



# Connecticut Carpenters Pension Fund

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## CONNECTICUT CARPENTERS PENSION PLAN

EIN/PN: 06-0738583/001

### NOTICE OF ELECTION OF FUNDING RELIEF

June 21, 2011

To All Participants and Beneficiaries of the Connecticut Carpenters Pension Plan:

Last June, Congress passed a law that provides relief from certain funding requirements for eligible multiemployer plans, if their trustees choose to follow the new rules. The relief gives plans a longer period to overcome the investment losses that they suffered in 2008 and 2009. For a plan to qualify for the relief, its actuary has to certify that the plan is projected to have enough funds to cover all benefit payments and expenses for the extended funding period.

We are pleased to report that, based on our actuary's report, our plan qualifies for the relief. The Pension Plan's Board of Trustees has made a formal decision to accept its actuary's recommendation to use the new funding relief as follows:

1. The investment losses that the Plan incurred for the plan year ended March 31, 2009 will be recognized in the asset value that is used for funding purposes over a 10-year period to smooth out the immediate effect on the assets, rather than using the plan's regular smoothing policy, which calls for 5-year recognition, and
2. The actuarial value of Plan assets will be permitted to be different from the market value by 10% more than the regular rules would have permitted, since the so-called corridor around market value has been expanded from 20% to 30% for asset values determined as of April 1, 2009.

By choosing to use this funding relief, the annual minimum required contribution is lower than what it would otherwise have been. This affects our actuary's determination of the appropriate Plan contribution rates and the Plan will now be projected to emerge from "endangered" yellow-zone status two years earlier than it was projected to emerge without this funding relief. It is important to remember that these projections are dependent on many assumptions and the actual emergence from the yellow zone will depend on investment performance, employment and other variables over the projection period. The decision to use the relief

means that, through March 31, 2012, the Plan cannot be amended to increase benefits unless new contributions are negotiated to pay for that increase without causing deterioration in certain funding measurements.

If you would like more information about this or any other aspect of the Pension Fund, please contact:

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cc: July 2011 to  
Contributing Employers  
NERCC and Local Unions #24, 43, 210, 1121