



NATIONAL AUTOMATIC SPRINKLER INDUSTRY WELFARE FUND • PENSION FUND



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NOTICE OF ADJUSTMENT TO BENEFITS DUE TO CRITICAL STATUS NATIONAL AUTOMATIC SPRINKLER INDUSTRY PENSION PLAN

To: Participants, Beneficiaries, Alternate Payees, Participating Unions and Contributing Employers

Date: April 30, 2009

On March 31, 2009, the Fund's actuary certified that the Plan's funding status was critical for the Plan Year beginning January 1, 2009. This classification of critical status is based upon the Pension Protection Act of 2006 (the "PPA"). In a separate recent notice, you were notified of the Plan's critical status and that adjustable benefits may be reduced or eliminated under the PPA.

In accordance with the PPA, the Board of Trustees adopted a Rehabilitation Plan on April 30, 2009, which is intended to improve the financial health of the Plan. The Rehabilitation Plan provides for increased contributions and various benefit adjustments.

The purpose of this Notice is to inform you of a significant reduction in the early retirement benefits of Terminated Vested Participants under the Rehabilitation Plan (the "New Rules").

GENERALLY, THESE CHANGES OR NEW RULES APPLY TO ALL TERMINATED VESTED PARTICIPANTS WHOSE BENEFIT COMMENCEMENT DATE IS ON OR AFTER JUNE 1, 2009. IF YOU BEGAN RECEIVING BENEFITS BEFORE JUNE 1, 2009, THESE CHANGES WILL NOT AFFECT THE BENEFITS YOU ARE CURRENTLY RECEIVING.

The following benefits have been adjusted for Terminated Vested Participants as permitted under the PPA and as set forth under the Rehabilitation Plan.

Early Retirement Pensions

Generally, a Participant can retire on an Early Retirement Pension so long as (s)he has at least fifteen (15) Pension Credits and has reached age 55.

If you are or become a Terminated Vested Participant and you commence benefits on or after June 1, 2009 with an Early Retirement Pension, the reduction applied to your Normal Pension amount will be different than the reduction previously applied. **On or after June 1, 2009, your Early Retirement Pension will be an amount equal to the actuarial equivalent of your Normal Pension at age 65.**

Before this change to the Plan, the reduction for early retirement under the Plan was one percent (1%) for each year that you retired prior to age 61.

Below is a table that shows the percentage of your Normal Pension that would be payable to you at each retirement age under the old rule and the new rule.

Retirement Age	Old Rule	New Rule
55	94%	38.08%
56	95%	41.67%
57	96%	45.65%
58	97%	50.08%
59	98%	55.01%
60	99%	60.51%
61	100%	66.66%
62	100%	73.57%
63	100%	81.33%
64	100%	90.09%
65	100%	100%

The term “Terminated Vested Participant” means a participant who has a break in continuity, which is generally a failure to earn two tenths (0.2) of a pension credit during a period of two consecutive calendar years. For purposes of determining whether you are a Terminated Vested Participant, a break in continuity can be repaired if you return to Covered Employment and earn vesting service equal at least to the number of years which constituted the break in continuity, in which case you would no longer be considered a Terminated Vested Participant.

Here is an example that demonstrates the effect of the benefit change:

You are currently a Terminated Vested Participant and commence benefits on June 1, 2009 at age 55 with 15 years of Pension Credit. Your monthly Normal Pension amount is \$1,650.00 (\$110 x 15).

Shown below is how your benefit would be payable under the old rule and the new rule:

	Old Rule	New Rule
Retirement Age of 55 is six years before age 61	1% x 6 years = 6% Reduction in Normal Pension amount	Reduction in Normal Pension amount = 61.92% (based on actuarial equivalence)
Monthly Benefit	\$1,650.00 x 94% = \$1,551.00	\$1,650.00 x 38.08% = \$628.32

As noted above, the new rules apply to Terminated Vested Participants whose benefit commencement date is on or after June 1, 2009. Because benefits cannot commence until the month following the date you submit a completed retirement application, at the earliest, a Terminated Vested Participant who submits an application on or after May 1, 2009 will be subject to the new rules.

Where To Get More Information

If you have any questions about this Notice or the adjustment of benefits under the Plan, please contact the Fund Administrator at the Fund Office as follows:

National Automatic Sprinkler Industry Pension Plan
8000 Corporate Drive
Landover, MD 20785
(800) 638-2603

Your Rights and Remedies

You should refer to the Plan's Claims and Appeal Procedures as described in the Summary Plan Description ("SPD") booklet for your rights and remedies related to filing claims for benefits and appealing any denial or adverse benefit determination in whole or part related to a claim for benefits under the Plan.

In addition, you have certain rights and remedies under ERISA as described in the SPD booklet. ERISA provides that all participants are entitled to the following rights and protections:

A. Receive Information about Your Plan and Benefits

You may examine, without charge, at the Fund Office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including collective bargaining agreements and participation agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

You may obtain, upon written request to the Fund Office, copies of documents governing the operation of the Plan, including collective bargaining agreements and participation agreements, copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Fund Office may make a reasonable charge for the copies.

You may receive a summary of the Plan's annual financial report. The Fund Office is required by law to furnish you with a copy of this summary annual report.

You may obtain a statement telling you whether you have a right to receive a pension at your normal retirement age (age 65 or, if later, the 5th anniversary of your participation in the Plan) and if so, what your benefit would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

B. Prudent Action by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of this Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, in-

cluding 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.

C. Enforce Your Rights

If your claim for a pension benefit 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 Plan documents or the latest annual report from the Plan 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 to provide the materials and pay you up to \$110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that 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, 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, or you may 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, if, for example, it finds your claim is frivolous.

However, in all cases including those described in the above paragraph, you must first exhaust your administrative remedies under the Plan, by following the Plan's Claims and Appeal Procedures, before you may file suit in any court.

D. Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the Fund Office or the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. You can telephone the EBSA's toll-free Employee & Employer Hotline at 1-866-444-EBSA (3272).

The Board of Trustees is actively working to improve the funding status of the Plan. The changes explained in this Notice were necessary to improve the Plan's funding and the Rehabilitation Plan that contains them is required under the Internal Revenue Code. The Board strongly encourages you to review the terms of the Summary Plan Description for a more detailed discussion of your rights and remedies under the Plan and the Employee Retirement Security Act of 1974.