

# PLUMBERS & PIPEFITTERS NATIONAL PENSION FUND

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<http://www.ppnpf.org>

ADMINISTRATOR: WILLIAM T. SWEENEY, JR.

**To: Participating UA Local Unions and Contributing Employers**  
**From: Board of Trustees of the Plumbers and Pipefitters National Pension Fund**  
**Date: May 10, 2011**  
**Re: Report of Summary Plan Information for the 2009 Plan Year (July 1, 2009 through June 30, 2010)**

In accordance with ERISA §104(d), the Trustees of the Plumbers and Pipefitters National Pension Fund (the "Plan") are providing the following Report of Summary Plan Information to unions that represent Plan participants and to employers obligated to contribute to the Plan. Except as otherwise specified, all information in this Report pertains to the plan year July 1, 2009 through June 30, 2010 (the "2009 Plan Year").

If you have any questions about this Report, please contact the Fund office or e-mail your inquiry to [ContactUs@ppnpf.com](mailto:ContactUs@ppnpf.com).

## 1. Contribution Schedule and Benefit Formula Information

Benefits from the Plumbers and Pipefitters National Pension Fund are based on the amount of credited service earned, the participant's age at retirement and the contribution rates in effect while the participant is in employment covered by the Plan. There are currently a variety of benefit tables setting forth benefit amounts attributable to specific contribution rates. Most participants are currently covered under Benefit Schedule D. A "final rate" plan benefit formula, which provides a benefit based upon the highest contribution rate negotiated for that local union/group for which the participant had at least 1500 hours of service, was in effect for service earned through December 31, 2004. Benefit Schedule A was the last benefit schedule in effect for "final rate" benefit determinations as of December 31, 2004. Other benefit schedules were in effect for participants who ended their covered employment at an earlier time period or who incurred a separation from employment during an earlier time period.

From 2005 forward, benefits are earned under either Benefit Schedule B, C, or D depending upon which is applicable at the time and upon the contribution rate(s) retained by the Fund on behalf of the participant. The amount of benefits is fixed for each year based on the pension credit earned in covered employment for that year and the contribution rate for the hours of contributions used to determine the pension credit for the particular year.

Some participants receive a non standard percentage of these benefit schedules usually based upon an actuarial determination made when the group they are associated with commences participation in the Plan. The benefit amounts for all years under the final rate plan benefit structure through 2004 and subsequent individual years are added together to derive the basic benefit amount earned under the Plan. Please see the benefit Schedules and complete benefit formula rules in the Plan Booklet or on the Fund's website at <http://www.ppnpf.org/>. There were no changes made to the benefit schedules and formulas during the 2009 Plan Year.

## 2. Number of Contributing Employers

For the 2009 Plan Year, 4,219 employers were obligated to contribute to the Plan.

## 3. Employers Contributing More Than 5%

During the 2009 Plan Year, the Plumbers and Pipefitters National Pension Fund did not have any employers that contributed more than 5% of total contributions to the Plan.

**4. Participants for Whom No Contributions Were Made**

The chart below sets out, for the 2009, 2008, and 2007 plan years, the number of participants with respect to whom no employer contributions were made by an employer as the participant's employer:

	<b>2009 Plan Year</b>	<b>2008 Plan Year</b>	<b>2007 Plan Year</b>
<b>Participants</b>	5,324	3,997	3,492

**5. Plan Funding Status**

For the 2009 Plan Year, the Plumbers and Pipefitters National Pension Fund was certified by the actuary to be in seriously endangered status under the Pension Protection Act (“PPA”). The Plan’s PPA funded percentage was under 80%, and it was projected to have a funding deficiency in at least one of the next six plan years.

To improve the Plan’s funding status, the Trustees adopted and communicated a Funding Improvement Plan in April 2010. The Funding Improvement Plan is a series of actions formulated to reach PPA benchmarks for increases in the funding percentage.

The bargaining parties were given two options for compliance with Internal Revenue Code §432(c). Option I provides four alternatives for increases in contributions, all of which would preserve the current level of benefit accrual. These range from 15% to 25% depending on when in 2011 or 2012 the full amount of the increase becomes effective. Option II is the default schedule, which provides for no contribution rate increases, but reduces future benefit accruals by 75% of the current level. To date only one employer, Northwestern Energy, is refusing to increase the hourly contribution rate in accordance with Option I. This employer is also denying its employees the right to reduce their wages to comply with the Funding Improvement Plan contribution rate increase.

By written request to the Plan Administrator, any contributing employer or participating union under the Plan may obtain a copy of the Funding Improvement Plan, and the actuarial and financial data that demonstrates any action taken by the Plan toward fiscal improvement.

**6. Number of Employers That Withdrew in Preceding Plan Year**

During the 2008 plan year, 20 employers withdrew from the Plan. As reported on Schedule R of the Form 5500, the actual or estimated amount of employer withdrawal liability assessed was \$525,227.

During the 2007 plan year, 13 employers withdrew from the Plan. As reported on the Schedule R, the actual or estimated amount of employer withdrawal liability assessed was \$90,251.

**7. Transaction Information**

No pension plans were merged into the Plumbers and Pipefitters National Pension Fund during the 2009 Plan Year.

**8. Amortization Extension or Shortfall Funding Method Information**

The Plan applied for and received an amortization extension under ERISA §304(d) or Internal Revenue Code §431(d) for the 2009 Plan Year. The Plan did not use the shortfall funding method (as described in ERISA §305) for the 2009 plan year.

**9. Right to Additional Information**

Any contributing employer or participating union under the Plan may request from the Plan Administrator, in writing, a copy of the documents listed below, but not more than one time during any one 12-month period. The Administrator may charge a reasonable amount to cover the cost of providing the document requested.

- The Plan’s 2009 Form 5500
- The Plan's Summary Plan Description
- Any Summaries of Material Modification to the Plan