

AUTOMOTIVE INDUSTRIES PENSION FUND

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NOTICE OF FUNDED STATUS OF PENSION PLAN

April 2009

**TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS
AND INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS DISTRICT LODGE NO. 190**

**FROM BOARD OF TRUSTEES OF THE AUTOMOTIVE INDUSTRIES
PENSION TRUST FUND**

BACKGROUND

This notice contains important information about the Automotive Industries Pension Trust Fund E.I.N. 94-1133245, Plan Number 001. Based on funding criteria set forth in the Internal Revenue Code, multiemployer pension plans were required – beginning with the 2008 Plan Year – to be certified by their actuaries as being in one of three funded status zones:

- *Neither Endangered nor Critical* (unofficially called the “Green Zone”)
- *Endangered* (unofficially called the “Yellow Zone”)
- *Critical* (unofficially called the “Red Zone”)

Recognizing that the value of the assets, and therefore the funding, of almost all pension plans has declined due to the impact of the current economic crisis, Congress passed the *Worker, Retiree and Employer Recovery Act of 2008 (WREERA)*. The law allows multiemployer plan trustees take more time to come up with a plan of action for dealing with these issues by giving them the option to keep their plan in its 2008 Plan Year’s zone status for one more year – regardless of the Plan’s actual funded status for the 2009 Plan Year.

2008 Plan Year Certification

The Plan’s actuary certified the Plan’s zone status for the January 1, 2008 through December 31, 2008 Plan Year to be critical (“Red Zone”).

2009 Plan Year Certification

The Plan’s actuary has certified that the Plan continues to be in the critical status (“Red Zone”) for the January 1, 2009 through December 31, 2009 Plan Year.

ELECTION TO CONTINUE TO USE THE 2008 PLAN YEAR ZONE CERTIFICATION

In accordance with Section 204(a) of WRERA, the Trustees have elected to "freeze" the Plan's 2008 Plan Year Red Zone certification and have it, as well as the 2008 Plan Year Red Zone Rehabilitation Plan, apply to the January 1, 2009 through December 31, 2009 Plan Year. Therefore, while the Trustees may take certain actions to improve the funding position of the Plan, they will not at this time be required to adopt an updated Rehabilitation Plan and associated schedules.

Please be advised that the freezing of the Plan's 2008 Plan Year Red Zone status and rehabilitation plan does not extend beyond December 31, 2009. By March 31, 2010, the Plan's actuary will again certify its funded status and zone classification. If the Plan is certified to be in either endangered or critical status, within 30 days after the date of certification, you will be sent a notice similar to this one explaining the Plan's zone status and actions that the Trustees may be required to take under the law to improve the funded status of the Plan.

ELECTION TO EXTEND REHABILITATION PERIOD

In accordance with Section 205(a) of WRERA, the Trustees have elected to extend the Plan's rehabilitation period from 10 to 13 years.

WHAT'S NEXT?

We understand that legally required notices like this one can create concern about the Trust's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Trust. With the assistance of the Trust's actuary, legal counsel and other Plan professionals, and working with the contributing employers and the Union, the Trustees will continue to work towards strengthening the funded position of the Plan.

Since the Pension Trust is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Trust's status and any future corrective actions needed. The Board of Trustees is continuously monitoring and reviewing the Plan's progress with its professional advisors.

We have enclosed another copy of the "Notice of Proposed Benefit Changes Under Pension Protection Act of 2008 Rehabilitation Plan" for your information.

QUESTIONS?

For more information about this notice or the Trust, contact the Administration Office at the address or phone number listed at the top of this letter.

Sincerely,

Board of Trustees

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