

GREATER PENNSYLVANIA CARPENTERS' PENSION FUND

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Notice of Critical Status For Greater Pennsylvania Carpenters Pension Fund

March 30, 2009

This is to inform you that on March 10, 2009 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 January 1, 2009. 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 based on the current contribution levels and the amount of contribution required by law **the plan is projected to have an accumulated funding deficiency within four years** (contributions plus past credits towards funding are less than the minimum required contribution) for the 2013 plan year.

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. The trustees of the plan have determined that benefit reductions are necessary, and the reduction has been approved in accordance with the bargaining agreements as part of the Plan's rehabilitation plan that is described later in this notice. This reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions will only apply to participants and beneficiaries whose benefit commencement date is after June 1, 2009.

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:

- Post-retirement death benefits;
 - Disability benefits (if not yet in pay status);
 - Early retirement benefit more favorable than what is determined to be actuarially equivalent benefits or retirement-type subsidy;
- and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation beginning 30 days after receipt of this notice and until a rehabilitation plan has been adopted. 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. In the opinion of the plan's attorney, the rehabilitation plan adopted by the Board of Trustees will eliminate the employer surcharge requirement. Therefore, the employer surcharge will not be assessed by the Plan.

Adopted Rehabilitation Plan and Actual Reduction in Benefits

The trustees have adopted a rehabilitation plan that includes increases in the hourly contribution rate along with a benefit reduction. The rehabilitation plan consists of two parts. The first part is a recommendation that participants approve a redirection of contributions from the annuity plan to the pension plan of an additional 2% of pay. The monthly benefit accrual rate will be reduced from 1.75% to 1.00% of total contributions made on the employee's behalf for all work performed from July 1, 2009 and thereafter.

In addition for anyone who was a participant prior to January 1, 2009 and whose benefit commencement date is after June 1, 2009, there will be a 1/12% reduction in the monthly benefit payable for each month payments commence prior to age 65 for each of the first 36 months and 1/2% for each month thereafter. Any participant who retires prior to July 1, 2009 and returns to work will be subject to the new reductions in benefits for early retirement and will subsequently be entitled on retirement to the greater of the benefit in effect when they first retired or the benefit, including additional service benefits earned, calculated under the Plan as amended July 1, 2009.

Where to Get More Information

For more information about this Notice, you may contact Mr. James Klein at (412) 922-5330 or 650 Ridge Road, Suite 300, Pittsburgh, PA 15205-9503. You have a right to receive a copy of the rehabilitation plan from the plan.