



New England
Carpenters Benefit Funds
Pension Fund

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Harry R. Dow
Executive Director

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Dear Participant:

We are writing to provide you with information about the status of the New England Carpenters Pension Fund. Multiemployer pension plans are required by law to provide all Plan participants with a notice regarding plan funding each year. That notice, along with a notice explaining a decision by the Trustees to take advantage of recent funding relief legislation, is enclosed for your review. We are providing you with a little background to help put this information in perspective.

The Pension Protection Act

The Pension Protection Act of 2006 requires Pension Plans to have their financial status certified each year beginning in 2008. Plans can be:

- ❖ **Green zone**, in good financial health;
- ❖ **Yellow zone**, in endangered status; or
- ❖ **Red zone**, in critical status.

Trustees of plans in the yellow and red zones are required to take corrective action to restore the financial health of the plan. These plans must send a "Zone Notice" to all plan participants. Plans in the green zone are not required to take any action and do not need to send a "Zone Notice."

In 2008, the Plan was certified in the green zone. Due to the investment losses experienced in 2008, the Plan would have been certified in the Red Zone as of January 1, 2009. However, Congress passed the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) to allow plans some additional time to recover and to evaluate any actions necessary to restore the sound funding of the Plan.

The Plan's zone status improved from the red zone to the yellow zone last year as a result of contribution increases on September 1, 2009 (75 cents), March 1, 2010 (45 cents) and September 1, 2010 (45 cents), with comparable increases for Northern New England and Local 723) and positive investment returns in 2009. In November 2010 the Trustees adopted a formal Funding Improvement Plan which did not require any further contribution increases at that time.

The enclosed Annual Funding Notice looks back at the 2010 Plan Year and reports on the assets and liabilities of the Plan as of January 1, 2010.

The Pension Relief Act of 2010

Although our Plan quickly took action to offset some of the Plan's investment losses, the decline in the number of man hours worked has slowed down the Plan's recovery. Last year, Congress provided multiemployer plans some funding relief options which allow plans a longer time to recover from the 2008 investment losses. The Board of Trustees has elected to use funding relief as a buffer against future investment and employment uncertainty.

The enclosed Notice of Election of Funding Relief is the government required technical explanation of the action taken by the Board. After reflecting funding relief and strong investment performance in 2010, the Plan was certified in the green zone as of January 1, 2011.

The Board of Trustees has always been committed to protecting the long-term financial stability of the Plan. Please take some time to review the enclosed notices. If you have any questions, please contact Harry Dow at (978) 694-1000.

Sincerely,

BOARD OF TRUSTEES