. 001), for the period January 1, 2006 to December 31, 2006.

The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of Plan assets, after subtracting liabilities of the plan, was \$69,937,727 as of December 31, 2006 compared to \$63,645,245 as of January 1, 2006. During the Plan year the plan experienced an increase in its net assets of \$6,292,482. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the Plan year, the Plan

had total income of \$55,072,491. This income included Employer contributions of \$48,639,638 and earnings from investments of \$6,432,853. Plan expenses were \$48,780,009. These expenses included \$1,053,019 in asset management fees and administrative expenses, and \$47,726,990 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investments;
3. Transactions in excess of five percent (5%) of Plan assets; and
4. Insurance information including sales commissions paid by insurance carriers.

PENSION FUND

Summary Annual Report

This is a summary of the annual report for the Greater Pennsylvania Carpenters' Pension Fund (Employer Identification No. 25-6135570, Plan No. 001), for the period January 1, 2006 to December 31, 2006.

The Annual Report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the Plan are provided by a Trust (benefits are provided in whole from Trust Funds). Plan expenses were \$53,105,257. These expenses included \$3,995,398 in Asset Management Fees and Administrative Expenses and \$49,109,859 in benefits paid to participants and beneficiaries. A total of 12,275 persons were participants in or beneficiaries of the Plan at the end of the Plan year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan assets, after subtracting liabilities of the plan, was \$638,814,137 as of December 31, 2006 compared to \$598,544,962 as of January 1, 2006. During the plan year the Plan experienced an increase in its net assets of \$40,269,175. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired

during the year. The Plan had total income of \$93,374,432, including Employer contributions of \$23,749,374 and earnings from investments of \$69,625,058.

Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investments;
3. Transactions in excess of five percent (5%) of Plan assets; and
4. Insurance information including sales commissions paid by insurance carriers.
5. Information regarding any common or collective trust, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates; and
6. Actuarial information regarding the funding of the plan.

Your Rights To Additional Information On All Three Summary Annual Reports

To obtain a copy of the annual report for any of the three plans, or any part thereof, write or call the office of:

James R. Klein, Administrator
Carpenters' Combined Funds, Inc.
650 Ridge Road, Ste. 300
Pittsburgh, PA 15205
412-922-5330

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. These portions of the report are furnished without charge.

You also have the legally protected right to examine the annual report at the Main Office of the Plan:

CARPENTERS' COMBINED FUNDS, INC.
650 Ridge Road, Ste. 300
Pittsburgh, PA 15205

And at the U.S. Department of Labor in Washington, DC, or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to:

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



Carpenters' Combined Funds, Inc.
650 Ridge Road, Suite 300
Pittsburgh, Pennsylvania 15205



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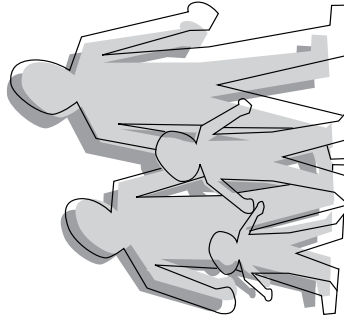
Membership Assistance Program (MAP)

is a free benefit for members and family members

Call 1-888-MAP-6637

for assistance with personal problems such as:

- stress
- family and marital issues
- substance abuse
- work-related problems
- elder care concerns
- balancing work & personal life
- child-rearing
- emotional



Please visit your MAP website
www.lytleappartners.com

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