PLUMBERS & PIPEFITTERS NATIONAL PENSION FUND

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ADMINISTRATOR: WILLIAM T. SWEENEY, JR.

FUNDING IMPROVEMENT PLAN

April 5, 2010

On September 28, 2009, the enrolled actuary for the Plumbers and Pipefitters National Pension Plan (the Plan) certified to the Trustees that the Plan is seriously endangered (as defined in Section 432(b) of the Internal Revenue Code) due to its funded status as of July 1, 2009. The funded percentage is projected to be less than 80% and a funding deficiency is projected to occur within the current and six succeeding plan years. For this particular certification, the Plan was projected to be 71.61% funded and projected to have a minimum funding deficiency by June 30, 2015.

In accordance with Code Section 432(a), the Board of Trustees must adopt and implement a funding improvement plan (FIP). The FIP must consist of the actions, including options to be proposed to the bargaining parties, formulated to provide sufficient progress toward the attainment of legally mandated benchmarks. The FIP must include at least two alternative schedules to meet the benchmarks, one based only on increases in contribution rates and the other based only on reductions in future benefit accruals. The parties to the collective bargaining agreements will have the opportunity to choose between these schedules.

The Plan's Funding Improvement Period under IRC Section 432(c)(4)(A) and Section 205(a) of WRERA is the 18-year period beginning on July 1, 2012. Under IRC Section 432(c)(3)(A), by the end of the Funding Improvement Period, the Plan's funded percentage must equal or exceed a target percentage of the sum of the funded percentage as of the beginning of the Funding Improvement Period, July 1, 2012, plus 20% of the difference between 100% and that July 1, 2012 funded percentage. The Plan must also not have an accumulated funding deficiency during the Funding Improvement Period.

The bargaining parties may choose one of the following options. Each of these is projected to meet the above benchmarks.

Option 1: Increase(s) in future contribution rates: Future benefits are not reduced, provided an increase in the contribution rate is implemented by one of the following required implementation dates:

A. i) A 15% increase in the hourly contribution rate must be implemented under the applicable collective bargaining agreement no later than January 1, 2011. An additional 5% increase in the hourly contribution rate must be implemented no later than January 1, 2012, or

ii) A 20% increase in the hourly contribution rate must be implemented under the applicable collective bargaining agreement on or before January 1, 2011.

B. If an increase under A. above is not implemented on or before January 1, 2012,

i) A 23% contribution rate increase must be implemented on or before January 2, 2012, or

ii) A 25% contribution rate increase must be implemented on or before July 1, 2012.

The additional 3% or 5% will not count towards benefit accruals.

Option 2: Reduction in future benefit accruals: The applicable benefit accrual rate based on Benefit Schedules B through D is reduced by 75% for future benefits earned on and after July 1, 2012.

Default Schedule: Option 2 is the Default Schedule. To avoid the imposition of the Default Schedule, one of the contribution rate increases in Option 1 must be adopted by the parties under the applicable collective bargaining agreement by the date as described below (mandatory adoption date):

A. 180 days after receipt by the bargaining parties from the Trustees of the availability of Options 1 and 2, or if later

B. 180 days after expiration of the collective bargaining agreement in effect on July 1, 2009. Under no circumstances, however, may the date of adoption be later than July 1, 2012.

The Default Schedule will be avoided only if the bargaining parties follow the above rules for the adoption date and the implementation date. For most groups, July 1, 2012 is the mandatory adoption date by which the contribution rate increases must be adopted (to avoid the Default Schedule). However, for some groups the mandatory adoption date will be sooner for compliance with the law. The increased contributions must start by the required implementation date.

All contribution rate increases must remain in effect starting on the applicable implementation date in Option 1 above through the duration of the Funding Improvement Period, which will be the lesser of 18 years or the date the Fund is no longer in Critical or Endangered status.

Contribution rate increases not associated with the January 1, 2005 25% rate increase request and made effective on or after January 1, 2008 will be counted towards meeting the FIP contribution rate increases. The contribution rate in effect on December 31, 2007 will normally be the base amount used in determining all FIP rate increase percentages.

The progress toward meeting the benchmarks of the FIP are subject to annual review with the potential that additional changes may be required. However, benefits cannot be increased nor contributions decreased during the Funding Improvement Period once the FIP is in place until such time as the Plan is no longer certified to be in Endangered or Critical status, except that a benefit improvement can be made if and only if it is fully funded through additional contributions.

Adopted: April 5, 2010

Effective: As stated

William P. Hite
Chairman

[signature]
Co-Chairman

If you have questions about this notice, please contact the Fund office or email your inquiry to FIP2010@ppnpf.com.