

**CARPENTERS PENSION TRUST FUND  
FOR NORTHERN CALIFORNIA**

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May 13, 2011

**TO: All Participants, Beneficiaries, Participating Local Unions, and Contributing Employers**

**FROM: Board of Trustees**

**RE: Carpenters Pension Trust Fund for Northern California**  
Notice to Participants and Beneficiaries of Reductions Under the Rehabilitation Plan

This notice will describe reductions in the future accrual rate scheduled under the Carpenters Pension Trust Fund for Northern California "Rehabilitation Plan." **Effective July 1, 2011, the "Percentage of Contribution Factor" for Pension accruals will be reduced from 1.75% to 1.44%.** This reduction is the first in a series of changes adopted under the Rehabilitation Plan as outlined in the table below. This change has no impact on benefits earned on or before June 30, 2011. *If you are currently retired and receiving a monthly benefit payment from the Pension Fund, your payments will continue uninterrupted.*

Effective Date	Scheduled Contribution Rate	Accrual Rate Percentage of Contribution Factor	Monthly Benefit, Assuming 1,740 Hours (Sample)
July 1, 2010 to June 30, 2011	\$6.90	1.75%	\$210.11
July 1, 2011 to June 30, 2012	\$8.40	1.44%	\$210.47
July 1, 2012 to June 30, 2013	\$8.55	1.41%	\$209.77
July 1, 2013 to June 30, 2014	\$8.70	1.39%	\$210.42
July 1, 2014 to June 30, 2015	\$8.85	1.36%	\$209.43
July 1, 2015 to June 30, 2016	\$9.00	1.34%	\$209.84
Starting July 1, 2016	\$9.15	1.32%	\$210.16

The Rehabilitation Plan

The Pension Protection Act of 2006 ("PPA") requires the Board of Trustees, of multiemployer pension plans that are certified by an actuary as being in Critical Status (also known as "Red Zone" status), to develop a Rehabilitation Plan. A Rehabilitation Plan must prescribe actions to be taken by the bargaining parties that are expected to enable a plan to meet the PPA's financial benchmarks by the end of the Rehabilitation Plan period. On November 26, 2009, the Carpenters Pension Trust Fund for Northern California (the "Pension Plan") was certified by its actuary to be in Critical Status for the Plan Year beginning September 1, 2009.

Participants, Beneficiaries, Local Unions, and Employers were first notified that the Pension Plan was in Critical Status on December 23, 2009. A series of meetings were held across Northern California to explain the Pension Plan's situation, and attendees were invited to ask questions and share concerns, and the need for the Pension Plan to develop a Rehabilitation Plan was discussed. The Bargaining Parties proposed a "Preferred Schedule" for the Rehabilitation Plan that was unanimously recommended by the Delegates to the Carpenters 46 Northern California Counties Conference Board. More than 90% of active members who voted on the proposal agreed with the Rehabilitation Plan. As a result of the vote, a portion of wage increases scheduled for July 1, 2010 and July 1, 2011 were reallocated from wages to Pension. The Rehabilitation Plan also kept the "30-and-out" Service Pension in place, and protected other Retiree Benefits.

Along with the reallocation of wages, the approved Rehabilitation Plan lowers the benefit accrual rate "Percentage of Contribution Factor" beginning July 1, 2011, but will maintain a level benefit. The changes in accrual rate, which eventually lower the rate from 1.75% of contributions to 1.32% of contributions, and a monthly benefit *sample* are shown in the table above. After the Rehabilitation Plan was adopted on July 27, 2010, the Pension Plan's actuary once again certified that the Pension Plan remained in Critical Status (the "Red Zone") for the Plan Year beginning September 1, 2010. It is expected that the Pension Plan will remain in Critical Status for an extended period, but to date modifications to the approved Rehabilitation Plan have not been required and the Rehabilitation Plan continues to address the Pension Plan's long-term funding issues.

## Rights and Remedies of Participants and Beneficiaries

Federal law requires that this Notice contain information as to the rights and remedies of Participants and Beneficiaries. As a Plan Participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. ERISA provides that all Participants have certain rights, including the following:

You have the right to examine, without charge, at the Fund Office all documents governing the Carpenters Pension Trust Fund for Northern California. These include the Rehabilitation Plan and Schedules, previous notices issued in connection with the Rehabilitation Plan, the Plan Document and Summary Plan Description, the Annual Funding Notice, periodic actuarial reports and other financial information and summaries, Collective Bargaining Agreements, any application for extension of amortization periods to the Secretary of Treasury and the Secretary's determination on that application, and a copy of the latest annual report filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration ("EBSA") of the U.S. Department of Labor, 200 Constitution Avenue, NW, Suite N-1513, Washington, DC 20210, (202) 693-8673. The Fund's address is listed below. There may be a reasonable charge for copies.

You have the right to obtain, at no charge, a statement telling you whether you have a right to receive a pension at Normal Retirement Age and if so, an estimate of benefits at Normal Retirement Age. If you do not have a right to a pension, the statement will provide an explanation as to the determination. A written request for a statement must be made and the Pension Fund need only provide one statement every 12 months. You have the right to obtain, at least once every three years, a pension benefit statement showing your non-forfeitable accrued benefit, provided that you are employed by the employer maintaining the Plan at the time the statement is to be furnished. You may also obtain such a statement upon written request.

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the Pension Fund. The people who operate your Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If you make a claim for a pension benefit that is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of documents or the latest annual report from the Pension Fund and do not receive them within 30-days, you may file suit in a federal court. In such a case, the court may require the Plan administrator (Board of Trustees) to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor ("DOL"), or you may file suit in a federal court. If you choose to file suit in a federal court, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you wish to seek assistance from the DOL, you should contact the DOL's Employee Benefits Security Administration ("EBSA"), which maintains regional and district offices covering your state or territory. You may obtain the contact information for the closest EBSA office (or receive other assistance) by calling, their toll-free Hotline at 1-866-444-EBSA [3272] (Text Telephone: 1-877- 889-5627). You can also obtain information on the EBSA's website at [www.askebsa.dol.gov](http://www.askebsa.dol.gov). Additionally, your local telephone or government directory may list the EBSA office nearest to your residence. If you contact the DOL, it may be helpful if you have Plan's Employer Identification Number, 94-6050970 and its Plan Number 001.

For more information about this notice or the Pension Plan in general, please contact the Trust Fund Office at:

Carpenter Funds Administrative Office of Northern California, Inc.  
P.O. Box 2280  
Oakland, California 94621-1418  
Toll-Free: (888) 547-2054 or (510) 633-0333  
[benefitservices@carpenterfunds.com](mailto:benefitservices@carpenterfunds.com)

Only the full Board of Trustees is authorized to interpret the Pension Plan. The Board has discretion to decide all questions about the Plan, including questions about your eligibility for benefits and the amount of any benefits payable to you. Plan rules and benefits may change from time to time. If this occurs, a written notice will be issued explaining the change. Please be sure to read all Plan communications and keep information about changes with your Plan booklet.