

**Heating, Piping and Refrigeration
Medical, Pension and Training Funds
Steamfitters Local Union 602 Retirement Savings Plan**
9411 PHILADELPHIA ROAD, SUITE S BALTIMORE, MARYLAND 21237
Telephone Numbers: (800) 618-2879 (410) 444-3756 Fax (410) 444-0035

December 26, 2013

**The Heating, Piping and Refrigeration Pension Fund - Notice of Plan Funding Status
For September 1, 2013 through August 31, 2014 Plan Year**

To: All Participants, Beneficiaries, Contributing Employers and Participating Unions

The Pension Protection Act of 2006 (PPA'06) requires that the Plan's actuary annually determine the Plan's financial status under specific rules. This Notice is to inform you that on November 27, 2013, the Plan's actuary certified to the U.S. Department of the Treasury, and to the Trustees, that the Plan is in endangered status for the Plan Year beginning September 1, 2013. **Federal law requires that you receive this Notice.**

Endangered Status

The Plan is considered to be in endangered status because the Plan's actuary determined that, based on the PPA'06 funding rules, the Plan is currently less than 80% funded.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan ("FIP") aimed at restoring the financial health of the plan. More specifically, the FIP requires that the funded percentage improve and an accumulated funding deficiency is avoided during the funding improvement period. This is the fourth year that the Plan has been considered Endangered. The Trustees of your Plan have adopted an FIP that contains the increase to the contribution rate effective August 1, 2011. In addition, the Trustees increased the contribution rate effective August 1, 2012 to further improve Plan funding. There were no plan changes beyond the actions previously taken by Trustees toward improving the Plan's funded position by reducing the amount of the future benefit earned for a full pension credit to \$100 per pension credit earned on and after September 1, 2009 and by changing the number of hours required to earn a full pension credit to 1,800 hours, also effective for hours worked on and after September 1, 2009.

PPA'06 requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, be sent each year until our Plan is no longer in a zone status under PPA'06. While the Board does not expect that further benefit reductions will be needed to meet the requirements of the FIP, the Plan is influenced by economic and financial variables beyond the Trustees' control (such as market volatility, economic changes affecting participation and other factors, like the outcome of collective bargaining.) Unexpected developments can affect the Plan's

funding status and the need for any future corrective actions. If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

What Lies Ahead and Where to Get More Information

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their families with secure retirement benefits.

For more information about this Notice or to obtain a copy of the FIP, you may contact the Fund Administrator at the telephone numbers above or by writing to:

Board of Trustees, Heating, Piping and Refrigeration Pension Fund
c/o Benefits Administration Corporation, Inc.
9411 Philadelphia Road, Suite S
Baltimore, MD 21237

Sincerely,

Board of Trustees

As required by law, this Notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the U.S. Department of Labor (DOL).