

Sheet Metal Workers' National Pension Fund

Actuarial Valuation and Review as of
January 1, 2010

Copyright © 2010 by The Segal Group, Inc., parent of The Segal Company. All rights reserved.





THE SEGAL COMPANY
101 North Wacker Drive, Suite 500 Chicago, IL 60606
T 312.984.8500 F 312.984.8590 www.segalco.com

November 19, 2010

*Board of Trustees
Sheet Metal Workers' National Pension Fund
Alexandria, Virginia*

Dear Trustees:

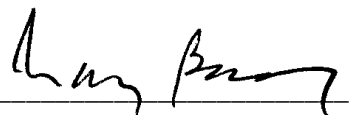
We are pleased to submit the Actuarial Valuation and Review as of January 1, 2010. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data. An actuarial certification containing information that is required to be filed with federal government agencies is not included due to the uncertainty regarding implementation of the funding relief elected by the Trustees under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010.

The census information upon which our calculations were based was prepared by the Fund Office, under the direction of Mr. John Holback. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, Enrolled Actuary.


We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

THE SEGAL COMPANY

By: 

*Lall Bachan, ASA, MAAA, EA
Senior Vice President and Actuary*



*Andre Latia, FSA, MAAA, EA
Senior Vice President and Actuary*

SECTION 1

VALUATION SUMMARY

Introduction	1-1
A. Changes Since Last Valuation.....	1-2
B. 2010 Actuarial Status (Zone) Certification	1-2
C. Cash Flow Sufficiency.....	1-3
D. Withdrawal Liability.....	1-3
E. Funded Percentage and Funding Standard Account .	1-3
Summary of Key Valuation Results.....	1-4
Comparison of Funded Percentages	1-5

SECTION 2

VALUATION RESULTS

A. Participant Data.....	2-1
B. Financial Information.....	2-6
C. Employment Experience.....	2-9
D. Actuarial Experience.....	2-10
E. Summary of Contribution Requirements	2-15
F. Pension Protection Act of 2006 (PPA'06).....	2-18
G. Disclosure Requirements ..	2-20
H. Withdrawal Liability	2-23

SECTION 3

SUPPLEMENTARY INFORMATION

EXHIBIT A Table of Plan Coverage	3-1
EXHIBIT B Comparison of Active Participants by Local.....	3-2
EXHIBIT C Summary Statement of Income and Expenses on an Actuarial Basis	3-7
EXHIBIT D Financial Information Table	3-8
EXHIBIT E Annual Funding Notice	3-9
EXHIBIT F Reorganization.....	3-10
EXHIBIT G Maximum Deductible Contribution.....	3-11
EXHIBIT H Section 415 Limitations.....	3-12

SECTION 4

ACTUARIAL INFORMATION

EXHIBIT I Statement of Actuarial Assumptions/Methods	4-2
EXHIBIT II Summary of Plan Provisions ...	4-7

SECTION 1: Valuation Summary for the Sheet Metal Workers' National Pension Fund

INTRODUCTION

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

➤ **Funding Standard Account**

The ERISA Funding Standard Account (FSA) is charged with the normal cost and amortization of changes in the unfunded actuarial accrued liability measured as of each valuation date. The accumulation of actual contributions made in excess of the minimum required contributions is called the credit balance.

➤ **Withdrawal Liability**

ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

➤ **PPA'06**

The Pension Protection Act of 2006 (PPA'06) calls on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency tests. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*).

➤ **Cash Flow**

Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall.

The current year's actuarial valuation results follow.

The actuarial valuation report as of January 1, 2010 is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected and could affect future actuarial costs of the Plan. We are prepared to work with the Trustees to analyze the effects of any subsequent developments.

SECTION 1: Valuation Summary for the Sheet Metal Workers' National Pension Fund

A. CHANGES SINCE LAST VALUATION

1. Under the updated 2009 Rehabilitation Plan, effective January 1, 2010, current and future inactive vested participants are no longer eligible to receive a single life annuity with 60 months guaranteed or a 50% joint and survivor annuity with “pop-up” feature.
2. Contribution rates increased in accordance with the Rehabilitation Plan. Since benefit accruals are tied to contribution rates, increases in contribution rates are recognized as Plan amendments. This valuation reflects contribution rate increases reported as adopted as of the valuation date.
3. The active population decreased 11.5% and is currently at its lowest level in the past 10 years.
4. The funding relief provisions included in the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (“Funding Relief”) were elected by the Trustees and have been reflected in this valuation. The provisions reflected are as follows:
 - Amortization of the 2008 investment loss over 29 years as of January 1, 2009,
 - Increase in the maximum actuarial value of assets as of January 1, 2009 and January 1, 2010 from 120% to 130% of market value, and
 - Ten-year smoothing of the investment loss during the year ended December 31, 2008 in the actuarial value of assets.

The implementation of Funding Relief is based on a reasonable interpretation of the Act, and could change if the IRS provides guidance on this law.

5. The market value rate of return during the Plan year ended December 31, 2009 was 24.5%. However, due to the deferral of gains and losses based on the asset smoothing method, the actuarial value rate of return was 15.4%. The actuarial value of assets as of January 1, 2010 (\$3.42 billion) represents 121.5% of the market value of assets (\$2.81 billion).

B. 2010 ACTUARIAL STATUS (ZONE) CERTIFICATION

1. The 2010 certification, issued March 31, 2010, was based on the liabilities calculated in the 2009 actuarial valuation, projected to December 31, 2009, and estimated asset information as of December 31, 2009. This Plan was classified as critical (“Red Zone”) because there was a projected deficiency in the Funding Standard Account within one year.
2. There have been no changes to the Rehabilitation Plan since those described in the prior valuation, other than the changes to benefits for inactive vested participants.

SECTION 1: Valuation Summary for the Sheet Metal Workers' National Pension Fund

C. CASH FLOW SUFFICIENCY

Based on this valuation, the current value of assets plus projected investment earnings and future contribution income will exceed projected benefit payments and administrative expenses for at least seven years, assuming experience is consistent with the assumptions.

D. WITHDRAWAL LIABILITY

The actuarial present value of vested Plan benefits for withdrawal liability purposes is not the same figure as determined for FASB ASC 960 (formerly SFAS No. 35) purposes because the two calculations involve different benefits and asset methods. A separate detailed report on withdrawal liability is available.

E. FUNDED PERCENTAGE AND FUNDING STANDARD ACCOUNT

1. Based on this January 1, 2010 actuarial valuation, the funded percentage as of that date is 58.70%, reflecting Funding Relief. This will be reported on the 2010 Annual Funding Notice to be provided within 120 days after the end of this plan year.
2. The credit balance in the Funding Standard Account as of December 31, 2009 was \$206.6 million, a decrease of \$6.8 million from the prior year. This credit balance reflects the provisions of Funding Relief.
3. A projection of the Funding Standard Account (recognizing the 5-year amortization extension) indicates the credit balance will be depleted in the Plan Year ending December 31, 2017, assuming future market value rates of return of 7.50%, administrative expenses increase by 3% per year, the active population decreases 1% each year, all other experience emerges as projected and there are no future changes in the Plan provisions. This is five years later than what was projected in the 2010 zone certification, primarily due to the recognition of Funding Relief and an actuarial gain on the accrued liability.

This projection takes into consideration all deferred net investment gains and losses and effects of the Rehabilitation Plan, but only the contribution rate increases bargained through 2010.

SECTION 1: Valuation Summary for the Sheet Metal Workers' National Pension Fund

SUMMARY OF KEY VALUATION RESULTS

	2010	2009¹
Certified Zone Status	<i>Critical</i>	<i>Critical</i>
Assets:		
Market value of assets (MVA)	\$2,811,778,974	\$2,344,664,521
Actuarial value of assets (AVA)	3,416,979,203	3,048,063,877
Cost Elements on a Funding Standard Account Basis:		
Normal cost, including administrative expenses	\$126,810,416	\$130,579,914
Actuarial accrued liability	5,820,766,198	5,749,182,057
Unfunded actuarial accrued liability (based on AVA)	2,403,786,996	2,701,118,180
Statutory Funding Information:		
Minimum funding standard requirement ²	\$146,737,320	\$130,314,756
Maximum deductible contribution	9,639,719,186	9,453,950,790
Expected contributions for coming Plan Year	344,633,572	362,457,073
Actual contributions	-	324,773,747
Annual Funding Notice percentage	58.70%	53.02%
Funding Standard Account deficiency projected in Plan Year ending ³	2017	2014
Demographic Data:		
Number of active participants	62,321	70,448
Number of inactive participants with vested rights	30,569	25,517
Number of retired participants and beneficiaries	44,444	43,794

¹ Revised to reflect Funding Relief

² Amount required to maintain a \$0 credit balance

³ Only Plan changes and contribution rate increases already adopted as of the valuation date are reflected; recognizes the 5-year amortization extension

The results shown in this report reflecting Funding Relief are based on a reasonable interpretation of the Act, and could change if the IRS provides guidance.

SECTION 1: Valuation Summary for the Sheet Metal Workers' National Pension Fund

COMPARISON OF FUNDED PERCENTAGES

	2010		Funded Percentages as of January 1	
	Liability	Assets	2010	2009*
1. Present Value of Future Benefits	\$6,925,100,093	\$3,416,979,203	49.34%	44.12%
2. PPA'06 Liability and Annual Funding Notice	5,820,766,198	3,416,979,203	58.70%	53.02%
3. Accumulated Benefits Liability	5,820,766,198	2,811,778,974	48.31%	40.78%
4. Current Liability	8,971,862,942	2,811,778,974	31.34%	27.40%

* Revised to reflect Funding Relief

Notes:

1. Includes the value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current. Used to develop the actuarial accrued liability, based on long-term funding investment return assumption of 7.50% and the actuarial value of assets.
2. Measures present value of accrued benefits using the current participant census and financial data. As defined by the Pension Protection Act of 2006, based on long-term funding investment return assumption of 7.50% and the actuarial value of assets.
3. Provides present value of accrued benefits for disclosure in the audited financial statements, based on long-term funding investment return assumption of 7.50%, and the market value of assets.
4. Used to determine maximum tax-deductible contributions and is reported on Schedule MB to Form 5500. Based on the present value of accrued benefits, using prescribed investment return assumption of 4.58% for 2010 and 4.82% for 2009, and the market value of assets. The funded percentage is also shown on the Schedule MB if it is less than 70%.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, inactive vested participants, pensioners and beneficiaries.

More detailed information for this valuation year and the preceding year can be found in Section 3, Exhibit A.

This section presents a summary of significant statistical data on these participant groups.

The active population decreased by 11.5% from the prior year and is currently at its lowest level in the past 10 years. In addition, the ratio of non-actives to actives is above 1.0 for the first time.

A historical perspective of how the participant population has changed over the past several years can be seen in this chart.

CHART 1
Participant Population: 2000 – 2009

Year Ended December 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
2000	73,555	16,729	35,851	0.71
2001	74,082	17,781	36,694	0.74
2002	71,734	19,545	37,798	0.80
2003	69,072	21,290	39,133	0.87
2004	68,286	22,275	40,361	0.92
2005	67,130	23,452	41,372	0.97
2006	68,046	24,020	42,077	0.97
2007	69,408	24,436	43,166	0.97
2008	70,448	25,517	43,794	0.98
2009	62,321	30,569	44,444	1.20

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Active Participants

Pension plan costs are affected by the age and pension credits of active participants. In this year's valuation, there were 62,321 active participants with an average age of 41.9 and 13.1 average pension credits. This compares to 41.6 and 12.4, respectively, for the 70,448 active participants in the prior year.

Among active participants, there were 302 with unknown age. The actuarial calculations were adjusted for missing information by assuming that it was the same as information provided for other active participants with similar known characteristics.

Inactive Vested Participants

Participants, who leave the coverage of the Plan after satisfying the requirements for a deferred pension, or an immediate pension but elect to defer commencement, are considered "inactive vesteds" and are included in the pension plan cost. In this year's valuation, there were 30,569 inactive vesteds, versus 25,517 in the prior valuation. No cost is included for other inactive participants, even though some may return to active employment before incurring a permanent break in service.

These charts show a distribution of active participants by age and by pension credits.

CHART 2
Distribution of Active Participants by Age as of December 31, 2009

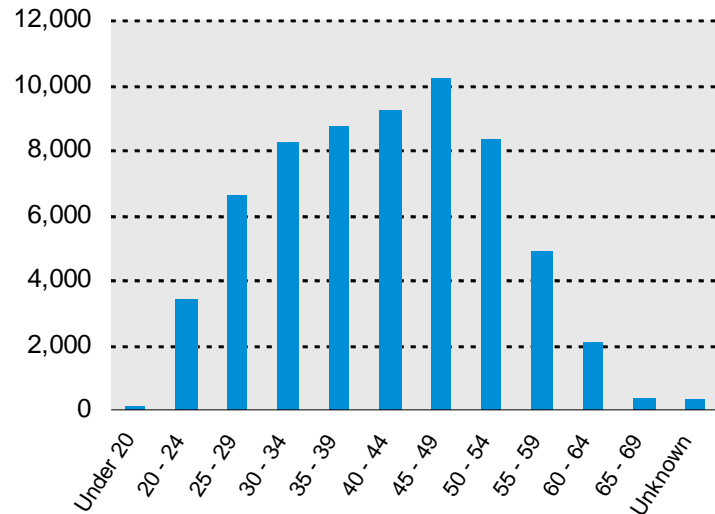
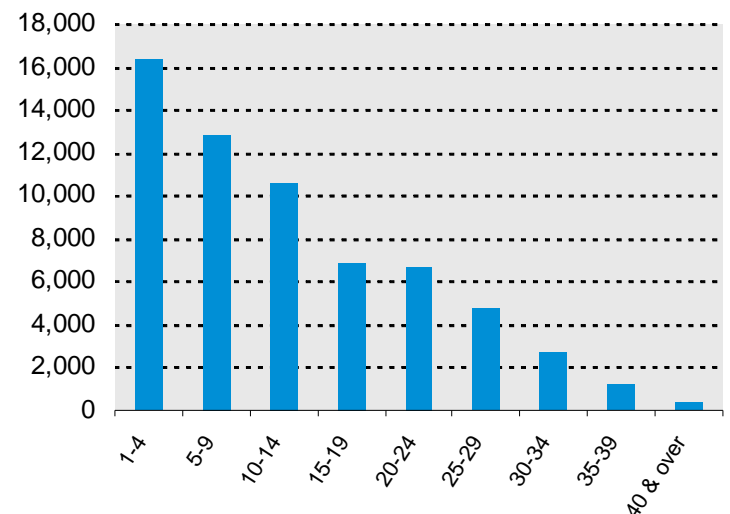


CHART 3
Distribution of Active Participants by Pension Credits as of December 31, 2009



SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Pensioners and Beneficiaries

During the fiscal year ended December 31, 2009, there were 1,765 pensions awarded, as detailed in this chart. The average monthly pension awarded, after adjustment for optional forms of payment, was \$838. The chart below presents both the number and average monthly amount of pensions awarded in each of the years shown, by type and in total.

**CHART 4
Pension Awards: 2000 – 2009**

Year Ended December 31	Total		Normal		Early		Disability		55/30	
	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2000	1,947	\$982	248	\$472	1,440	\$1,072	259	\$973	--	--
2001	1,720	944	159	400	1,379	1,019	182	850	--	--
2002	1,925	941	215	467	1,440	1,019	270	902	--	--
2003	2,299	1,217	236	540	1,492	1,043	298	918	273	\$3,081
2004	2,414	1,289	272	497	1,362	981	257	864	523	2,713
2005	1,992	1,163	215	499	1,247	895	150	777	380	2,569
2006	1,875	1,110	237	523	1,114	898	217	794	307	2,553
2007	1,934	1,113	300	594	1,079	896	219	907	336	2,404
2008	1,763	951	267	594	1,194	798	88	740	214	2,343
2009	1,765	838	230	756	1,276	664	84	542	175	2,353

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

As of this year's valuation date, 36,408 pensioners and 7,999 beneficiaries were receiving total monthly benefits of \$33,958,776 (including one-twelfth of annual COLA payments, rolled back to the levels in effect December 31, 2002). For comparison, in the previous year, there were 36,019 pensioners and 7,741 beneficiaries receiving monthly benefits of \$33,712,979 (including one-twelfth of annual COLA payments, rolled back to the levels in effect December 31, 2002). There were 37 suspended pensioners in this valuation compared with 34 in the prior year.

These charts show the distribution of the current pensioners based on their monthly amount and age, by type of pension.

CHART 5
Distribution of Pensioners by Type and by Monthly Amount as of December 31, 2009

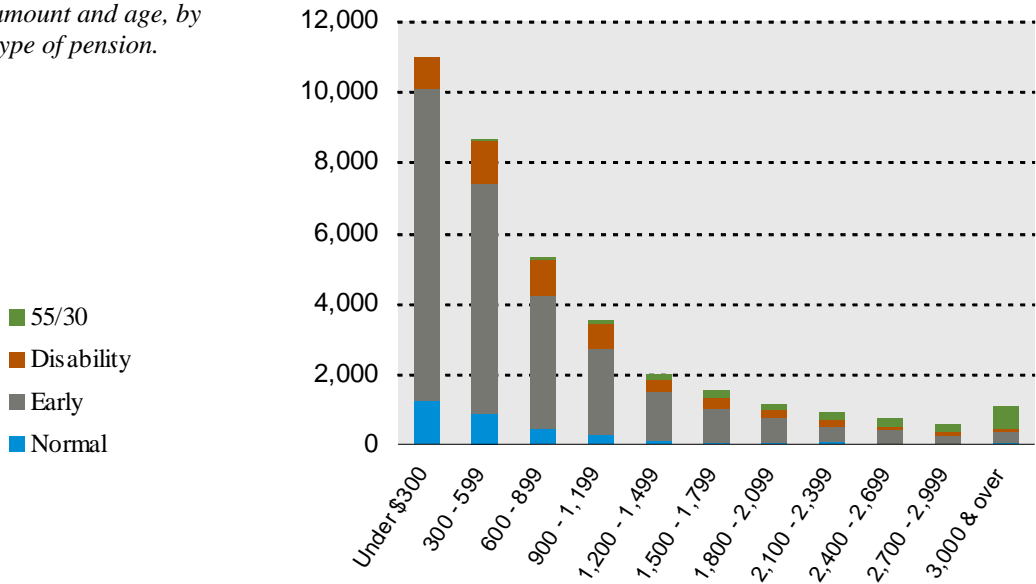
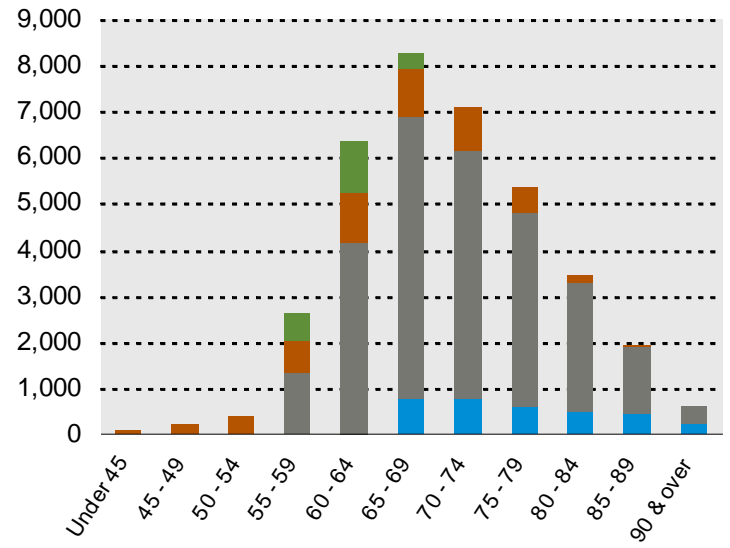


CHART 6
Distribution of Pensioners by Type and by Age as of December 31, 2009



SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

In Chart 7, additions to the pension rolls include new pensions awarded and suspended pensioners who have been reinstated. Terminations include pensioners who died or were suspended during the prior plan year. The change in average age and average amounts of pensioners in payment status is shown as the Fund matures over time.

This chart shows a year-by-year history of changes in the pensioner group.

CHART 7
Progress of Pension Rolls: 2000 – 2009

Year Ended December 31	Additions	Terminations	In Payment Status at Year End		
			Number	Average Age	Average Amount*
2000	1,947	1,311	30,558	69.8	\$694
2001	1,720	1,138	31,140	70.0	722
2002	1,925	1,181	31,884	70.0	744
2003	2,299	1,236	32,947	70.1	784
2004	2,414	1,414	33,947	70.0	831
2005	1,992	1,316	34,623	70.2	852
2006	1,875	1,400	35,098	70.4	873
2007	1,934	1,285	35,747	70.5	852
2008	1,763	1,491	36,019	70.8	861
2009	1,765	1,376	36,408	71.0	854

* Includes one-twelfth of annual COLA payments. In 2008, COLA benefits were rolled back to the levels in effect December 31, 2002.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

B. FINANCIAL INFORMATION

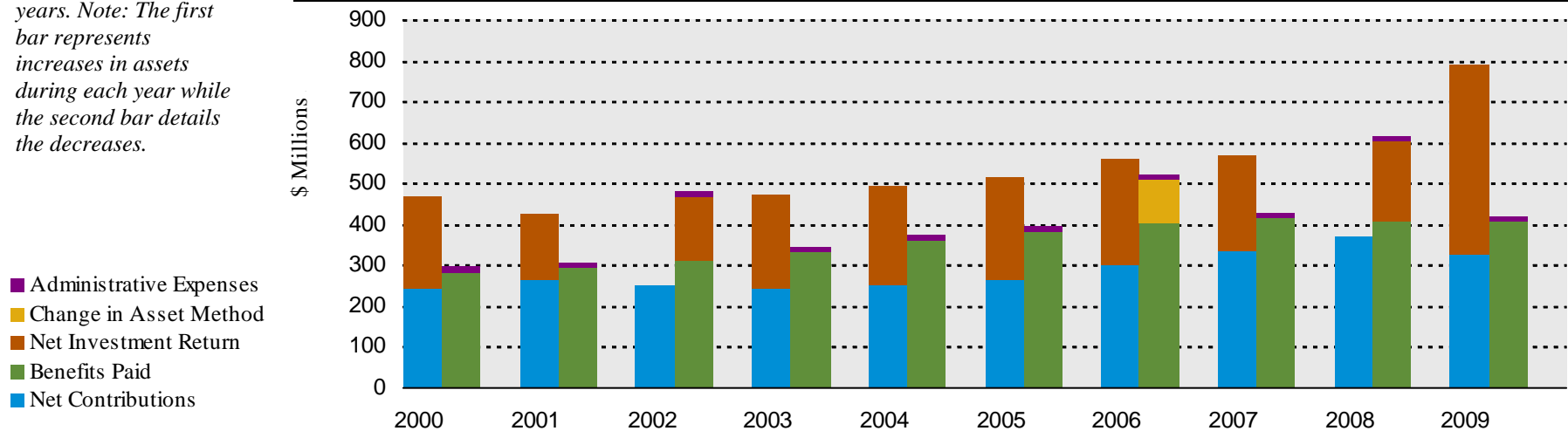
Pension plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Pension plan assets change as a result of the net impact of these income and expense components. Chart 8 shows these changes over the last ten years. A summary of these transactions for the valuation year is presented in Section 3, Exhibit C.

PPA'06 requires Trustees to monitor plan solvency, the ability to pay benefits when due. If a plan is projected to be unable to pay benefits within five years (or within seven years, if the PPA'06 funded percentage is less than 65%), the plan will be categorized in the Red Zone. More information about PPA'06 can be found in Subsection G.

Benefit payments during the year totaled \$407,164,638. They are projected to increase to \$501,148,228 ten years from now. To the extent that future contributions are projected to be less than benefit payments, investment earnings or fund assets will be needed to cover the shortfall.

This chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 8
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 2000 – 2009



Note: The net investment return for December 31, 2008 and 2009 reflects the adjustment for Funding Relief

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Because the Plan is funded by negotiated contribution rates, it is desirable to have a level and predictable pension plan cost from one year to the next. For this reason, the Trustees have approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the pension plan cost are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized gains and losses and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value. This removes any consideration of the impact of sales of assets from the determination of the actuarial cost of the Plan.

The current asset smoothing method was adopted effective January 1, 2007, with an initial value equal to the market value of assets. The determination of the actuarial value of assets also reflects Funding Relief.

This chart shows the determination of the actuarial value of assets as of December 31, 2009.

CHART 9

Determination of Actuarial Value of Assets as of December 31, 2009

1	Market value of assets, December 31, 2009			\$2,811,778,974
2	Calculation of unrecognized return	Original	Unrecognized	
		<u>Amount*</u>	<u>Return**</u>	
	(a) Year ended December 31, 2009	\$389,485,427	\$311,588,342	
	(b) Year ended December 31, 2008	-1,151,332,711	-921,066,169	
	(c) Year ended December 31, 2007	10,693,995	4,277,598	
	(d) Year ended December 31, 2006	N/A	N/A	
	(e) Year ended December 31, 2005	N/A	<u>N/A</u>	
	(f) Total unrecognized return			-605,200,229
3	Preliminary actuarial value: (1) - (2f)			3,416,979,203
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2009: (3) + (4)			<u>\$3,416,979,203</u>
6	Actuarial value as a percentage of market value: (5) ÷ (1)			121.5%
7	Amount deferred for future recognition: (1) - (5)			-\$605,200,229

*Total return minus expected return on a market value basis

** Recognition at 20% per year over 5 years, except for the amount in the year ended December 31, 2008, which is recognized at 10% per year over 10 years due to Funding Relief

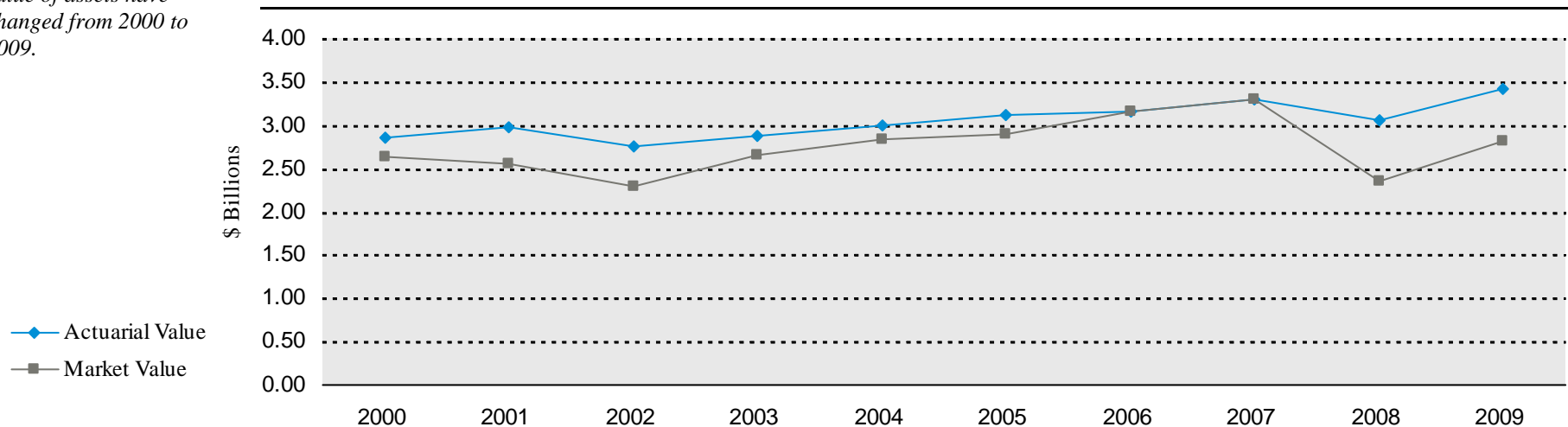
SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Both the actuarial value and the market value of assets are representations of the Fund's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial value is significant because it is subtracted from the Plan's total actuarial accrued liability to determine the portion that is not funded and is used to determine the PPA'06 funded percentage. Amortization of the unfunded portion is an important element in the contribution requirements of the Plan as detailed in Subsections E and F.

The actuarial value of assets as of December 31, 2008 was adjusted to reflect Funding Relief.

This chart shows how the actuarial value of assets and the market value of assets have changed from 2000 to 2009.

CHART 10
Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2000 - 2009



SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

C. EMPLOYMENT EXPERIENCE

The Trustees are in the best position to select the appropriate employment level assumption to use in long term planning for funding the Plan. Total hours of contributions, number of actives and their average hours of contributions are shown in Chart 11.

The long term assumption is 1,650 hours for each active participant. We look to the Trustees for guidance as to whether this is reasonable for the long term.

Certifications under PPA'06 include a projection of future contributions. Any projection of industry activity, including future employment and contribution levels, must be based on reasonable information for the projection period provided by the Trustees. The industry activity assumption used for the 2010 actuarial certification was that the active population would decline by 1% per year after January 1, 2010.

This chart provides a history of the various measures of employment.

CHART 11
Employment History: 2000 - 2009

Year Ended December 31	Total Hours of Contributions		Active Participants		Average Hours of Contributions	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
2000	134,897,755	5.6%	73,555	4.0%	1,834	1.5%
2001	134,642,481	-0.2%	74,082	0.7%	1,817	-0.9%
2002	124,317,535	-7.7%	71,734	-3.2%	1,733	-4.6%
2003	115,685,896	-6.9%	69,072	-3.7%	1,675	-3.3%
2004	117,072,062	1.2%	68,286	-1.1%	1,714	2.3%
2005	115,206,108	-1.6%	67,130	-1.7%	1,716	0.1%
2006	123,536,965	7.2%	68,046	1.4%	1,815	5.8%
2007	126,703,434	2.6%	69,408	2.0%	1,825	0.6%
2008	125,911,452	-0.6%	70,448	1.5%	1,787	-2.1%
2009	104,081,439	-17.3%	62,321	-11.5%	1,670	-6.5%
Five-year average hours:					1,763	
Ten-year average hours:					1,759	

Note: The total hours of contributions are based on total contributions divided by the average contribution rate for the year, which may differ from the hours reported to the Fund Office.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

D. ACTUARIAL EXPERIENCE

To calculate the cost requirements of the Plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions and, to the extent that there are differences in that year, the contribution requirement is adjusted. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long run, experience will

return to that originally assumed. For contribution requirements to remain stable, assumptions should approximate experience.

When compared to the projected actuarial accrued liability of \$5,871,995,998 as of December 31, 2009, the net experience variation other than investment experience was not significant. On the following pages is a discussion of the major components of the actuarial experience.

This chart provides a summary of the prior year's actuarial experience.

CHART 12
Actuarial Experience for the Year Ended December 31, 2009

1	Net gain from investments*	\$238,531,348
2	Net gain from administrative expenses	2,178,962
3	Net gain from other experience	<u>56,669,130</u>
4	Net experience gain: (1) + (2) + (3)	<u>\$297,379,440</u>

* Details in Chart 13.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Investment Rate of Return

Because earnings on investments significantly affect the cost of the Plan, an assumption is made about the rate of return on plan assets. The rate of return is investment income net of investment expenses, expressed as a percentage of the average actuarial value of assets during the year.

Investment income for the purposes of the actuarial valuation consists of interest and dividend income, and the adjustment for market value changes, the adjustment of the value of debt securities, and the gain or loss on the sale of debt securities. Investment expenses are subtracted.

The actuarial value of assets does not yet fully recognize past net investment losses. As a result, the impact of favorable future investment returns will be dampened as recognition of past investment losses is phased in. Therefore, the rate of return on an actuarial basis is likely to fall below the assumed rate of return as unrecognized losses are reflected, even if market returns are favorable.

This chart shows the portion of the gain due to investment experience.

CHART 13

Actuarial Value Investment Experience for the Year Ended December 31, 2009

1	Net investment income	\$463,585,989
2	Average actuarial value of assets	3,000,728,546
3	Rate of return: (1) ÷ (2)	15.45%
4	Assumed rate of return	7.50%
5	Expected net investment income: (2) x (4)	\$225,054,641
6	Actuarial gain: (1) – (5)	<u>\$238,531,348</u>

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

For your information, the chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last fifteen years, including five-, ten-, and fifteen-year averages. However, actuarial planning is long term as the obligations of pension plans are expected to continue for the lifetime of its active and inactive participants.

As indicated below, the experience in the past few years has shown both higher and lower rates of return than the long-term assumption. Based upon this experience, the current asset allocation, and future expectations, we have maintained the assumed long-term rate of return of 7.50%.

CHART 14

Investment Return – Actuarial Value vs. Market Value: 1995 - 2009

Year Ended December 31	Net Interest and Dividend Income		Adjustment Toward Market		Change in Asset Method		Actuarial Value Investment Return	Market Value Investment Return		
	Amount	Percent	Amount	Percent	Amount	Percent	Percent	Amount	Percent	
1995	\$63,772,250	3.34%	\$99,462,547	5.21%	--	--	\$163,234,797	8.55%	\$334,727,761	20.69%
1996	64,133,828	3.20%	106,694,964	5.32%	--	--	170,828,792	8.52%	229,161,544	12.12%
1997	73,693,329	3.76%	95,300,524	4.86%	--	--	168,993,853	8.62%	283,878,769	14.49%
1998	68,599,858	2.84%	136,724,697	5.66%	--	--	205,324,555	8.50%	314,421,636	13.04%
1999	72,666,507	3.08%	127,895,379	5.42%	\$162,839,711	6.90%	363,401,597	15.40%	190,707,659	7.54%
2000	91,548,426	3.44%	134,755,219	5.06%	--	--	226,303,645	8.50%	3,560,195	0.13%
2001	86,932,998	3.06%	72,866,523	2.57%	--	--	159,799,521	5.63%	-36,479,361	-1.39%
2002	81,481,128	2.77%	-236,188,046	-8.03%	--	--	-154,706,918	-5.26%	-194,048,412	-7.69%
2003	75,650,122	2.80%	153,910,300	5.70%	--	--	229,560,422	8.50%	458,228,754	20.44%
2004	61,327,635	2.18%	178,291,814	6.32%	--	--	239,619,449	8.50%	298,949,842	11.55%
2005	55,574,045	1.90%	193,554,686	6.60%	--	--	249,128,731	8.50%	201,693,098	7.31%
2006	60,924,181	1.99%	198,903,423	6.51%	-106,644,214	-3.49%	153,183,390	5.01%	370,984,124	13.07%
2007	69,660,148	2.24%	165,413,046	5.33%	--	--	235,073,194	7.57%	243,628,390	7.84%
2008	68,521,370	2.10%	-262,170,915	-8.03%	--	--	-193,649,545	-5.93%	-905,604,097	-27.64%
2009	60,280,058	2.01%	403,305,931	13.44%	--	--	463,585,989	15.45%	561,785,116	24.45%
Total	\$1,054,765,883		\$1,568,720,092		\$56,195,497		\$2,679,681,472		\$2,355,595,018	
							Five-year average return:	5.91%		3.31%
							Ten-year average return:	5.48%		3.71%
							Fifteen-year average	6.70%		6.30%

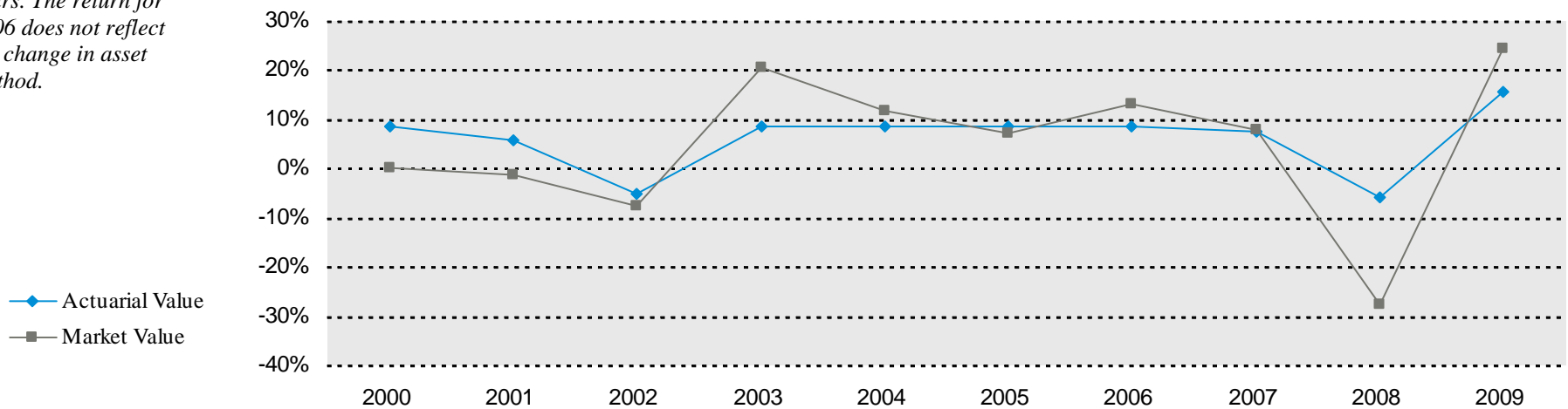
Note: Each year's yield is weighted by the average asset value in that year.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

This chart illustrates how this leveling effect has actually worked over the past ten years. The return for 2006 does not reflect the change in asset method.

CHART 15
Market Value and Actuarial Rates of Return for Years Ended December 31, 2000 - 2009



SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Administrative Expenses

Administrative expenses for the year ended December 31, 2009 totaled \$12,448,701, compared to the assumption of \$14,556,165 payable monthly (\$14,000,000 payable as of the beginning of the year). This resulted in a gain of \$2,178,962 for the year when adjusted for timing. We have maintained the assumption of \$14,000,000 for the current year.

Other Experience

There are other differences between projected and actual experience that appear when a new valuation is compared with projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than projected),
- the number of disability retirements, and
- mortality (more or fewer deaths than projected).

Another difference may be a significant change among the participants, such as the reemployment of previously inactive participants who are not vested but have credit for prior service.

The net gain from this other experience amounted to \$56,669,130 for the last plan year. This was primarily due to more turnover than expected among the active population. However, the effect of this gain will be offset by the smaller contribution base with which to fund the cost of the Plan.

There were no changes in actuarial assumptions or cost methods in this valuation.

The following Plan changes were recognized in this valuation:

- Under the updated 2009 Rehabilitation Plan, the “pop-up” provision and the 60-month benefit guarantee was eliminated for current and future inactive vested participants as of January 1, 2010
- Contribution rates increased in accordance with the Rehabilitation Plan. Since benefit accruals are tied to contribution rates, increases in contribution rates are recognized as Plan amendments. This valuation reflects contribution rate increases reported as adopted as of the valuation date.

The funding relief provisions included in the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (“Funding Relief”) were elected by the Trustees and have been reflected in this valuation. The provisions reflected are as follows:

- Amortization of the 2008 investment loss over 29 years as of January 1, 2009,
- Increase in the maximum actuarial value of assets as of January 1, 2009 and January 1, 2010 from 120% to 130% of market value, and
- Ten-year smoothing of the investment loss during the year ended December 31, 2008 in the actuarial value of assets.

The implementation of Funding Relief is based on a reasonable interpretation of the Act, and could change if the IRS provides guidance on this law.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

E. SUMMARY OF CONTRIBUTION REQUIREMENTS

Contributions

ERISA imposes a minimum funding standard that requires the Plan to maintain a Funding Standard Account. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. Employers are not liable for satisfying the ERISA minimum funding standard for any plan year in which the plan is in critical status pursuant to Section 432, but only if the plan adopts and complies with a rehabilitation plan in accordance with Section 432(e). The accumulation of the actual contributions in excess of the minimum required contributions under ERISA is called the credit balance.

The minimum funding rules were revised as a result of PPA'06. Increases or decreases in the actuarial accrued liability due to assumption changes and plan amendments will be amortized over 15 years (half the time previously allowed) and short-term benefits, such as 13th checks, must be amortized over the scheduled payout period.

Employers who contribute to defined benefit pension plans are also subject to maximum deductible contribution limitations prescribed by the IRS. For the development of the maximum deductible contribution amount, see Section 3, Exhibit G.

Based on the assumption that 62,321 participants will work an average of 1,650 hours at a \$3.3515 average contribution rate, the contributions projected for the year beginning January 1, 2010 are \$344,633,572 as shown in Chart 16. Contributions for the year beginning January 1, 2010 are projected to be less than the maximum allowable deduction level and to exceed the minimum required contribution.

This chart summarizes the contribution information for the valuation year.

CHART 16

Contribution Requirements vs. Contributions Projected for Year Beginning January 1, 2010

ERISA minimum funding standard	\$146,737,320
Projected contributions	344,633,572
Maximum deductible contribution	9,639,719,186

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Funding Standard Account

The Funding Standard Account is charged with normal cost and the amortization of increases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience losses, and 3) changes in actuarial assumptions and funding methods. The account is credited with employer contributions, withdrawal liability payments, and the amortization of decreases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience gains and 3) changes in actuarial assumptions and funding methods.

On December 31, 2009, the Funding Standard Account had a credit balance of \$206,638,007. This differs from the amount shown on the 2009 Schedule MB due to the adoption of Funding Relief. An adjustment will be reflected on the 2010 Schedule MB.

This reserve may be drawn upon to meet charges to the account if contributions fall below the net charge in the future.

The minimum funding requirement for the year beginning January 1, 2010, as shown in Chart 16, is \$146,737,320. For the year beginning January 1, 2010, the minimum contribution necessary to avoid a decrease in the current credit balance is \$329,180,557. The projected contributions for the year of \$344,633,572 are projected to be sufficient to meet this cost.

We are working with the Trustees to review projections of the credit balance.

Chart 17 presents the Funding Standard Account information for the year ended December 31, 2009.

CHART 17
Funding Standard Account for the Year Ended December 31, 2009

Charges			Credits		
1	Normal cost, including administrative expenses	\$130,579,914	5	Prior year credit balance	\$213,465,856
2	Total amortization charges	469,189,914	6	Employer contributions	324,773,747
3	Interest to end of the year	<u>44,982,737</u>	7	Total amortization credits	265,080,943
4	Total charges	\$644,752,565	8	Interest to end of the year	48,070,026
			9	Full-funding limitation credit	<u>0</u>
			10	Total credits	\$851,390,572
			11	Credit balance: (10) – (4)	<u>\$206,638,007</u>

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Projection of Funding Standard Account

A 10-year projection of the Funding Standard Account based on this 2010 valuation, assuming the Plan will experience a market rate of return equal to the assumed rate of 7.50% each year into the future, administrative expenses increase by 3% per year, the active population decreases by 1% each year, and that all other experience emerges as projected, and with no plan amendments or assumption changes, indicates the credit balance will be depleted by December 31, 2017. Chart 18 shows the projected credit balance in the Funding Standard Account.

This projection does not take into account the pattern of scheduled contribution rate increases as defined in the Rehabilitation Plan that were not reported as bargained through 2010. It reflects all provisions of Funding Relief.

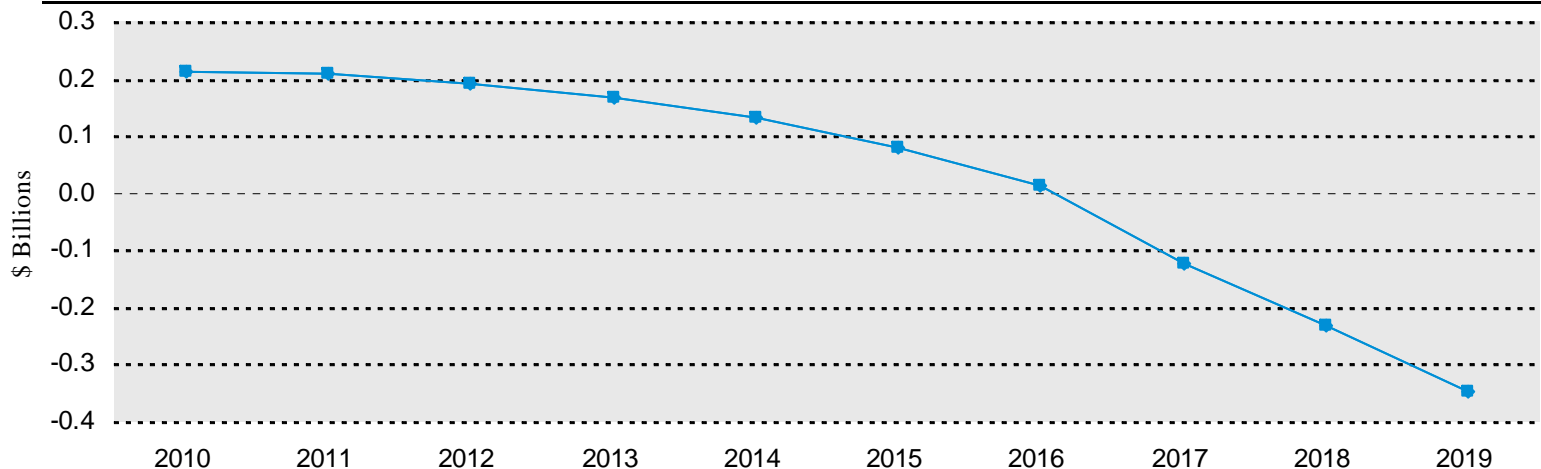
The projection shown is not the same as that used to determine the annual certification required under PPA'06 prepared earlier this year. The projection shown in Chart 18 reflects updated participant and financial information. It also applies a different contribution base assumption.

The chart shows how the credit balance would be affected by a specific industry activity and investment return scenario. If requested, we are available to develop additional scenarios based on different assumptions.

This chart shows the projected credit balance for the next 10 years.

CHART 18

Projected Funding Standard Account Credit Balance for Years Ending December 31 (Including 5-Year Amortization Extension)



SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

F. PENSION PROTECTION ACT OF 2006 (PPA'06)

PPA'06 preserves the current basic structure of ERISA's funding rules for multiemployer pension plans, while tightening them in some regards and adding new flexibility for trustees and bargaining parties in other areas. To identify emerging funding challenges so they can be addressed effectively, PPA'06 calls on trustees to actively monitor their plans' financial prospects. Trustees are required to review formal projections of the financial status of their plans at least annually.

PPA'06 Zone Status

Based on projections of the credit balance in the Funding Standard Account, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones."

A plan is classified as being in critical status (the *Red Zone*) if:

- The PPA'06 funded percentage is less than 65%, and either there is a projected Funding Standard Account deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
- There is a projected Funding Standard Account deficiency within four years, or
- There is an inability to pay benefits within five years, or
- The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected Funding Standard Account deficiency within five years.

For a plan that is in critical status, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.

Red Zone plans have new tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Plans in the Red Zone may not pay lump sums. They may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

A plan is classified as being in endangered status (the *Yellow Zone*) if:

- The PPA'06 funded percentage is less than 80%, or
- There is a projected Funding Standard Account deficiency within seven years, and
- The plan is not in critical status (*Red Zone*).

The corrective actions for endangered plans are based on the adoption of a formal Funding Improvement Plan, designed to improve gradually the current funded percentage, to forestall a funding deficiency and to keep the plan out of critical status.

A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of those plans must take interim measures to delay the projected funding deficiency by one year and improve the plan's funded percentage.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

A plan is classified as being in the *Green Zone* if it is neither in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*).

Funded Percentage

For purposes of PPA'06, the funded percentage is determined using the actuarial value of assets and the "Unit Credit accrued liability." This liability is generally equivalent to the present value of benefits earned to date, as discussed in Subsection H, and is based on the actuary's best estimate assumptions.

2010 Actuarial Status Certification

The actuarial certification of plan status under PPA'06 is required not later than the 90th day of the plan year.

The 2010 certification was based on the liabilities calculated in the 2009 actuarial valuation, adjusted for subsequent events and projected to December 31, 2009, and estimated asset information as of December 31, 2009. In addition, the Trustees provided an industry activity assumption that the active population would decline 1% per year. This Plan was classified as critical (*Red Zone*) status because there was a projected deficiency in the Funding Standard Account within one year.

2011 Actuarial Status Certification

The PPA zone status for the 2011 Plan Year will involve the following:

- Updated asset information,
- Trustee input on industry activity, and
- Projections of benefit liabilities that recognize adopted plan changes, changes in collectively bargained contribution rates and other significant events.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

G. DISCLOSURE REQUIREMENTS

Present Value of Accumulated Plan Benefits (PVAB)

Financial reporting, in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 960 (formerly SFAS No. 35), requires determination of the present value of accumulated plan benefits. It is the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. These present values are determined based on the plan of benefits reflected for Funding Standard Account purposes and are based upon the actuarial assumptions used to determine the ERISA's funding costs of the ongoing Plan. These are not appropriate liability measurements for other purposes such as if the Plan were to terminate.

Chart 19 shows the present value of vested and accumulated plan benefits and the funded percentages based on the actuarial value of assets, for the 2010 and 2009 valuations. If the market value of assets were used to determine the funded percentage, the 58.70% figure for 2010 would become 48.31%. The PVAB funded percentage for 2010 is not the same as that used to determine the annual certification required under PPA'06. The values shown in Charts 19, 20, and 21 reflect current participant and financial information, whereas the annual certification was based on prior participant data and estimated financial results.

For a detailed breakdown of this information and a reconciliation from last year to this year, see Section 4, Exhibit VI.

This chart shows the calculation of the funded percentage.

CHART 19

Present Value of Vested and Accumulated Plan Benefits

		January 1	
		2010	2009*
1	Present value of vested accumulated plan benefits	\$5,442,076,124	\$5,364,815,232
2	Present value of accumulated benefits	5,820,766,198	5,749,182,057
3	Actuarial value of assets	3,416,979,203	3,048,063,877
4	PVAB funded percentage: (3) ÷ (2)	58.70%	53.02%

** Revised to reflect Funding Relief*

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Chart 20 below compares the present value of accumulated plan benefits with the actuarial value of assets over the past ten years. Chart 21 shows the relationship of these measures as a percentage.

The increase in the present value of accumulated plan benefits in 2006, and the corresponding decrease in the funded percentage, was primarily due to changes in actuarial assumptions. The decrease in the present value of accumulated plan benefits in 2008 was primarily due to the effects of the Rehabilitation Plan.

A historical comparison over the past ten years is shown in these charts.

CHART 20
Present Value of Accumulated Plan Benefits vs. Actuarial Value of Assets as of January 1, 2001 - 2010

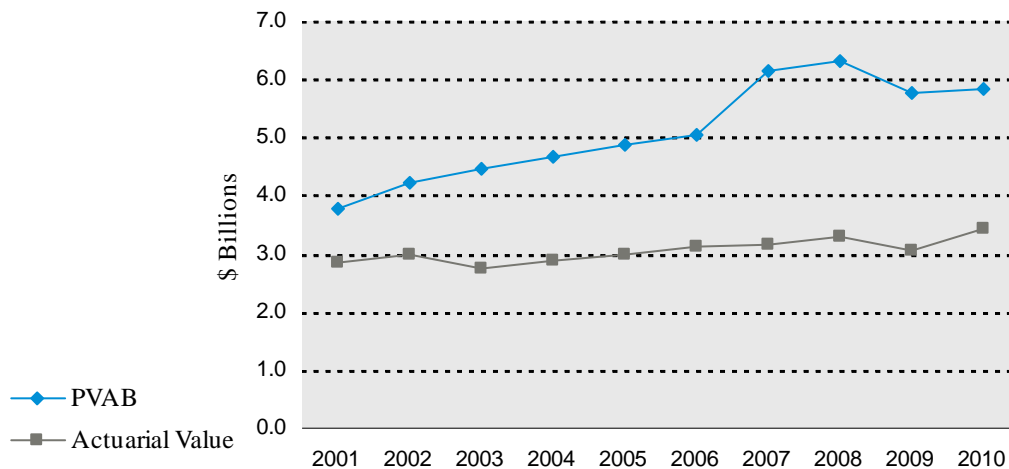
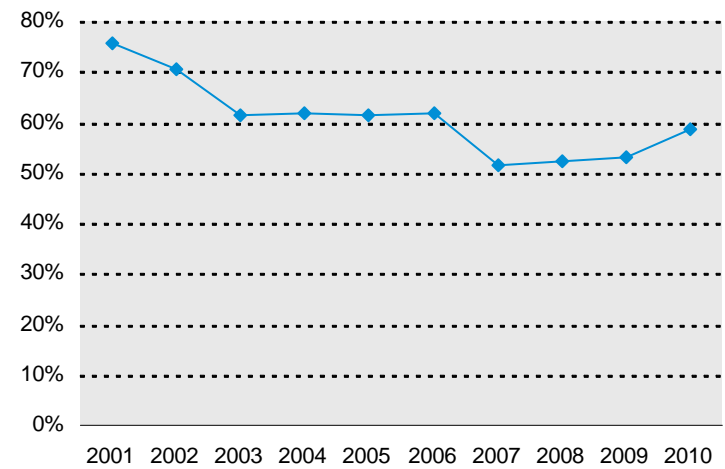


CHART 21
Actuarial Value of Assets as a Percentage of Present Value of Accumulated Plan Benefits as of January 1, 2001 - 2010



SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

Annual Funding Notice

PPA'06 requires the annual funding notice to be provided to participants, employers, unions and government agencies. Beginning with the 2008 Plan Year, it must include much more information, and it must be sent by 120 days after the end of the plan year. The actuary's "best estimate" assumptions are the basis for the measurement of the funding notice percentage.

As shown in Chart 19, the value of plan benefits earned to date as of January 1, 2010 is \$5,820,766,198 using the long-term funding interest rate of 7.50%. As the actuarial value of assets is \$3,416,979,203, the Plan's funded percentage is 58.70%, compared to 53.02% in the prior year. The funded percentage is one measure of a plan's funded status. It is not indicative of how well funded a plan may be in the future, especially in the event of plan termination.

Although the annual funding notice was revised, ERISA still requires the disclosure by the actuary of the funding percentage based on "current liability" assumptions and the market value of assets, if it is less than 70%. As shown in Section 4, Exhibit V, the Plan's current liability as of January 1, 2010 is \$8,971,862,942 using an interest rate of 4.58%. As the market value of assets is \$2,811,778,974, this funded current liability percentage is 31.34%. This will be disclosed on the 2010 Schedule MB of IRS Form 5500.

The actuarial information to be provided in the annual funding notice is shown in Section 3, Exhibit E.

Disclosure of Any Recent Adverse Developments

As amended in 1980, ERISA requires the Plan's enrolled actuary to provide a statement for inclusion in the Plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered and that may materially increase the cost of the Plan, they must advise The Segal Company, so that we can evaluate it and take it into account.

SECTION 2: Valuation Results for the Sheet Metal Workers' National Pension Fund

H. WITHDRAWAL LIABILITY

The actuarial present value of vested plan benefits for withdrawal liability purposes is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions

A separate report addressing withdrawal liability has been prepared.

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT A

Table of Plan Coverage

Category	Year Ended December 31		Change From Prior Year
	2009	2008	
Participants in Fund Office tabulation	63,994	73,748	-13.2%
Less: Participants with less than one pension credit	1,673	3,300	-49.3%
Active participants in valuation:			
Number			
Collective bargaining agreements with Default Schedule	14,005	15,800	-11.4%
Collective bargaining agreements with Alternative Schedule with 55/30	21,911	24,438	-10.3%
Collective bargaining agreements with Alternative Schedule without 55/30	26,405	30,179	-12.5%
Rehabilitation Plan schedule unknown as of data collection date	0	31	-100.0%
Total	62,321	70,448	-11.5%
Average age	41.9	41.6	N/A
Average pension credits	13.1	12.4	N/A
Average contribution rate as of the valuation date	\$3.32	\$3.10	7.1%
Number with unknown age	302	524	-42.4%
Total active vested participants	46,634	51,584	-9.6%
Inactive participants with rights to a pension (including deferred beneficiaries)	30,569	25,517	19.8%
Pensioners:			
Number in pay status	36,408	36,019	1.1%
Average age	71.0	70.8	N/A
Average monthly benefit*	\$854	\$861	-0.8%
Number in suspended status	37	34	8.8%
Beneficiaries in pay status	7,999	7,741	3.3%

* Includes one-twelfth of annual COLA payments. In 2008, COLA benefits were rolled back to the levels in effect December 31, 2002.

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT B

Comparison of Active Participants by Local

Local	As of December 31, 2009					As of December 31, 2008				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/08
001	450	43.50	15.77	1,538.85	\$5.04	486	43.10	15.19	1,767.54	\$4.62
002	1,268	41.24	14.01	1,632.00	7.24	1,288	41.31	13.80	1,759.34	6.85
003	485	41.53	12.01	1,719.40	3.62	485	41.89	12.00	1,813.62	3.39
004	268	40.54	12.74	1,854.03	0.31	243	40.64	13.25	1,826.18	0.33
005	479	43.34	11.76	1,587.89	2.85	554	42.18	10.17	1,745.13	2.58
007	990	40.82	13.06	1,559.08	1.25	1,194	40.79	12.35	1,652.65	1.19
009	994	41.66	11.43	1,610.73	0.54	1,048	41.44	11.18	1,712.28	0.58
010	2,364	41.68	14.17	1,537.36	3.00	2,832	41.60	13.72	1,636.77	2.77
012	1,160	41.31	13.78	1,640.39	6.25	1,163	41.07	13.51	1,754.22	5.78
015	697	44.43	8.15	1,796.61	1.82	860	43.78	7.83	1,836.07	1.93
016	1,336	40.73	11.30	1,622.88	1.37	1,468	40.53	10.88	1,728.65	1.31
017	1,297	42.15	14.44	1,557.68	7.03	1,515	42.11	13.79	1,773.95	6.72
018	2,591	41.82	14.85	1,581.38	6.09	2,918	41.57	14.42	1,761.63	5.72
019	364	43.89	12.74	1,784.62	3.20	428	43.04	11.96	1,880.28	2.93
020	2,522	41.03	13.57	1,612.31	3.67	2,994	40.64	12.81	1,773.56	3.38
023	236	43.39	13.74	1,656.75	1.72	244	43.11	13.04	1,767.03	1.71
024	1,325	42.37	14.74	1,637.57	2.73	1,560	41.82	13.99	1,739.73	2.56
025	619	43.78	16.21	1,618.42	7.41	721	42.64	15.00	1,650.11	6.88
026	213	39.71	11.63	1,494.72	1.80	335	38.48	9.38	1,642.88	1.61
027	546	44.00	15.43	1,506.03	7.48	627	43.80	15.24	1,624.29	7.07
028	2,330	42.01	13.74	1,477.92	8.75	2,630	42.10	13.32	1,612.13	8.21

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT B (continued)

Comparison of Active Participants by Local

Local	As of December 31, 2009					As of December 31, 2008				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/08
029	164	36.99	11.17	1,601.57	\$3.23	173	37.53	11.46	1,824.27	\$3.06
032	393	43.09	12.16	1,545.22	2.82	604	42.08	9.11	1,638.99	2.59
033	2,355	41.41	12.89	1,589.23	4.34	2,535	41.16	12.36	1,722.96	4.06
036	2,056	42.00	13.68	1,468.05	1.95	2,238	41.50	12.87	1,705.70	1.84
038	535	41.97	15.00	1,448.98	7.02	697	40.95	13.51	1,617.52	6.54
040	465	42.29	12.98	1,598.39	0.82	515	42.30	12.53	1,649.58	0.82
041	11	40.77	2.86	1,542.45	1.12	16	35.28	1.78	1,446.63	0.89
044	302	44.17	15.21	1,597.14	0.66	300	43.98	15.27	1,765.98	0.61
045	373	39.41	13.32	1,684.11	4.24	424	39.63	13.26	1,762.38	4.00
046	372	40.54	13.08	1,592.98	1.95	396	40.43	12.71	1,688.45	1.81
048	264	42.47	15.25	1,705.14	4.71	285	42.23	14.61	1,784.22	4.13
049	677	42.94	11.03	1,699.99	3.62	776	43.65	10.42	1,972.68	2.84
054	786	41.93	13.04	1,772.04	3.87	793	41.79	12.78	1,880.12	3.63
055 ⁽¹⁾	956	40.92	11.73	1,634.21	1.55	--	--	--	--	--
058	144	42.35	10.22	1,501.99	4.88	141	42.60	10.55	1,512.67	4.68
063	277	43.19	14.16	1,458.19	5.39	317	43.00	13.83	1,593.23	5.07
066	2,140	41.50	12.09	1,641.83	3.51	2,972	41.07	11.56	1,778.81	3.04
067	822	41.06	11.95	1,732.74	4.54	823	41.12	11.62	1,779.56	4.31
068	541	42.53	9.99	1,688.63	3.05	505	43.01	10.68	1,862.44	2.85
071	326	41.75	13.76	1,625.26	4.17	319	41.60	13.76	1,776.78	3.90
073	2,307	44.72	15.93	1,630.41	3.13	2,692	44.57	15.22	1,785.47	2.92
080	74	39.05	7.10	1,192.57	3.32	125	38.16	6.14	1,369.07	3.51

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT B (continued)

Comparison of Active Participants by Local

Local	As of December 31, 2009					As of December 31, 2008				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/08
083	279	42.86	14.23	1,696.57	\$6.65	282	42.60	13.83	1,736.37	\$6.24
085	868	40.30	11.82	1,620.58	0.76	914	40.57	12.21	1,810.94	0.65
088	1,400	40.68	9.87	1,605.41	1.69	1,335	40.69	9.97	1,920.60	1.56
091	569	39.53	13.21	1,589.50	3.42	629	38.95	12.57	1,746.20	3.12
100	661	43.04	12.83	1,582.40	4.94	716	42.38	11.86	1,700.23	4.48
103	423	41.99	12.06	1,616.28	1.15	430	41.80	11.84	1,713.87	1.17
104	3,248	41.76	13.18	1,472.72	1.69	3,890	41.71	12.44	1,619.99	1.66
105	3,610	40.10	11.23	1,629.61	2.05	3,845	39.78	10.64	1,746.09	1.90
110	538	43.56	14.84	1,472.44	5.70	638	42.75	13.48	1,709.33	5.15
112	304	42.05	10.92	1,629.01	1.68	284	42.14	11.30	1,771.61	1.71
124	427	40.80	12.06	1,710.31	1.47	477	39.94	11.04	1,780.45	1.36
137	409	42.61	12.03	1,656.28	6.71	446	41.91	11.35	1,843.59	6.12
162	1,053	40.39	11.25	1,515.46	2.06	1,234	40.67	10.92	1,702.60	2.05
170	819	45.31	12.27	1,886.50	1.24	1,044	43.83	10.40	2,063.32	1.27
177	448	40.22	11.39	1,664.23	0.67	560	39.96	10.68	1,760.21	0.71
202	42	47.87	18.88	1,677.86	1.35	112	46.25	13.84	1,759.96	1.21
204 ⁽²⁾	--	--	--	--	--	209	46.95	13.18	1,300.13	1.11
206	398	39.94	10.61	1,638.56	2.99	477	40.17	9.84	1,704.69	2.77
213 ⁽³⁾	--	--	--	--	--	279	41.83	10.32	1,610.97	1.36
214	589	40.78	12.22	1,778.30	1.48	604	40.66	12.02	1,841.28	1.47

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT B (continued)

Comparison of Active Participants by Local

Local	As of December 31, 2009					As of December 31, 2008				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/08
218	325	42.23	14.87	1,514.35	\$2.33	406	41.99	14.25	1,736.26	\$2.31
219	311	41.13	15.05	1,652.35	4.15	379	40.07	13.62	1,749.18	3.76
237	254	51.29	18.99	1,869.27	2.25	294	49.59	16.64	1,927.40	2.10
256	27	51.39	8.29	1,938.22	0.65	29	51.02	7.49	1,721.28	0.61
263	300	39.13	12.35	1,711.74	4.01	314	39.31	12.44	1,902.46	3.79
265	1,500	42.00	14.73	1,462.84	0.79	1,838	40.99	13.49	1,569.85	0.76
268	415	41.89	14.40	1,683.93	3.13	494	41.10	12.57	1,743.13	2.67
270	170	39.76	10.46	1,474.15	3.79	230	38.87	9.06	1,729.98	3.39
273	242	41.00	12.40	1,468.01	2.21	280	40.86	12.25	1,587.13	2.02
276	1	43.75	2.25	2103.00	4.24	--	--	--	--	--
292	212	46.39	18.92	1,295.45	1.38	447	44.00	14.98	1,632.39	1.21
293	11	44.31	7.72	1,425.64	2.83	11	46.49	6.86	1,723.82	2.07
312	954	39.15	11.61	1,765.60	0.26	1,033	38.49	10.85	1,808.94	0.26
359	590	41.86	11.18	1,492.38	1.58	678	41.44	10.36	1,709.75	1.41
361	132	42.83	13.96	1,716.79	4.21	144	43.23	14.12	1,875.75	3.84
367	3	54.42	14.56	1,931.67	0.65	3	53.42	13.56	2,050.67	0.61
399	175	43.66	9.59	1,666.97	4.00	172	42.90	9.47	1,751.67	3.71
435	295	40.00	10.44	1,508.40	3.69	344	39.82	9.16	1,807.55	3.32
441	278	41.21	12.53	1,626.02	3.47	342	40.76	11.22	1,769.06	3.23

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT B (continued)

Comparison of Active Participants by Local

Local	As of December 31, 2009					As of December 31, 2008				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/08
450	124	48.17	15.40	2,325.94	1.95	123	48.90	16.37	2,264.66	\$1.90
464	343	48.36	12.96	1,794.63	0.72	398	47.13	11.11	2,173.85	0.65
480	464	47.44	17.99	1,818.23	1.70	563	45.62	15.81	2,139.84	1.59
555	210	44.85	8.78	1,786.96	0.78	251	43.22	7.10	1,732.83	0.77
565	1	54.67	30.75	1960.00	0.73	--	--	--	--	--
997	25	49.87	9.24	1913.16	4.13	31	49.14	9.16	1,754.26	3.75
Total	<u>62,321</u>	<u>40.87</u>	<u>13.06</u>	<u>1,604.41</u>	<u>\$3.32*</u>	<u>70,448</u>	<u>41.62</u>	<u>12.44</u>	<u>1,741.69</u>	<u>\$3.10*</u>

* Does not reflect contribution rate increases scheduled to occur during the year.

⁽¹⁾Local 055 is a merger of Local 213 and some participants from Local 066

⁽²⁾Local no longer contributing, some participants working in Local 237

⁽³⁾Merged into Local 055

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT C

Summary Statement of Income and Expenses on an Actuarial Basis

	Year Ended December 31, 2009	Year Ended December 31, 2008*
Contribution income:		
Employer contributions and withdrawal liability payments	\$324,650,824	\$376,555,160
Liquidated damages	81,490	48,476
Adjustments for withdrawal liability receivable	41,433	-7,682,166
Less administrative expenses	<u>-12,448,701</u>	<u>-13,710,257</u>
Net contribution income	\$312,325,046	\$355,211,213
Settlement income	168,929	60,584
Investment income:		
Interest and dividends	\$68,842,153	\$78,482,517
Adjustment toward market	403,305,931	-262,170,915
Less investment fees	<u>-8,562,095</u>	<u>-9,961,147</u>
Net investment income	463,585,989	-193,649,545
Total income available for benefits	\$776,079,964	\$161,622,252
Less benefit payments	-\$407,164,638	-\$407,497,609
Change in reserve for future benefits	<u>\$368,915,326</u>	<u>-\$245,875,357</u>

**Reflects Funding Relief*

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT D

Financial Information Table

	Year Ended December 31, 2009	Year Ended December 31, 2008
Cash equivalents	\$49,215,087	\$66,937,021
Accounts receivable:		
Employer contributions	\$41,797,226	\$46,056,499
Accrued interest and dividend	7,510,431	7,623,190
Payment for security sold	44,542,554	223,250,492
Miscellaneous	<u>292,935</u>	<u>552,648</u>
Total accounts receivable	94,143,146	277,482,829
Investments:		
Corporate stocks	\$1,543,232,204	\$890,518,246
Debt securities	437,258,737	444,421,000
Securities loaned to third parties	299,521,743	440,964,122
Real estate	41,985,666	39,685,716
Hedge funds	193,833,741	215,958,632
Limited partnerships and other securities	<u>289,893,625</u>	<u>231,657,927</u>
Total investments at market value	<u>2,805,725,716</u>	<u>2,263,205,643</u>
Total assets	\$2,949,083,949	\$2,607,625,493
Less accounts payable:		
Accounts payable	-\$137,257,477	-\$262,922,888
Medical benefit accounts	<u>-47,498</u>	<u>-38,084</u>
Total accounts payable	-137,304,975	-262,960,972
Net assets at market value	<u>\$2,811,778,974</u>	<u>\$2,344,664,521</u>
Net assets at actuarial value	<u>\$3,416,979,203</u>	<u>\$3,048,063,877*</u>

**Reflects Funding Relief*

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT E

Annual Funding Notice for Plan Year Beginning January 1, 2010 and Ending December 31, 2010

	Funding Percentage		
	2010 Plan Year	2009* Plan Year	2008 Plan Year
Actuarial valuation date	January 1	January 1	January 1
Funded percentage	58.70%	53.02%	52.20%
Value of assets	\$3,416,979,203	\$3,048,063,877	\$3,293,939,234
Value of liabilities	5,820,766,198	5,749,182,057	6,310,819,838

**Revised to reflect Funding Relief*

Fair value of assets as of December 31, 2010	Not available
Fair value of assets as of December 31, 2009	\$2,811,778,974
Fair value of assets as of December 31, 2008	2,344,664,521

Critical or Endangered Status

The Plan was in critical status in the plan year because there was a projected funding deficiency in three years (one year without the 5-year amortization extension). In an effort to improve the Plan's funding situation, the Trustees have adopted a Rehabilitation Plan, which reduced participants' benefits and required contribution rate increases under some schedules.

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT F

Reorganization

Under the reorganization provisions of the IRC, the Minimum Contribution Requirement (MCR) is calculated as the amount that amortizes the unfunded liability for current pensioners over ten years and the unfunded vested liability for non-pensioners over 25 years. The MCR is applicable only if this amount is larger than the Funding Standard Account requirement before the application of the credit balance.

For the year beginning January 1, 2010, the MCR does not exceed the Funding Standard Account requirement before the application of the credit balance, and is therefore not applicable for the current year. If the MCR is applicable, the Plan is said to be “in reorganization.” When a plan is in reorganization, contribution requirements are greater than the normal ERISA funding requirements, a plan must give notice to its participating employers and union(s) that it is in reorganization, cut-backs in recent benefit increases are permitted and any new benefit increases must be adequately funded. We are prepared to discuss the implications of reorganization status in more detail.

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT G

Maximum Deductible Contribution

Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.

One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This is the limit that applies to your Plan as shown below.

Contributions received by the Plan in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.

You should review with Fund Counsel the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts.

This chart presents the calculation of the maximum deductible contribution for the January 1, 2010 - December 31, 2010 year.

Maximum Deductible Contribution

1.	Normal cost, including administrative expenses	\$126,810,416
2.	Amortization of unfunded actuarial accrued liability	325,765,524
3.	Preliminary maximum deductible contribution: (1) + (2), with interest to the end of the plan year	486,519,135
4.	Full-funding limitation (FFL)	5,047,543,072
5.	Preliminary maximum deductible contribution, adjusted for FFL: lesser of (3) and (4)	486,519,135
6.	Current liability for maximum deductible contribution, projected to the end of the plan year	9,184,352,228
7.	Actuarial value of assets, projected to the end of the plan year	3,218,373,934
8.	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	9,639,719,186
9.	End of year minimum required contribution	146,737,320
10.	Maximum deductible contribution: greatest of (5), (8), and (9)	<u>\$9,639,719,186</u>

SECTION 3: Supplementary Information for the Sheet Metal Workers' National Pension Fund

EXHIBIT H

Section 415 Limitations

Section 415 of the Internal Revenue Code specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan. If an individual is covered solely by multiemployer plans, the plans do not have to be combined for any of the limits. If the individual is covered by a single-employer plan, all plans maintained by the same employer are combined in applying these tests. Multiemployer plan benefits do not need to be combined with single-employer plan benefits in testing against the pay-based limit.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification; the plan could lose its tax exemption, employers could lose their deductions and active participants could be taxed on their vested benefits.

In particular, Section 415(b) of the IRC as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) limits the maximum annual benefit payable at age 62 to a dollar limit of \$160,000 indexed for inflation. The dollar limit indexed for inflation has remained unchanged at \$195,000 for 2009 and 2010. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances for such things as age at retirement and form of benefits chosen.

While the actual determination of the exact limits applicable to each participant's benefit can only be done when the individual retires and applies for benefits, the overall impact of the Section 415 dollar limits has been reflected in this valuation for plan funding purposes, based on our understanding of the requirements of IRC Sections 404, 412, and 415 and the data available to us.

Fund Counsel's review and interpretation of the law and regulations must be sought in this area as well.

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Contents

EXHIBIT I	Statement of Actuarial Assumptions/Methods
EXHIBIT II	Summary of Plan Provisions

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

EXHIBIT I

**Statement of Actuarial Assumptions/Methods
(Schedule MB, line 6)**

Mortality Rates: Healthy: RP-2000 Combined Healthy Blue Collar Mortality Table
 Disabled: RP-2000 Combined Healthy Blue Collar Mortality Table for males, with participants under age 60 set forward to age 65 and participants over age 60 set forward 5 years

Termination Rates Before Retirement:

Age	Rate (%)				
	Mortality		Disability	Withdrawal*	
	Male	Female		Construction	Production
20	0.03	0.02	0.05	6.53	7.89
25	0.04	0.02	0.05	5.22	7.67
30	0.07	0.03	0.05	4.78	7.17
35	0.11	0.05	0.06	4.41	6.22
40	0.14	0.09	0.09	3.75	5.06
45	0.18	0.14	0.18	3.03	3.80
50	0.24	0.20	0.40	1.12	2.16
55	0.42	0.28	0.85	0.33	0.94
60	0.83	0.49	1.74	0.00	0.09

**Withdrawal rates cut out upon eligibility for early retirement*

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Retirement Rates	Age	Rate (%)
	55	10
	56-58	2
	59	8
	60-61	15
	62-69	50
	70	100

Upon eligibility for the 55/30 Pension, the rates until age 62 are the maximum of 15% or the above rates plus 5%, with 30% in the first year of eligibility.

Description of Weighted Average Retirement Age:

Age 61, determined as follows: The overall weighted retirement age is the average of the individual retirement ages, assuming no other decrements, based on all the active participants included in the January 1, 2010 actuarial valuation.

Retirement Age for Inactive Vested Participants:

65

Future Benefit Accruals:

For Construction employees: 1,650 hours per year
 For Production employees: 1,700 hours per year
 The Rehabilitation Plan schedule covering each participant is assumed to remain unchanged.

Unknown Data for Participants:

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Definition of Active Participants:

Employees with at least 435 hours in the most recent plan year and who have accumulated at least one year of vesting service, excluding those who have retired as of the valuation date.

Exclusion of Inactive Vested:

Liabilities for inactive participants over the age of 70 are excluded from the valuation.

Percent Married:

80%

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Age of Spouse: Females are 3 years younger than males.
Benefit Election: Married participants are assumed to elect the 50% Joint and Survivor annuity with a pop-up feature, and non-married participants are assumed to elect the Life Annuity.

Net Investment Return: 7.50%
Annual Administrative Expenses: \$14,000,000, payable beginning of the year, for the year beginning January 1, 2010 (equivalent to \$14,556,165 payable monthly throughout the year)
Actuarial Value of Assets: The market value of assets less unrecognized returns in each of the last five years, no earlier than January 1, 2007. Unrecognized return is equal to the difference between the actual market return and the projected return on the market value, and is recognized (20% per year) over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value. The actuarial value is initialized at market value as of January 1, 2007.

Actuarial Cost Method: Unit Credit Actuarial Cost Method. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis.

Benefits Valued: Unless otherwise indicated, includes all benefits summarized in Exhibit VIII.

Current Liability Assumptions:
Interest 4.58%
Mortality Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1, using the static tables with separate tables for annuitants and nonannuitants (RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants)

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

**Elections under the Preservation
of Access to Care for Medicare
Beneficiaries and Pension
Relief Act of 2010:**

The results reflect the following elections made by the Board of Trustees as permitted under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. The plan actuary has certified to the Plan Sponsor on October 5, 2010 that the Plan is projected to have sufficient assets to timely pay expected benefits and anticipated expenditures over the amortization period, taking into account the changes in the funding standard account elected.

*Extended Amortization of
Net Investment Losses
(IRC Section 431(b)(8)(A))*

A pool was established for the market value investment loss for the Plan Year ended December 31, 2008. This pool is equal to the difference between the actual market return and the expected market return at the actuarially assumed rate for that year. For the first year and any subsequent year in which there is an investment loss on an actuarial basis, to the extent that that loss does not exceed the value of the remaining pool, it will be amortized over the remainder of the 30-year period beginning with the year of the investment loss. The overall experience gain or loss base for the year will be adjusted to reflect this separate treatment of the investment loss. Each year the pools will be reduced by the amount of the investment loss and adjusted by interest at the actuarially assumed rate.

*Expanded Smoothing Period
(IRC Section 431(b)(8)(B))*

The asset valuation method has been changed as follows: the difference between expected and actual returns for the Plan Year ended December 31, 2008 is recognized over a period of 10 years, and the upper limit on the actuarial value of assets for the plan years beginning January 1, 2009 and 2010 has been increased to 130% of market value. The base established due to the initial effect of this change is amortized over 30 years.

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Estimated Rate of Investment Return:

<i>On actuarial value of assets (Schedule MB, line 6g):</i>	15.4%, for the Plan Year ended December 31, 2009
<i>On current (market) value of assets (Schedule MB, line 6h):</i>	24.5%, for the Plan Year ended December 31, 2009

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

EXHIBIT II

**Summary of Plan Provisions
(Schedule MB, line 6)**

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	January 1 through December 31
Pension Credit Year:	January 1 through December 31
Plan Status:	Ongoing plan

Regular Pension:

Age Requirement 65

Service Requirement 5 years of participation in the Plan

Amount

For Service on and after December 1, 2007:

Employers that have not made required contribution rate increases: Same as accrual for service after August 31, 2003

Employers that have made required contribution rate increases: For participants in non-55/30 Locals, the total contribution rate (including amounts previously considered supplemental) is subject to benefit accruals. For participants in 55/30 Locals, 70% of the total contribution rate is subject to benefit accruals. The benefit formula is 1.5% of contributions up to 1,200 hours, plus 0.7% of contributions in excess of 1,200 hours. The 1.5% multiplier is applied to the first 1,200 hours at the highest contribution rate in effect during the Plan year.

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

For Service after August 31, 2003 and before December 1, 2007:

Highest 1,400 Contribution Hours annually earn 0.86% (12/1400) times applicable contributions made on a participant's behalf. Remaining Contribution Hours earn 0.3% times applicable contributions made on a participant's behalf.

Supplemental accruals:

Locals are required to increase their contribution rates by 10% annually for eligibility. Participants of Locals that make the required increases earn a supplemental accrual that brings the total accrual to twice the normal rate in the year following the increase.

For Service after December 31, 1999 and before September 1, 2003:

Highest 1,400 Contribution Hours annually earn 1.7142% (24/1400) times applicable contributions made on a participant's behalf. Remaining Contribution Hours earn 0.6% times applicable contributions made on a participant's behalf.

For Service Before January 1, 2000:

Benefit accrued according to the rules of the Plan in effect on December 31, 1999

Past Service:

\$10.00 for each year of Past Service Credit, if any, up to 10 years

Early Pension:

Age Requirement

55

Service Requirement

Fulfill any one of the following:

- a. 10 years of Pension Credits, including at least 5 years of Future Service, or
- b. 10 years of Vesting Service, or
- c. 15 years of Pension Credits, including at least 1 year of Future Service Credit

Amount

Accrued benefit, reduced by 3% per year from age 65 to age 62, and 6% per year from age 62 to age 55

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Special Early Retirement:

<i>Age Requirement</i>	55
<i>Service Requirement</i>	The earliest date of the following: a. 10 years of Pension Credits, including at least 5 years of Future Service Credit, or b. 10 years of Vesting Service, or c. 15 years of Pension Credits, including at least 1 year of Future Service Credit
<i>Active Service Requirement</i>	Complete at least 3,500 hours of work in covered employment during the 5 consecutive calendar years immediately preceding retirement
<i>Amount</i>	Accrued benefit, reduced by 3% per year from age 62 to age 60, and 6% per year from age 60 to age 55

55/30 Pension:

<i>Eligibility Requirements</i>	Age 55 with 30 years of Future Service Credit, 24 months of Future Service Credit at a 55/30 Contribution Rate, at least 60 months of the last 120 months of Future Service Credit subject to a 55/30 Contribution Rate, and at least 3,500 hours of work in covered employment during the 5 consecutive calendar year immediately preceding retirement
<i>Amount</i>	Normal Retirement benefit amount, with 80% of non-supplemental contributions through November 30, 2007 (including the 55/30 Contributions) and 70% of all contributions on and after December 1, 2007 subject to benefit accruals

Total Disability:

<i>Age Requirement</i>	Less than Normal Retirement Age
<i>Service Requirement</i>	10 years of Credited Service, including at least five years of Future Service Credit and worked at least 435 hours in the 24 month period immediately preceding the date of disablement
<i>Amount</i>	Accrued benefit as if eligible for an Early Retirement benefit, payable beginning in the seventh month of disability

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Vesting:

<i>Age Requirement</i>	None
<i>Service Requirement</i>	5 years of Vesting Service
<i>Amount</i>	Normal pension accrued, based on plan in effect when last active
<i>Normal Retirement Age</i>	65

Pre-Retirement Death Benefit:

Husband and Wife:

<i>Eligibility</i>	Vested
<i>Amount</i>	50% of the monthly benefit the participant would have received had he/she terminated employment on his/her date of death and survived to his/her Early Retirement Date (or any later date elected by the spouse), retired and elected to receive benefits in the Normal Form of payment
<i>When Paid</i>	The later of immediately or the month in which the Participant would have attained his/her earliest retirement age

Lump Sum (if Husband and Wife Death Benefit is not payable):

<i>Eligibility</i>	At least 435 hours within 24-month period preceding death, or 60 months of Future Service Credit that has not been lost due to a Break in Service
<i>Amount</i>	50% of contributions made on behalf of the employee, up to \$5,000. The value of the Lump Sum shall not be less than the actuarial equivalent of the Spouse's monthly benefit otherwise payable.

Post-Retirement Death Benefit:

<i>50% Joint and Survivor</i>	If married, pension benefits are paid in the form of a 50% joint and survivor annuity unless the participant and spouse reject this form. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If not rejected, and the spouse predeceases the employee, and the employee retired on July 1, 1999 or later, the employee's benefit amount will subsequently be increased to the unreduced amount payable had the joint and survivor coverage been rejected. If rejected, or if not married, benefits are payable for the life of the employee, or in any other available optional form elected by the employee in an actuarially equivalent amount.
-------------------------------	---

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

60 Payment Guarantee

If the member has completed at least 15 years of Pension Credits before retirement and died within 5 years after retirement (if married, and taking Husband and Wife pension, the spouse also died prior to receiving an amount equal to 60 times the amount of the pension the participant had been entitled), the pension benefit will continue to be paid to the participant's designated beneficiary until a total of 60 months payments had been made.

Optional Forms of Payment:

The normal forms of payment are:

- Single life annuity for single participants, and
- 50% joint and survivor annuity with a "pop-up" feature for married participants

The optional forms of payment are:

- Single life annuity with 60 months guaranteed
- Single life annuity with 60 months guaranteed
- Single life annuity with 120 months guaranteed
- 50% joint and survivor annuity with a "pop-up" feature and 60 months guaranteed
- 75% joint and survivor annuity with a "pop-up" feature
- 100% joint and survivor annuity with and without a "pop-up" feature
- Social Security level income option, assuming Social Security benefits start at either age 62 or age 65
- 50% joint and survivor annuity with a "pop-up" feature, with the Social Security level income option, assuming Social Security benefits start at either age 62 or age 65

Note that some of these payment forms are not payable because the Plan is in Critical status. See the summary of the Rehabilitation Plan for details.

Participation:

After completion of 870 hours during a calendar year.

Past Service Credit:

Service granted on the basis of days worked or amount earned in covered employment in calendar years prior to a participant's Contribution Date

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Future Service Credit: Service granted on the basis of hours of work in a calendar year after a Participant’s Contribution Date in accordance with the following schedule:

<u>Months of Future Service Credit</u>	<u>Hours of Work in Covered Employment During Calendar Year</u>
0	Less than 100
1	100 - 199
2	200 - 299
3	300 - 399
4	400 - 499
5	500 - 599
6	600 - 699
7	700 - 799
8	800 - 899
9	900 - 999
10	1,000 - 1,099
11	1,100 - 1,199
12	1,200 & Over

Pension Credit: Sum of the Past Service Credit and Future Service Credit (excluding service lost under the Plan’s break in service rules)

Vesting Credit: 870 or more hours of work within a Plan year earns one year of Vesting Service

Contribution Rate: Varies from \$0.05 to \$10.70 per hour as of the valuation date. The average rate is \$3.32 per hour as of January 1, 2010. 2.5% of employer contributions are allocated to 401(h) Medical Accounts but are subject to pension benefit accruals.

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Cost of Living Increases:

<i>Eligibility</i>	Pensioners and beneficiaries whose local contribution rate was increased by 1 cent for each 12 cents of contribution rate in effect as of December 31, 1990 and who separated after December 31, 1990.
<i>Amount</i>	An annual supplement equal to 2% of the participant's total monthly payments for the 12 months immediately preceding the allocation date, multiplied by the number of whole years preceding the allocation date that the participant has received benefits, up to a maximum of 15 years. If the participant has elected a level income option, the 2% factor is applied to the benefit prior to the adjustment for the form of payment. Effective July 1, 1995, COLA benefits have been eliminated for benefits accrued after June 30, 1995.

Plan Provisions for Active Participants Under Bargaining Agreements with Rehabilitation Plan Schedules in Effect

<i>Normal Pension Amount Under the Default Schedule</i>	If a participant's employer elects the Default Schedule under the Rehabilitation Plan, benefit accruals on and after the election date will equal the lesser of 1% of all contributions required to be made on the participant's behalf and the accrual rate in effect when the Default Schedule was adopted.
<i>Early Retirement Amount</i>	Accrued benefit, reduced by 6% per year from age 65 to age 55
<i>Special Early Retirement Under the Default Schedule</i>	Pension is not available.
<i>Special Early Retirement Amount Under the Alternative Schedule</i>	Accrued benefit, reduced by 6% per year from age 62 to age 55
<i>55/30 Pension Amount Under the Default Schedule</i>	Pension is not available.

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Disability Amount Benefit payable as if the participant were age 55 and had elected the greatest retirement benefit (i.e., Early Retirement, Special Early Retirement or 55/30 Pension) for which the participation is eligible. Pension payments begin in the seventh month of disability.

Optional Forms of Payment The following optional forms of payment were eliminated under each schedule:

- Single life annuity with 120 months guaranteed
- Social Security level income option, assuming Social Security benefits start at either age 62 or age 65
- 50% joint and survivor annuity with a “pop-up” feature, with the Social Security level income option, assuming Social Security benefits start at either age 62 or age 65

*Contribution Rate Increases
Scheduled for Employers Who
Elected the Alternative Schedule*

<u>Year</u>	<u>Scheduled Increase</u>
2010-11*	7%
2011-12*	7%
2013-14*	7%
2015-17*	7%

** Will be recognized in future valuations*

Cost of Living Increases Benefit is not available.

**Plan Provisions Under the
Rehabilitation Plan for Inactive
Participants Not in Pay Status
as of March 1, 2008:**

Early Retirement Amount Accrued benefit, actuarially reduced from age 65 to age 55

Special Early Retirement Pension is not available.

55/30 Pension Amount Pension is not available.

Cost of Living Increases Benefit is not available.

SECTION 4: Actuarial Information for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463 / PN 001

Form of Payment

Effective January 1, 2010, current and future inactive vested participants are no longer eligible to receive a single life annuity with 60 months guaranteed or a 50% joint and survivor annuity with “pop-up” feature.

Plan Provisions Under the Rehabilitation Plan for Inactive Participants in Pay Status as of March 1, 2008:

Cost of Living Increases

All COLA benefits are equal to the amount payable as of December 31, 2002.

Changes in Plan Provisions:

Under the updated Rehabilitation Plan, effective January 1, 2010, current and future inactive vested participants are no longer eligible to receive a single life annuity with 60 months guaranteed or a 50% joint and survivor annuity with “pop-up” feature.

Contribution rates increased in accordance with the Rehabilitation Plan. Since benefit accruals are tied directly to contribution rates, the contribution rate increases are treated as a Plan change. The average contribution rate increased from \$3.10 per hour as of January 1, 2009 to \$3.32 per hour as of January 1, 2010. The average rate for 2010, including reported bargained increases, is \$3.35.

5136882v1/04287.001