

MICHIGAN CARPENTERS' FRINGE BENEFIT FUNDS

Michigan Carpenters' Health Care Fund
Michigan Carpenters' Pension Fund
Michigan Carpenters' Apprenticeship & Training Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

June 2009

To: **ALL PLAN PARTICIPANTS AND ALTERNATE PAYEES OF THE
MICHIGAN CARPENTERS' HEALTH CARE FUND AND
MICHIGAN CARPENTERS' PENSION FUND**

Dear Plan Participants:

We have attached the following Important Notices and Annual Reports for your review. These Notices and Reports are required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- Important Notice regarding Health Care Benefits Page 2
- Notice of Privacy Practices Page 3
- Important Information for all Medicare Beneficiaries who are also
Participants of the Health Care Plan Pages 4 – 6
- Summary of Material Modification for the Health Care Fund Page 7
- Summary Annual Report for the Health Care Fund Pages 8 – 9
- Women's Health and Cancer Rights Page 10
- Annual Funding Notice Pages 11 – 12
- Social Security Number Privacy Policy Page 13
- Summary of Material Modifications for the Pension Fund Pages 14 – 17
- Summary Annual Report for the Pension Fund Pages 18 – 19
- Important Notice to Plan Participants who begin receiving Pension
Payments before age 55 Page 20
- Notice of Your Responsibility to Keep Records Page 20
- Notice to Plan Participants approaching Normal Retirement Age Page 21
- Notice of Suspension of Benefits Provisions to Retired Participants Page 22

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see pages 4-6 for more details.

If you have any questions, please contact your Local Union office or the Fund Office.

Sincerely,

Board of Trustees
Michigan Carpenters' Health Care Fund
Michigan Carpenters' Pension Fund

***IMPORTANT NOTICE REGARDING
HEALTH CARE BENEFITS***

TO: All Eligible Participants of the Michigan Carpenters' Health Care Fund

RE: **MICHIGAN CARPENTERS' HEALTH CARE FUND**

Dear Plan Participant:

As a reminder, the Michigan Carpenters' Health Care Fund ***does not provide for any coverage for Motor Vehicle related accidents or incidents.*** The Fund will totally and completely exclude coverage for any claim arising out of an auto or other vehicular related accident or incident.

To make certain that you have health care coverage if you have a vehicular accident/incident, you should check with your automobile insurance agent and/or insurance carrier to make sure that you are covered under your automobile policy "first and completely" for any claim arising out of a vehicular related accident or incident. You should make it perfectly clear to your agent or carrier that the Fund excludes such coverage from its Schedule of Benefits; thus it is imperative that your policy has the proper coverage to protect you and your dependents.

If you have any questions regarding these changes, please do not hesitate to contact the Fund Office.

Sincerely,

Board of Trustees
Michigan Carpenters' Health Care Fund

To: All Eligible Participants of the Michigan Carpenters' Health Care Fund

Re: **NOTICE OF PRIVACY PRACTICES**

Dear Participant:

Please be advised that this Notice is intended to confirm that the Michigan Carpenters' Health Care Fund is compliant with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations. The law refers to the nonpublic information of the employee and their dependents (if applicable), with regard to your group health plan benefits, and can only be disclosed by the Fund and its vendors, and your health care provider/s, for payment of claims, treatment of your illness, and for health care operations including administration of your health benefits, as permitted by law and defined in the HIPAA regulations.

For a complete copy of the Fund's Notice of Privacy Policy, please call or write the Fund Office at the address or telephone number listed on this notice.

If you have any questions regarding this information, please contact the Fund Office.

Sincerely,

Board of Trustees
Michigan Carpenters' Health Care Fund

**IMPORTANT INFORMATION FOR ALL
MEDICARE BENEFICIARIES WHO ARE ALSO PARTICIPANTS OF THE
MICHIGAN CARPENTERS' HEALTH CARE PLAN**

TO: ALL SUPPLEMENT TO MEDICARE PARTICIPANTS OF THE
MICHIGAN CARPENTERS' HEALTH CARE FUND

RE: **MEDICARE PART D PRESCRIPTION DRUG COVERAGE**

Dear Participant:

As you know, on January 1, 2006, the new Medicare Part D Prescription Drug Coverage became effective for those eligible for Medicare.

This letter briefly explains the Medicare Part D Prescription Drug Coverage and how it may affect you because as a Supplement to Medicare Retiree you currently have **NO** prescription drug benefit under the Michigan Carpenters' Health Care Plan.

This letter also confirms that because you currently have **NO** prescription drug benefit under the Michigan Carpenters' Health Care Plan, the Plan's prescription drug coverage is "non-creditable." This means that it is **NOT** as good as the new Medicare Part D Prescription Drug Coverage.

Below is important information related to Medicare Part D. Please read this material carefully and save this letter.

- 1. Q. WHO ACTUALLY PROVIDES THE PRESCRIPTION DRUG BENEFIT UNDER MEDICARE PART D?**

A. Drug benefits under Medicare Part D are provided by private insurers that are approved, subsidized and regulated by Medicare. These private insurers range from national health insurance companies to smaller regional health insurance companies. Many of these private companies will offer several options which will vary considerably in their costs.
- 2. Q. HOW DOES MY CURRENT PLAN PRESCRIPTION DRUG BENEFIT COMPARE TO THE NEW MEDICARE PART D PRESCRIPTION DRUG COVERAGE?**

A. The Michigan Carpenters' Health Care Plan does **NOT** offer you any prescription drug coverage. So, the Plan's drug coverage is "**non-creditable.**" In other words, the Plan's coverage is **NOT** as good as the standard Medicare Part D coverage.
- 3. Q. WHAT DOES "CREDITABLE COVERAGE" AND "NON-CREDITABLE COVERAGE" MEAN?**

A. "**Creditable Coverage**" means that an insurance plan is expected to pay for prescription drugs, on average for all of that insurance plan's participants, at least as much as a standard Medicare Part D Prescription Drug Coverage will pay. In other words, "**Creditable Coverage**" means that an insurance plan's prescription drug coverage is, on average, at least as good as the standard Medicare Part D Prescription Drug Coverage.

“*Non-Creditable Coverage*” means that the amount the insurance plan is expected to pay for prescription drugs is, on average for all plan participants, *less than* what the Medicare Part D Prescription Drug Coverage is expected to pay on average.

4. **Q. ARE THERE ANY ADVANTAGES IN MY ENROLLING IN THE MEDICARE PART D PRESCRIPTION DRUG COVERAGE PROGRAM?**
- A. There may be because your Michigan Carpenters' Health Care Plan does *NOT* provide you any prescription drug coverage.
5. **Q. IF I ENROLL IN MEDICARE PART D, CAN I STILL PARTICIPATE IN THE MICHIGAN CARPENTERS' HEALTH CARE PLAN?**
- A. Yes.
6. **Q. WHAT HAPPENS IF I DON'T ENROLL IN THE MEDICARE PART D PRESCRIPTION PROGRAM WHEN I AM ENTITLED TO ENROLL BUT LATER DECIDE TO ENROLL IN THAT PROGRAM?**
- A. In this circumstance, you will be penalized for your late enrollment, because your Michigan Carpenters' Health Care Plan drug coverage is “non-creditable.” If you don't enroll during this period, you'll pay a penalty for your late enrollment.
7. **Q. WHAT IS THE PENALTY?**
- A. The penalty for late enrollment in Medicare Part D is an increase in your monthly premium payment. Specifically, your monthly premium will be higher by one percent (1%) per month for every month that you failed to enroll in Medicare Part D. So, for example, if you are six (6) months late in enrolling in Medicare Part D, your monthly premium will be six percent (6%) higher.
8. **Q. HOW LONG DO THE PENALTIES LAST?**
- A. All penalties last for as long as you participate in Medicare Part D program. So, in the example above, you'll pay a 6% higher monthly premium for as long as you're in the Medicare Part D Program.
9. **Q. ARE THERE SPECIFIC TIMES WHEN I CAN ENROLL IN MEDICARE PART D AFTER THE INITIAL ENROLLMENT PERIOD?**
- A. Yes. When you first become entitled to Medicare benefits, there is also an *annual* enrollment period for Medicare Part D. This *annual* period will be November 15th through December 31st of each year. But, remember, if you missed the *first* enrollment period, but later enroll during the annual enrollment period, you will still pay a monthly penalty.

10. Q. WHERE CAN I GET MORE INFORMATION ABOUT THIS NOTICE OR MY CURRENT PLAN PRESCRIPTION DRUG COVERAGE?

A. Contact the Plan office for further information at (800) 273-5739. You may also request a copy of this Notice from the Plan office at 6525 Centurion Drive, Lansing, MI 48917-9275. You will also receive this Notice in the future, including before the next Medicare Part D enrollment period.

11. Q. WHERE CAN I GET MORE INFORMATION ABOUT MY OPTIONS UNDER MEDICARE PART D?

A. The *Medicare & You 2006* handbook will provide you more detailed information about Medicare-approved plans that offer prescription drug coverage. This handbook has been available since October 2005. You will get a copy of it from Medicare in the mail. Or, you may be contacted directly by the Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- www.medicare.gov for personalized help in comparing your Plan benefits with Medicare Part D;
- your State Health Insurance Assistance Program (see your copy of *Medicare & You 2006* handbook for their telephone number);
- call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

12. Q. I HAVE EXTREMELY LIMITED INCOME, IS THERE ANY EXTRA HELP AVAILABLE FOR ME?

A. Yes, for people with limited income and resources, there is extra help to pay for the Medicare Prescription Drug Plan. Information for this extra help is available from the Social Security Administration office (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov or call them at 1-800-772-1213. (TTY users should call 1-800-325-0778).

Sincerely,

Board of Trustees
Michigan Carpenters' Health Care Fund

TO: PLAN PARTICIPANTS OF THE MICHIGAN CARPENTERS' HEALTH CARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Plan Participant:

This Notice, known as a Summary of Material Modifications ("SMM"), describes changes in the Fund's Plan adopted by the Trustees during the 2008 Plan Year and after the Plan Year ended. It is an amendment to the Summary Plan Description ("SPD"), you received previously. You should keep this SMM with the SPD for future reference.

The Board of Trustees as of today's date is:

Dave Miller, **Chairman**
Carpenters' Local No. 706
G-6459 W. Pierson Road
Flushing, MI 48433

Robert Root, **Secretary**
Forrester Construction
8102 W US Highway 2
Manistique, MI 49854

Gary Isham
Carpenters' Local No. 706
G-6459 W. Pierson Road
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Donald Bovre
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2323 North Larch, PO Box 27005
Lansing, MI 48906

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2310 West Washtenaw Avenue
Lansing, MI 48917

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3129 E. Monroe Road
Midland, MI 48642

Chad Miller
Carpenters' Local 525
3617 Gembrit Circle
Kalamazoo, MI 49001

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Grand River Construction Inc.
5210 36th, Box 323
Hudsonville, MI 49426

Robert O'Neill
1219 First Avenue, South
Escanaba, MI 49829

Hazel Leonard
Kreighoff-Lenawee
Box 100
Adrian, MI 49221

Leon Turnwald
Carpenters' Local No. 706
3160 Commerce Centre
Saginaw, MI 48601

TO: PLAN PARTICIPANTS OF MICHIGAN CARPENTERS' HEALTH CARE FUND

RE: **SUMMARY ANNUAL REPORT FOR 2008**

Dear Plan Participant:

This is a summary of the Annual Report of the Michigan Carpenters' Health Care Fund, Employer Number 38-6058383, Plan No. 501, for the period September 1, 2007 through August 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay certain medical, surgical and other health care claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The Plan has a contract with Blue Cross Blue Shield of Michigan to pay certain claims incurred under the terms of the Plan. The total premiums paid for the Plan Year ending August 31, 2008 were \$290,791.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$12,119,981 as of August 31, 2008, compared to \$9,525,275 as of September 1, 2007. During the Plan Year, the Plan experienced an increase in its Net Assets of \$2,594,706. This increase includes unrealized appreciation and depreciation in the value of Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the year and the value of the Assets at the beginning of the year or the cost of the Assets acquired during the year. During the Plan Year, the Plan had Total Income of \$26,438,196, including Employer Contributions of \$19,961,073, Employee Contributions of \$6,090,150, realized Losses of \$162,204 from the sale of Assets, Earnings from Investments of \$536,721 and Other Income of \$12,456.

Plan Expenses were \$23,843,490. These Expenses included \$2,398,516 in Administrative Expenses (*see Schedule A*) and \$21,444,974 in benefits paid or incurred on behalf of Participants and Beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full Annual Report, or any part thereof, on request. The items listed below are included in that report:

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan Assets; and
5. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan Carpenters' Health Care Fund, 6525 Centurion Drive; Lansing, MI 48917 or at Toll Free (800) 273-5739 or (517) 321-7502. The charge to cover copying costs will be \$3.75 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a statement of the Assets and Liabilities of the Plan and accompanying notes, or a statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan Carpenters' Health Care Fund, 6525 Centurion Drive; Lansing, MI 48917), at any other location where the report is available for examination and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Sincerely,

Board of Trustees
Michigan Carpenters' Health Care Fund

Schedule A: Administrative Expenses

Administrative manager's fee: *		Bank service charges	19,722
Basic	442,867	Audit fee	17,850
Supplement to medicare	79,000	Legal fees	15,249
Flex benefits	57,600	Actuarial fee	9,500
Other	<u>10,705</u>	Trustee and fiduciary liability	
	590,172	insurance and bonding	8,593
Claims administration fee	1,219,093	Telephone	3,892
Collection fees	182,613	Notices to participants	3,743
Payroll audit fees	145,676	Member communications	3,151
Investment expense	70,320	ERISA reporting costs	1,321
Computer processing costs	53,336	Educational foundation dues	<u>800</u>
Printing and miscellaneous	31,740		
Conference and meetings	21,745	Total Expenses	\$2,398,516

*Includes rent, equipment, staffing, regular postage, computer services, etc.

To: PLAN PARTICIPANTS OF MICHIGAN CARPENTERS' HEALTH CARE FUND

Re: WOMEN'S HEALTH AND CANCER RIGHTS

Dear Plan Participant:

The Trustees of your Health Care Fund are issuing this annual notice in compliance with the Women's and Cancer Rights Act of 1998. Your Health and Welfare Plan already provides the benefits required by this new law. You have a right to this notice, and the Trustees are providing the notice for your information so that you may be assured that you are treated in accordance with Federal law if the need arises.

The Federal law requires that all health care plans that provide medical and surgical benefits for mastectomies provide to Participants and Beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed.**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy including lymph edemas; in a manner determined in consultation with the attending physician and the patient. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage.**

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymph edemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Fund Office.

Sincerely

Board of Trustees
Michigan Carpenters' Health Care Fund

**ANNUAL FUNDING NOTICE
FOR
MICHIGAN CARPENTERS' PENSION PLAN**

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of Michigan Carpenters' Pension Plan, Plan #001 and EIN 38-6233978 (Plan). This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning September 1, 2007, and ending August 31, 2008 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 55%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefits payments from the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of September 1, 2007, was \$576,119,126. The total amount of benefit payments for the Plan Year was \$48,109,320. The ratio of assets to benefit payments is 11.98. This ratio suggests that the Plan's assets could provide for approximately 11.98 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact TIC International Corporation at 6525 Centurion Drive, Lansing, Michigan, 48917-9275 or by telephone at (517) 321-7502. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's web site, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

Additional Explanation

Frequently Asked Questions:

Q1 Why did I receive this notice?

A1 New government rules require the Pension Fund to issue this notice. The content and wording have been mandated by the government. All multiemployer pension funds are now required to issue similar notices annually.

Q2 The notice says the "funded current liability percentage" for the Plan Year was 55%. What does this mean?

A2 The calculation required by this notice compares the cost of providing promised benefits versus the current value of the assets held by the Pension Fund. This figure, called the "funded current liability percentage," assumes the Fund's investments will have a rate of return similar to that of bonds. As of September 1, 2007, that yield was 5.86%.

Because the Fund holds a mix of stocks and bonds, it has historically generated investment returns in excess of 5.86%. For its own long-term planning purposes, the Fund assumes annual investment returns of 7.50%. Using an investment return assumption of 7.50%, the funded percentage is 69%.

Q3 The notice says, "This ratio suggests that the Plan's assets could provide for approximately 11.98 years of benefit payments..." Does this mean the Fund will run out of money in 11.98 years?

A3 No. The calculation required for the notice does not recognize future contributions or investment income. The Trustees intend that the Fund continue indefinitely.

MICHIGAN CARPENTERS' PENSION FUND**SOCIAL SECURITY NUMBER PRIVACY POLICY****(Effective January 1, 2006)**

The Michigan Carpenters' Pension Fund is required by Michigan law to make sure that your Social Security number and the Social Security numbers of your family members are kept private as set forth in that law.

The law permits the Fund to use Social Security numbers to verify your identity and the identities of your family members and to perform other functions related to providing retirement benefits under the Fund's Plan. Therefore, the Fund will continue to require Social Security numbers on application and other forms. When your employer pays contributions on your behalf, the law permits your employer to provide the Fund with your Social Security number so that the Fund may determine your eligibility status. The law also permits the Fund to use Social Security numbers when authorized or required to do so by state or federal statute, by court order, or pursuant to legal discovery or process. The Fund will ensure to the extent practicable the confidentiality of those Social Security numbers.

In order to protect your privacy and in compliance with the law, the Fund's third-party administrator, TIC International Corporation ("TIC"), will use alternate identification numbers wherever feasible, including on monthly notices of contributions. TIC does not print Social Security numbers on the exterior of any envelope or package sent through the mail or in a manner that can be seen from the exterior of such envelope or package. The Fund's website is secure and permits participants to access information through use of a password other than their Social Security number.

Only TIC's employees and agents and employees and agents other Fund service providers may access the Social Security numbers of Fund participants and family members and only as necessary to provide services to the Fund. TIC uses practical means to limit access to written and electronic records in its possession that contain Social Security numbers to those employees and agents whose job duties require such access, such as securing areas where Social Security number information is located when not in use and requiring the use of passwords for access to electronic files containing Social Security numbers. TIC disposes of documents that contain Social Security numbers that the Fund is not actively using or is not otherwise obligated to retain by shredding and other processes that protect the confidentiality of the Social Security numbers. TIC's employees and agents must not disclose Social Security numbers by publicly displaying more than four sequential digits of a Social Security number or in any other manner prohibited by law.

The Fund notifies all service providers that they must ensure, to the extent practicable, the confidentiality of all Social Security numbers related to Fund participants and their families as required by law. The Fund may take action regarding service providers who fail to protect adequately the confidentiality of those Social Security numbers, including the termination of contracts.

NOTICE OF SUMMARY OF MATERIAL MODIFICATIONS TO THE PENSION PLAN

This notice, known as a Summary of Material Modifications ("SMM"), describes changes to the Fund's Plan adopted by the Trustees since publication of the Summary Plan Description (SPD). You should keep this SMM with your SPD for future reference.

The Board of Trustees of the Pension Fund adopted the following Plan Modifications:

Effective March 1, 2009, with the advice of the Fund's actuary and attorney, the Plan was amended to eliminate or reduce certain adjustable benefits, as part of a rehabilitation plan adopted by the Trustees after the Plan was certified by its actuary on November 26, 2008 as critical for the September 1, 2008 – August 31, 2009 Plan year, as follows:

1. The last two increases in the Future Service Benefit Credit, effective September 1, 2003 and September 1, 2005 (adopted on May 11, 2005 and August 29, 2006 respectively) were eliminated. Those increases in Future Service Benefit Credit which were in pay status to Retirees were terminated effective March 1, 2009 and shall not be payable to any Participant who retires on or after March 1, 2009 because the Accrued Benefit of each such Participant whose Future Service Benefit Credit was increased effective September 1, 2003 and/or September 1, 2005 was decreased to reflect the retroactive elimination of both of those increases.
2. The 100% Qualified Pre-Retirement Survivor Annuity was reduced to a 50% Qualified Pre-Retirement Survivor Annuity for the eligible Surviving Spouse of any Participant who dies after February 28, 2009.
3. The lump sum Pre-Retirement Death Benefit was eliminated and shall not be payable on behalf of any Participant who dies after February 28, 2009.

Effective September 1, 2007, with the advice of the Fund's actuary, the Plan was amended to reduce the rate of future benefit accrual and to change the Early Retirement provision for new Employees as follows:

1. Beginning September 1, 2007, a Participant will earn Future Service Benefit Credit only if he/she has 500 Hours of Work in a Plan Year. (Prior to September 1, 2007, a Participant, including a Retiree who returned to covered employment, earned Future Service Benefit Credit for all Hours of Work, under a provision adopted in 2000; between 1976 and 2000, Future Service Benefit Credit was earned only if the Participant had 435 Hours of Work in a Plan Year, unless he was an Active Participant on the date he retired; before 1976, Future Service Benefit Credit was earned only if the Participant had 500 Hours of Work in a Plan Year, unless he was an Active Participant on the date he retired.)

2. Beginning September 1, 2007, an Employee is required to have 500 Hours of Work in a consecutive 12 month period to become a Participant in the Pension Fund. (Currently, an Employee must have 435 Hours of Work in a consecutive 12 month period to do so.)
3. Beginning September 1, 2007, a Participant will earn a Vesting Year only if he/she earns a Year of Service in that Plan Year, including a Year of Service for Contiguous Non-Covered Employment or a Year of Service for Other Employment. (Currently a Participant earns a Vesting Year in any Plan Year in which he has one Hour of Work or earns a Year of Service for Contiguous Non-Covered Employment or a Year of Service for Other Employment.)
4. Beginning September 1, 2007, Inactive and Former Participants must be credited with 500 Hours of Work in a consecutive 12 month period in order to return to Active Participant status. (Currently the Plan requires 435 Hours of Work in a consecutive 12 month period to return to Active Participant status.)
5. Employees who perform their first Hour of Work on or after September 1, 2007 as a new employee or after a Permanent Break-in-Service will be eligible for Unreduced Early Retirement Benefits when they have 1) reached age 58 and 2) the sum of their age and Years of Service totals at least 85 (Index 85), instead of Index 80 with no age restriction as current Participants have and will continue to have in the future.
6. Beginning September 1, 2007, Retirees who return to covered work before the April 1st following the calendar in which they reach age 70½ will earn additional Future Service Benefit Credit only if they are credited with at least 500 Hours of Work in covered employment in a Plan Year. (Currently such a Retiree earns additional Future Service Benefit Credit for every Hour of Work in covered employment.)

Effective January 1, 2007, benefits payable as a lump sum to a non-spouse beneficiary are, pursuant to Section 401(a)(31) of the Internal Revenue Code, an eligible rollover distribution. At the option of the non-spouse beneficiary, all or a portion of the lump sum may be paid as a direct rollover to an inheritance individual retirement account or annuity (IRA).

In February, 2006, with the advice of the Fund's actuary, the Plan was amended under the "look back" provision to increase the rate of Future Service Benefit Credit Accrual for hours worked during the September 1, 2004 – August 31, 2005 Plan Year from 1.0% to 3.0% of Employer contributions. The rate of Future Service Benefit Credit Accrual for hours worked on and after September 1, 2005, was not changed and will continue to be 1.0% of Employer contributions.

Effective August 1, 2005, a portion of the hourly Employer Contribution, including Employer Contributions transferred to the Fund through the operation of reciprocity agreements with other

qualified pension plans for work performed on and after August 1, 2005, will not be used in the calculation of Future Service Benefit Credit and benefit accrual. If the hourly Employer Contribution made on behalf of an Employee is less than the hourly Employer contribution for Journeymen in the collective bargaining agreement that applies to the work performed by the Employee, the amount not credited shall be pro rated accordingly.

In February, 2005, with the advice of the Fund's actuary, the Plan was amended under the "look back" provision to increase the rate of Future Service Benefit Credit Accrual for hours worked during the September 1, 2003 – August 31, 2004 Plan Year from 1.0% to 3.0% of Employer contributions. The rate of Future Service Benefit Credit Accrual for hours worked on and after September 1, 2004, was not changed and continued to be 1.0% of Employer contributions.

Effective September 1, 2003, the Plan was amended to reduce the rate of Future Service Benefit Credit Accrual to 1.0% of Employer contributions for hours worked on and after September 1, 2003.

Effective September 1, 2000, the Plan was amended to provide that the single sum Death Benefit payable upon the death of a Participant with 15 Years of Service will be 100% of the contributions made to the Fund on his behalf, regardless of the age of the Participant at the time of his death.

Effective September 1, 2001, the 75% Joint and Survivor form of benefit became available to retiring Participants.

Effective September 1, 2001, under Article II, Section 4 – Years of Service for Other Employment, the name of the State of Michigan Department of Labor was changed to reflect its new name - the Michigan Department of Consumer and Industry Services.

Effective retroactive to May 1, 2001, a Limited Waiver of the Suspension of Benefits Provision was adopted to permit retirees to work in a supervisory, office or managerial position, which was not covered by the Collective Bargaining Agreement, such as superintendent, estimator, etc. The Limited Waiver was granted so that the contractors could staff their jobs with experienced and highly skilled workers during the busy construction season. The Waiver is in effect from May 1 through December 31, 2001 and will apply only to employment with a union contractor who contributes on its bargaining unit employees to this Fund or to another pension fund affiliated with the United Brotherhood of Carpenters and Joiners of America.

Effective May 1, 2001, the Plan's Suspension of Benefits Rules were reinstated. This means that Pension Benefits would be suspended if a Retired Participant returns to work at the Carpentry Trade during a calendar month and works 40 or more hours within the State of Michigan.

The Unlimited Waiver of the Suspension of Benefits provision was extended through April 30, 2001.

Effective retroactive to September 1, 2000, the total pension contributions remitted on an Participant's behalf, subsequent to any Permanent Break(s) in Service that he may have suffered, would be included in the calculation of his Accrued Benefit.

The Board of Trustees as of the Date of this newsletter is as follows:

Management Trustees:
Bart Carrigan, Chairman
AGC of Michigan, LRD
2323 North Larch Street
P O Box 27005
Lansing, MI 48909

Gary Benjamin
Gundlach Champion, Inc.
105 East A Street
Iron Mountain, MI 49801

Stan Buell
Grand River Construction, Inc.
5210 36th Avenue
Hudsonville, MI 49426-2601

Mike Comstock
Comstock Construction
740 Centre, Box 149
Traverse City, MI 49686

Matthew Spence, III
Spence Brothers, Inc.
4540 Ashland Drive
Saginaw MI 48638

W. Stanley Whitaker
PO Box 2112
Kalamazoo, MI 49003

Union Trustees:
Dave Miller, Secretary
Carpenters' Local No. 706
G-6459 W. Pierson Road
Flushing, MI 48433

Warden (Marty) Hall
Millwrights' Local No. 1102
3617 Gembrit Circle
Kalamazoo, MI 49001

Darrell Maciag
Carpenters' Local No. 706
3160 Commerce Centre Drive
Saginaw, MI 48601

Todd McCastle
2310 W. Washtenaw Avenue
Lansing, MI 48917

Tyler McCastle
2310 W. Washtenaw Avenue
Lansing, MI 48917

Robert O'Neill
1219 First Avenue, South
Escanaba, MI 49829

To: PLAN PARTICIPANTS OF THE MICHIGAN CARPENTERS' PENSION FUND

Re: **2008 SUMMARY ANNUAL REPORT FOR THE PENSION FUND**

Dear Plan Participant:

This is a summary of the Annual Report for the Michigan Carpenters' Pension Fund, Employer Number 38-6233978, Plan No. 001, for the period September 1, 2007 through August 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided through a trust fund. Plan Expenses were \$51,483,687. These Expenses included \$3,374,367 in Administrative Expenses (*see Schedule A*) and \$48,109,320 in benefits paid to Participants and Beneficiaries. A total of 8,777 persons were Participants in or Beneficiaries of the Plan at the end of the Plan Year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$520,856,466 as of August 31, 2008, compared to \$576,119,126 as of September 1, 2007. During the Plan Year the Plan experienced a decrease in its Net Assets of \$55,262,660. This decrease includes unrealized appreciation and depreciation in the value of Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the year and the value of the Assets at the beginning of the year or the cost of Assets acquired during the year. During the current Plan Year, the Plan had Total Income of \$(3,778,973) including Employer Contributions of \$21,781,865, realized Losses of \$(14,255,162) from the sale of Assets, Losses from Investments of \$(11,460,443) and other Income of \$154,767.

MINIMUM FUNDING STANDARDS

An Actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full Annual Report, or any part thereof, on request. The items listed below are included in that report:

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan Assets;
5. Insurance information including sales commissions paid by insurance carriers;
6. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates; and
7. Actuarial information regarding the funding of the Plan.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan Carpenters' Pension Fund, 6525 Centurion Drive; Lansing, MI 48917, or at toll free (800) 273-5639 or (517) 321-7502. The charge to cover copying costs will be \$10.25 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a statement of the Assets and Liabilities of the Plan and accompanying notes, or a statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan Carpenters' Pension Fund, 6525 Centurion Drive; Lansing, MI 48917), at any other location where the Report is available for examination and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

ADDITIONAL EXPLANATION

An actuary's statement shows that the current value of plan assets covers 55.53% of the current value of plan liabilities as of September 1, 2007.

Sincerely,

Board of Trustees
Michigan Carpenters' Pension Fund

SCHEDULE A: Administrative Expenses

Investment advisory and management fees	\$2,257,481	Actuarial fee	\$ 31,200
Administrative manager's fee*	315,717	Bank service charges	30,315
Legal fees – collection	182,713	Printing and miscellaneous	27,266
Payroll audit fees	149,628	Postage	26,040
Legal fees	112,374	Conference and meeting expenses	25,136
Premiums paid Pension Benefit		Audit fee	17,450
Guaranty Corporation	64,472	Medical examinations	9,674
Trustee and fiduciary liability		ERISA reporting costs	7,000
Insurance and bonding	61,155	Dues and subscriptions	5,800
Computer processing	47,216	Participant notices	<u>3,730</u>
		Total Expenses	<u>\$3,374,367</u>

*Includes, rent, equipment, staffing, regular postage, computer services, etc.

**IMPORTANT NOTICE TO PLAN PARTICIPANTS
WHO BEGIN RECEIVING PENSION
PAYMENTS BEFORE AGE 55**

Like many other construction industry pension plans, the Michigan Carpenters' Pension Fund will, in accordance with the Pension Fund's plan document and Department of Labor regulations, suspend your monthly pension benefits if you return to work for 40 or more hours per month in the same trade in the construction industry in Michigan ("suspendible service") unless these provisions have been waived by Plan Modification.

In addition, if your pension payments are suspended before you have both reached age 59 ½ and received pension payments for five years, you may be required, under the Federal Tax Code, to pay an additional 10% "penalty" income tax on all or a portion of the pension payments you previously received.

Accordingly, if you consider returning to work in the same trade in the construction industry in Michigan, you should first contact both: (1) the Pension Department at the Fund Office to learn what the Fund's suspension-of-benefits rules are at that time; and (2) your tax advisor to consider the potential income tax effects of returning to work and having your pension benefits suspended at that time.

Board of Trustees
Michigan Carpenters' Pension Fund

NOTICE OF YOUR RESPONSIBILITY TO KEEP RECORDS

The Fund has set up an Employer audit and collection program to make sure that your Employers pay the pension contributions owed to the Fund for your Hours of Work. But, it is your responsibility to keep records of your employment, including the names of your Employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your Employers fails to pay the required contributions or keep records of your work, the Fund will have the information necessary to grant you the Years of Service and benefits to which you are entitled.

To: **PLAN PARTICIPANTS APPROACHING THE NORMAL RETIREMENT AGE**

Re: MICHIGAN CARPENTERS' PENSION FUND

Dear Plan Participant:

This notice applies only to Plan Participants who do **NOT** elect to retire at the normal retirement age and who may choose to continue working. "Normal Retirement Age" under the Pension Plan is age 65.

If you continue to work after reaching the normal retirement age, your Plan' Suspension of Benefit Rules will be applied even though you have not actually retired.

Under the Suspension of Benefit Rules, no benefits are payable for any month in which you work 40 hours or more in the same industry, same trade or craft, and within the State of Michigan, or within the jurisdiction of any Participating Local whether within or without the State of Michigan. This suspension is applicable until the April 1st following the calendar year in which you reach age 70 ½ or unless waived on a temporary basis by this Board of Trustees. Thereafter, you may both work and receive your monthly pension.

If you continue to work after reaching the normal retirement age, but work less than 40 hours per month or do not work at all, no pension benefits will be paid during such months. However, when you do retire, you may be entitled to additional benefits for those months between your normal retirement age and your actual date of retirement if you did not work at least 40 hours in the same industry, same trade or craft, and within the State of Michigan, or within the jurisdiction of a Participating Local whether within or without the State of Michigan.

Be assured that application of the Suspension of Benefits Rules while you are working after reaching the normal retirement age will in no way affect your current vesting or benefit accrual status under the Plan. When a Participant who continues to work after his normal retirement age decides to actually retire, his normal retirement benefit will be determined in accordance with the regular Plan provisions. Such provisions give credit for work performed under the Plan prior to actual retirement if the requirement of a minimum 500 hours of work in a Plan Year is met.

If you disagree with how the Suspension of Benefit Rules is being applied to your particular case, you have the right to appeal to the Board of Trustees. The Appeal Procedure is set forth on Page S-18 of the Summary Plan Description.

**NOTICE OF SUSPENSION OF PENSION BENEFITS PROVISIONS
TO RETIRED PARTICIPANTS**

This Notice is to remind you of the provisions of the Pension Plan governing Suspension of Pension Benefits for returning to work at the Carpentry Trade. Under these provisions, Pension Benefits being paid to Retired Participants may be suspended only if **ALL** of the following conditions are met:

1. A retiree is working **40** or more hours during any given month (or during the payroll periods falling within that month); and
2. The work is in the same industry as the type of business activity engaged in by employers who contribute to the Plan even though the employer may not be a contributing Employer (e.g., non-union); and
3. The work is at the same trade or craft in which the retiree was working when he earned benefits under the Plan. (Self-employed work, as well as supervisory or managerial work can be considered as a return to work so long as the retiree is using the same skill or skills he acquired while he worked under a union collective bargaining agreement); and
4. The work is performed within the State of Michigan, or within the jurisdiction of a Participating Local whether within or out the State of Michigan

This suspension is applicable until the April 1st following the calendar year in which the Retired Participant reaches age 70 ½. Thereafter, you may both work and receive your monthly pension.

Under the provisions of the Plan, every retiree **is required** to immediately notify the Pension Department at the Fund Office if he returns to work in any capacity regardless of whether he returns to work for a non-contributing employer (e.g., non-union) or in a self-employed, supervisory, or managerial capacity. Failure to notify the Pension Department in a timely manner of a return to work may subject the retired Participant to possible suspension of his current and/or future Pension Benefits. Should a Retiree who returns to employment without notifying the Trustees of his intent to do so be discovered on a job, the Trustees may presume that he has been re-employed under the four conditions set forth above for the entire period that his employer has been working on that particular jobsite and suspend his monthly benefits for such period. This presumption shall be rebuttable but it shall be the responsibility of the Retiree to submit evidence to rebut said presumption.