

Sheet Metal Workers' National Pension Fund

Actuarial Valuation and Review as of
January 1, 2011

This report has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

Copyright © 2011 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

October 14, 2011

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

Dear Trustees:

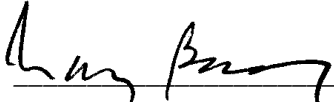
We are pleased to submit the Actuarial Valuation and Review as of January 1, 2011. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the certification that is required to be filed with federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office, under the direction of Ms. Debbie Elkins. 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. 2011 Actuarial Status (Zone) Certification	1-3
C. Funded Percentage and Funding Standard Account .	1-3
D. Cash Flow Sufficiency	1-4
E. Withdrawal Liability	1-4
Summary of Key Valuation Results.....	1-5
Comparison of Funded Percentages	1-6

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. Cash Flow	2-16
F. Summary of Contribution Requirements	2-17
G. Pension Protection Act of 2006 (PPA'06)	2-20
H. Disclosure Requirements ..	2-22
I. Withdrawal Liability	2-25

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	3-6
EXHIBIT D Financial Information Table	3-7
EXHIBIT E Annual Funding Notice	3-8
EXHIBIT F Reorganization.....	3-9
EXHIBIT G Maximum Deductible Contribution.....	3-10
EXHIBIT H Section 415 Limitations.....	3-11

SECTION 4

CERTIFICATE OF ACTUARIAL VALUATION

EXHIBIT I Summary of Actuarial Valuation Results	4-3
EXHIBIT II Information on Plan Status as of January 1, 2011	4-4
EXHIBIT III Schedule of Active Participant Data	4-5
EXHIBIT IV Funding Standard Account	4-6
EXHIBIT V Current Liability	4-13
EXHIBIT VI Actuarial Present Value of Accumulated Plan Benefits....	4-14
EXHIBIT VII Statement of Actuarial Assumptions/Methods	4-16
EXHIBIT VIII Summary of Plan Provisions .	4-21

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 funding standard requirements is called the credit balance. If actual contributions fall short of the minimum funding standard requirement on a cumulative basis, a funding deficiency has occurred.

➤ **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. In some situations, a plan may be faced with insufficient assets to cover its current obligations and will need PBGC assistance.

The current year's actuarial valuation results follow.

The actuarial valuation report as of January 1, 2011 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. The active population decreased 10.2% from the prior year (20.6% over the past two years) and is currently at its lowest level in the past 10 years, while the number of inactive participants is at its highest level during the same time. If this trend continues, the financial health of the Plan will be less sensitive to changes in the contribution rates and more reliant on asset performance.
2. The market value rate of return during the Plan year ended December 31, 2010 was 14.48%. However, due to the deferral of gains and losses based on the asset smoothing method, the actuarial value rate of return was 6.25%. The actuarial value of assets as of January 1, 2011 (\$3.51 billion) represents 113.4% of the market value of assets (\$3.10 billion).
3. The Default Schedule of the Rehabilitation Plan was updated. Effective January 1, 2011, all early retirement subsidies were eliminated and 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.
4. As of January 1, 2011, 22.8% of active participants were covered by the Default Schedule of the Rehabilitation Plan, while 77.2% were covered by the Alternative Schedule. The prior year breakdown was 22.5% and 77.5%, respectively.
5. Contribution rates increased in accordance with the Alternative Schedule of 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 effective through the valuation date. The average contribution rate increased from \$3.32 per hour as of January 1, 2010 to \$3.61 per hour as of January 1, 2011.
6. Detailed experience analysis covering the 2006-2010 Plan Years was completed in conjunction with this valuation. Based on the results of that analysis, the following assumptions were changed effective January 1, 2011 for funding purposes and December 31, 2010 for withdrawal liability purposes:
 - The healthy mortality assumption was updated to the RP-2000 Combined Healthy Blue Collar Mortality Table with generational projection.
 - Withdrawal rates for both Construction and Production employees were increased at all ages.
 - Retirement rates were adjusted for both participants eligible and not eligible for the 55/30 Pension.
 - Disability rates were lowered by 25% at all ages.The details of the assumption changes are shown in Section 4, Exhibit VII.

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

B. 2011 ACTUARIAL STATUS (ZONE) CERTIFICATION

1. The 2011 certification, issued March 31, 2011, was based on the liabilities calculated in the 2010 actuarial valuation, projected to December 31, 2010, and estimated asset information as of December 31, 2010. This Plan was classified as critical (“*Red Zone*”) status because there was a projected funding deficiency in the Funding Standard Account within one year, disregarding the five-year amortization extension, and within seven years recognizing the amortization extension.

In addition, the certification included a statement that the Plan was not making scheduled progress in meeting the requirements of the Rehabilitation Plan. We will continue to work with the Trustees to assist in their review of the Rehabilitation Plan.

2. The Plan has been in critical status since 2008. The Trustees have adopted and updated a Rehabilitation Plan that was projected to allow the Plan to emerge from critical status by the end of the 13-year Rehabilitation Period.

C. FUNDED PERCENTAGE AND FUNDING STANDARD ACCOUNT

1. Based on this January 1, 2011 actuarial valuation, the funded percentage as of that date is 57.8%. This will be reported on the 2011 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, 2010 was \$173.7 million, a decrease of \$33.5 million from the prior year. PPA '06 requires plan sponsors to monitor the projected FSA credit balance.
3. A projection of the Funding Standard Account (recognizing the five-year amortization extension) indicates the credit balance will be depleted in the Plan year ending December 31, 2017, assuming future market returns of 7.50% per year, administrative expenses increase by 3% per year, all other experience emerges as projected, no future changes in Plan provisions and based on the Trustees' industry activity assumption used for the 2011 zone certification. Future contribution rate increases are based on current collective bargaining agreements. This projection takes into consideration all deferred net investment gains and losses.

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

D. 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 thirty years, assuming experience is consistent with the assumptions. If requested by the Trustees, we can perform additional projections of the financial situation of the Plan.

E. 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.

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

SUMMARY OF KEY VALUATION RESULTS

	2011	2010
Certified Zone Status	<i>Critical</i>	<i>Critical</i>
Assets:		
Market value of assets (MVA)	\$3,096,308,958	\$2,811,778,974
Actuarial value of assets (AVA)	3,512,613,358	3,416,979,203
Cost Elements on a Funding Standard Account Basis:		
Normal cost, including administrative expenses	\$127,065,580	\$126,810,416
Actuarial accrued liability	6,073,684,438	5,820,766,198
Unfunded actuarial accrued liability (based on AVA)	2,561,071,080	2,403,786,996
Statutory Funding Information:		
Minimum funding standard requirement ¹	\$197,102,919	\$146,737,320
Maximum deductible contribution	9,749,767,115	9,639,719,186
Expected contributions for coming Plan Year	338,786,345	344,633,572
Actual contributions	-	312,257,493
Annual Funding Notice percentage	57.8%	58.7%
Funding Standard Account deficiency projected in Plan Year ending ²	2017	2017
Demographic Data:		
Number of active participants	55,940	62,321
Number of inactive participants with vested rights	33,749	30,569
Number of retired participants and beneficiaries	45,281	44,444

¹ Amount required to maintain a \$0 credit balance

² Contribution rate increases are based on current collective bargaining agreements; recognizes the 5-year amortization extension

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

COMPARISON OF FUNDED PERCENTAGES

	2011		Funded Percentages as of January 1	
	Liability	Assets	2011	2010
1. Present Value of Future Benefits	\$7,107,667,068	\$3,512,613,358	49.4%	49.3%
2. PPA'06 Liability and Annual Funding Notice	6,073,684,438	3,512,613,358	57.8%	58.7%
3. Accumulated Benefits Liability	6,073,684,438	3,096,308,958	51.0%	48.3%
4. Current Liability	9,133,666,845	3,096,308,958	33.9%	31.3%

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 participants. 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 4.47% for 2011 and 4.58% for 2010, 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 10.2% from the prior year (20.6% over the past two years) and is currently at its lowest level in the past 10 years, while the number of inactive participants is at its highest level during the same time. If this trend continues, the financial health of the Plan will be less sensitive to changes in the contribution rates and more reliant on asset performance.

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: 2001 – 2010

Year Ended December 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
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
2010	55,940	33,749	45,281	1.41

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 55,940 active participants with an average age of 42.2 and average pension credits of 13.7. This compares to 41.9 and 13.1, respectively, for the 62,321 active participants in the prior year.

Among active participants, there were 184 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 33,749 inactive vesteds, versus 30,569 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, 2010

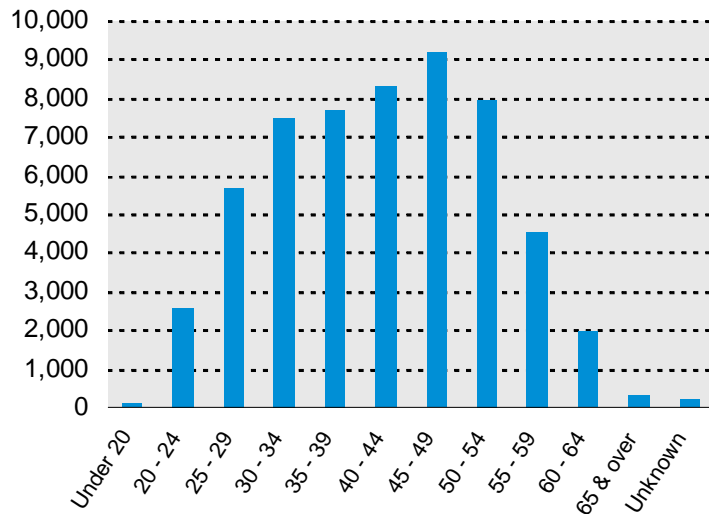
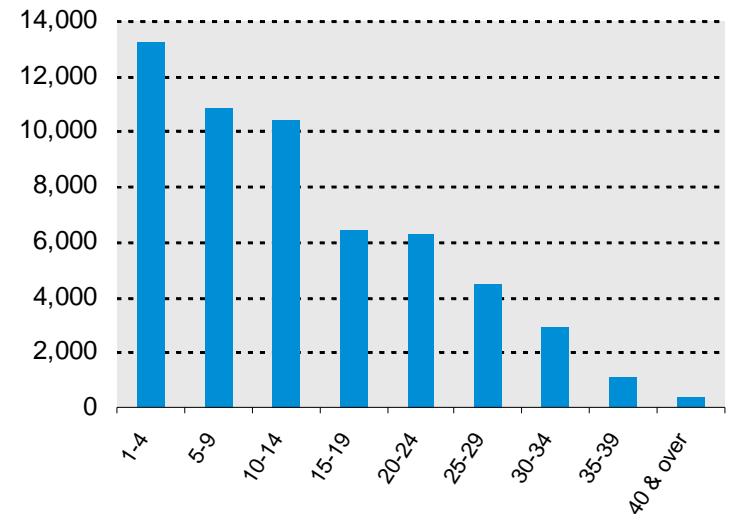


CHART 3
Distribution of Active Participants by Pension Credits as of December 31, 2010



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

Pensioners and Beneficiaries

During the fiscal year ended December 31, 2010, there were 1,909 pensions awarded, as detailed in this chart. The average monthly pension awarded, after adjustment for optional forms of payment, was \$868. 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: 2001 – 2010

Year Ended December 31	Total		Normal		55/30		Early		Disability	
	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
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	273	\$3,081	1,492	1,043	298	918
2004	2,414	1,289	272	497	523	2,713	1,362	981	257	864
2005	1,992	1,163	215	499	380	2,569	1,247	895	150	777
2006	1,875	1,110	237	523	307	2,553	1,114	898	217	794
2007	1,934	1,113	300	594	336	2,404	1,079	896	219	907
2008	1,763	951	267	594	214	2,343	1,194	798	88	740
2009	1,765	838	230	756	175	2,353	1,276	664	84	542
2010	1,909	868	152	795	200	2,516	1,451	673	106	523

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

As of this year's valuation date, 36,892 pensioners and 8,371 beneficiaries were receiving total monthly benefits of \$34,421,039 (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 36,408 pensioners and 7,999 beneficiaries receiving monthly benefits of \$33,958,776 (including one-twelfth of annual COLA payments, rolled back to the levels in effect December 31, 2002). There were 18 suspended pensioners in this valuation compared with 37 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, 2010

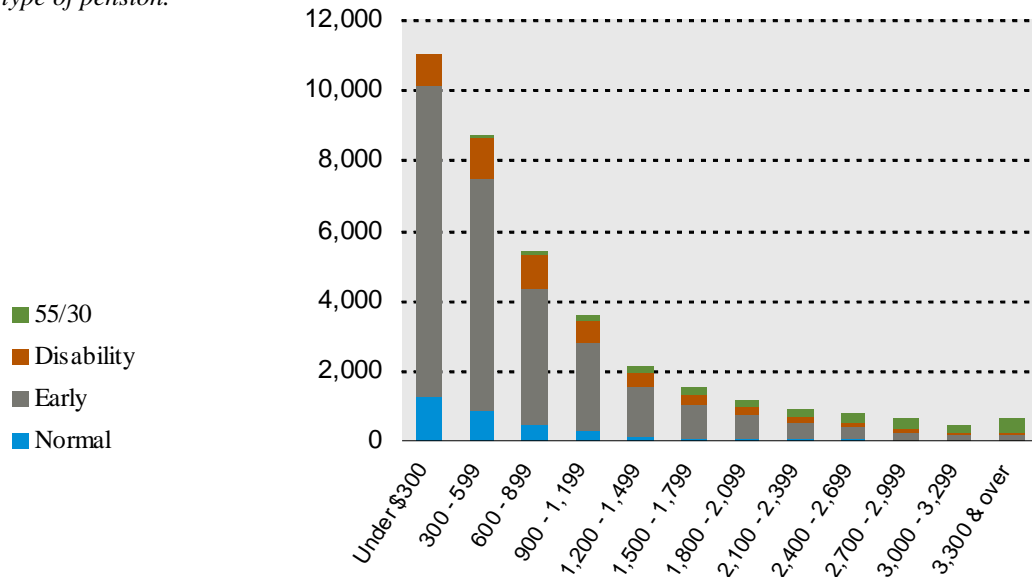
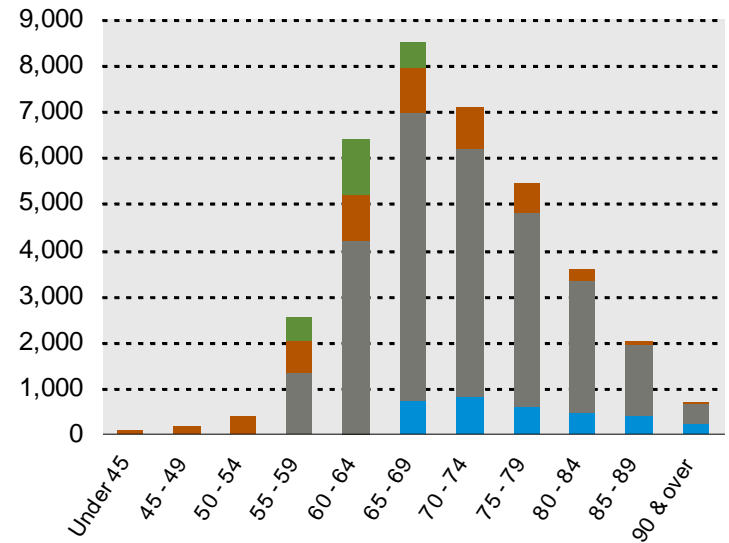


CHART 6
Distribution of Pensioners by Type and by Age as of December 31, 2010



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

In Chart 7, additions to the pension rolls include new pensions awarded. Terminations include pensioners who died or were suspended during the prior plan year, less suspended pensioners who have been reinstated. 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: 2001 – 2010

Year Ended December 31	Additions	Terminations	In Payment Status at Year End		
			Number	Average Age	Average Amount
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
2010	1,909	1,425	36,892	71.2	850

* 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.

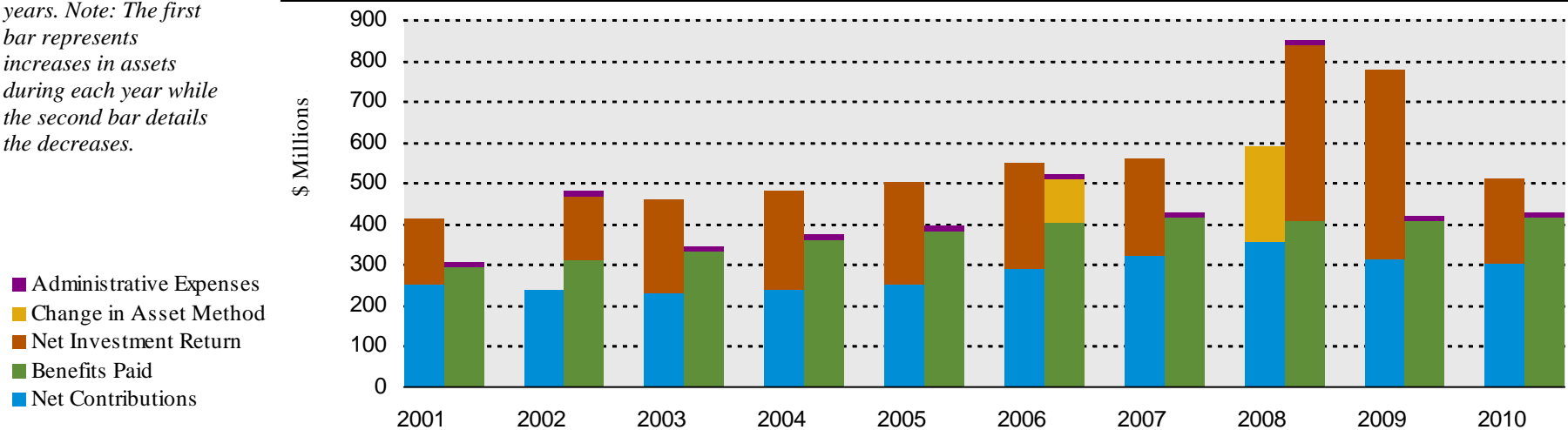
Benefit payments during the year totaled \$415,170,187. They are projected to increase to \$511,833,109 ten years from now. To the extent that future contributions are projected to be less than benefit payments, investment earnings or fund assets will be needed to cover the shortfall.

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.

Our projections show the Plan is not expected to be insolvent within seven years. We will continue to monitor the plan solvency.

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, 2001 – 2010



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, 2010.

CHART 9

Determination of Actuarial Value of Assets as of December 31, 2010

1	Market value of assets, December 31, 2010			\$3,096,308,958
2	Calculation of unrecognized return	Original <u>Amount*</u>	Unrecognized <u>Return**</u>	
	(a) Year ended December 31, 2010	\$192,248,053	\$153,798,443	
	(b) Year ended December 31, 2009	389,485,427	233,691,256	
	(c) Year ended December 31, 2008	-1,151,332,711	-805,932,898	
	(d) Year ended December 31, 2007	10,693,995	2,138,799	
	(e) Year ended December 31, 2006	N/A	<u>N/A</u>	
	(f) Total unrecognized return			-416,304,400
3	Preliminary actuarial value: (1) - (2f)			3,512,613,358
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2010: (3) + (4)			<u>\$3,512,613,358</u>
6	Actuarial value as a percentage of market value: (5) ÷ (1)			113.4%
7	Amount deferred for future recognition: (1) - (5)			-\$416,304,400

* Total return minus expected return on a market value basis

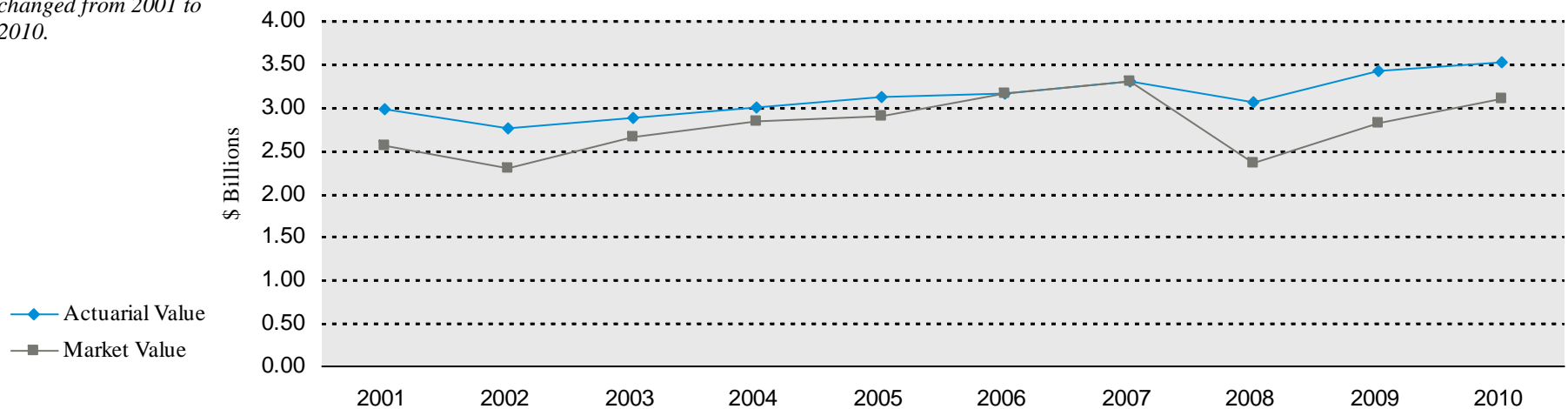
** Recognition at 20% per year over 5 years, except for the amount in the year ended December 31, 2008, which is recognized at 10% per year over 10 years due to Funding Relief

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 Subsection F.

This chart shows how the actuarial value of assets and the market value of assets have changed from 2001 to 2010.

CHART 10
Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2001 - 2010



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 assumption for projecting contribution income 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 2011 actuarial certification was that the active population in the 2010 valuation would decline by 9.7% as of December 31, 2010, decline by 1% as of December 31, 2011, and remain level thereafter. On the average, contributions would be made for each active for 1,650 hours each year.

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

CHART 11
Employment History: 2001 - 2010

Year Ended December 31	Total Hours of Contributions		Active Participants		Average Hours of Contributions	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
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%
2010	92,405,745	-11.2%	55,940	-10.2%	1,652	-1.1%
Five-year average hours:					1,750	
Ten-year average hours:					1,740	

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 \$5,940,899,446 as of December 31, 2010, the net experience variation 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, 2010

1	Net loss from investments*	-\$42,037,793
2	Net gain from administrative expenses	2,637,555
3	Net gain from other experience	<u>12,322,909</u>
4	Net experience loss: (1) + (2) + (3)	<u>-\$27,077,329</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 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 loss due to investment experience.

CHART 13
Actuarial Value Investment Experience for the Year Ended December 31, 2010

1	Net investment income	\$209,948,846
2	Average actuarial value of assets	3,359,821,858
3	Rate of return: (1) ÷ (2)	6.25%
4	Assumed rate of return	7.50%
5	Expected net investment income: (2) x (4)	\$251,986,639
6	Actuarial loss: (1) – (5)	<u>-\$42,037,793</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 ten 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: 2001 - 2010

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	Amount	Percent	Amount	Percent
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%	-496,637,367	-15.20%	234,466,452	7.17%	-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%
2010	55,664,930	1.66%	154,283,916	4.59%	--	--	209,948,846	6.25%	398,844,675	14.48%
Total	\$676,016,615		\$787,704,226		\$127,822,238		\$1,591,543,079		\$1,397,982,129	
							Five-year average return:	5.50%		4.69%
							Ten-year average return:	5.30%		5.18%
							Fifteen-year average return:	6.58%		6.29%

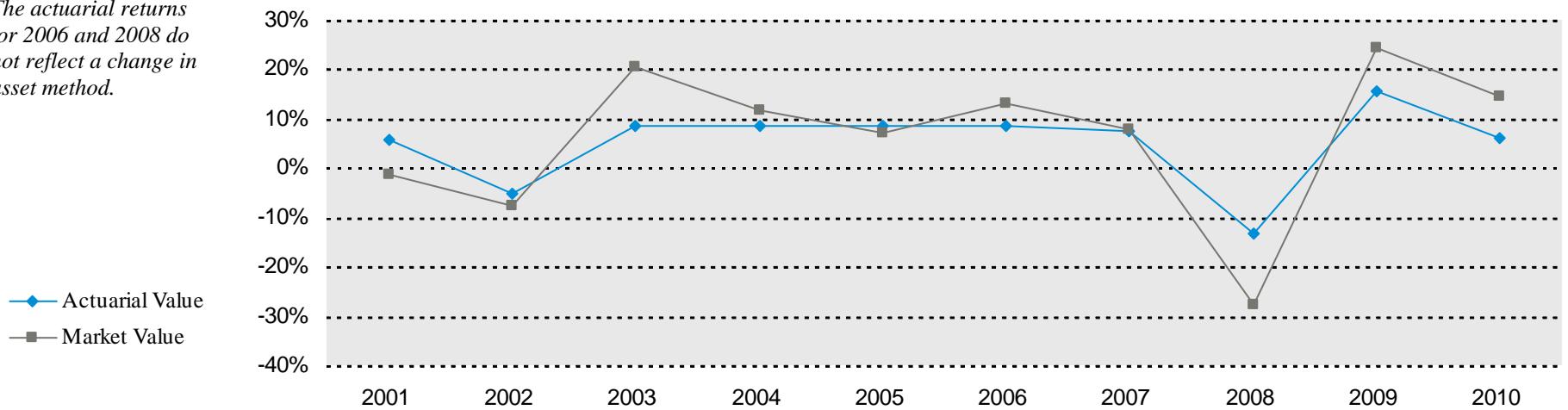
Note: Each year's yield is weighted by the average asset value in that year.

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 actuarial returns for 2006 and 2008 do not reflect a change in asset method.

CHART 15
Market Value and Actuarial Rates of Return for Years Ended December 31, 2001 - 2010



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

Administrative Expenses

Administrative expenses for the year ended December 31, 2010 totaled \$12,005,156, compared to the assumption of \$14,000,000 as of the beginning of the year (\$14,556,165 payable monthly). This resulted in a gain of \$2,637,555 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 \$12,322,909 for the last plan year. This was primarily the net result of fewer retirements and more terminations than expected among active participants, and fewer deaths than expected among retired participants.

Detailed experience analysis covering the 2006-2010 Plan Years was completed in conjunction with this valuation. Based on the results of that analysis, the following experience was revealed and assumptions were changed effective January 1, 2011 for funding purposes and December 31, 2010 for withdrawal liability purposes:

- On average, the actual number of deaths among healthy participants was 5% less than expected over the five-year period. Based on these findings, and in order to recognize future mortality improvement, the healthy mortality assumption was updated from the RP-2000 Combined Healthy Blue Collar Mortality Table to the RP-2000 Combined Healthy Blue Collar Mortality Table with generational projection.
- The number of terminations among Construction and Production participants was more than expected. Based on this experience, and giving less weight to the prior two years, the withdrawal rates for Construction and Production participants were increased to better project the probability of turnover among active participants.
- Retirement experience has shown fewer retirements than expected. For active participants not eligible for the 55/30 Pension, there have been more retirements before age 61 and fewer after age 61 than expected. For active participants eligible for the 55/30 Pension, there have been fewer retirements than expected at all ages. As a result, retirement rates were adjusted.
- Disability incidence among active participants was approximately 25% lower than expected over the five-year period. In order to better project future incidence of disability, disability rates were lowered by 25% at all ages.

The details of the assumption changes are shown in Section 4, Exhibit VII.

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

The following Plan changes were recognized in this valuation:

- The Default Schedule of the Rehabilitation Plan was updated. Effective January 1, 2011, all early retirement subsidies were eliminated and 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 Alternative Schedule of 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 effective through the valuation date. The average contribution rate increased from \$3.32 per hour as of January 1, 2010 to \$3.61 per hour as of January 1, 2011.

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

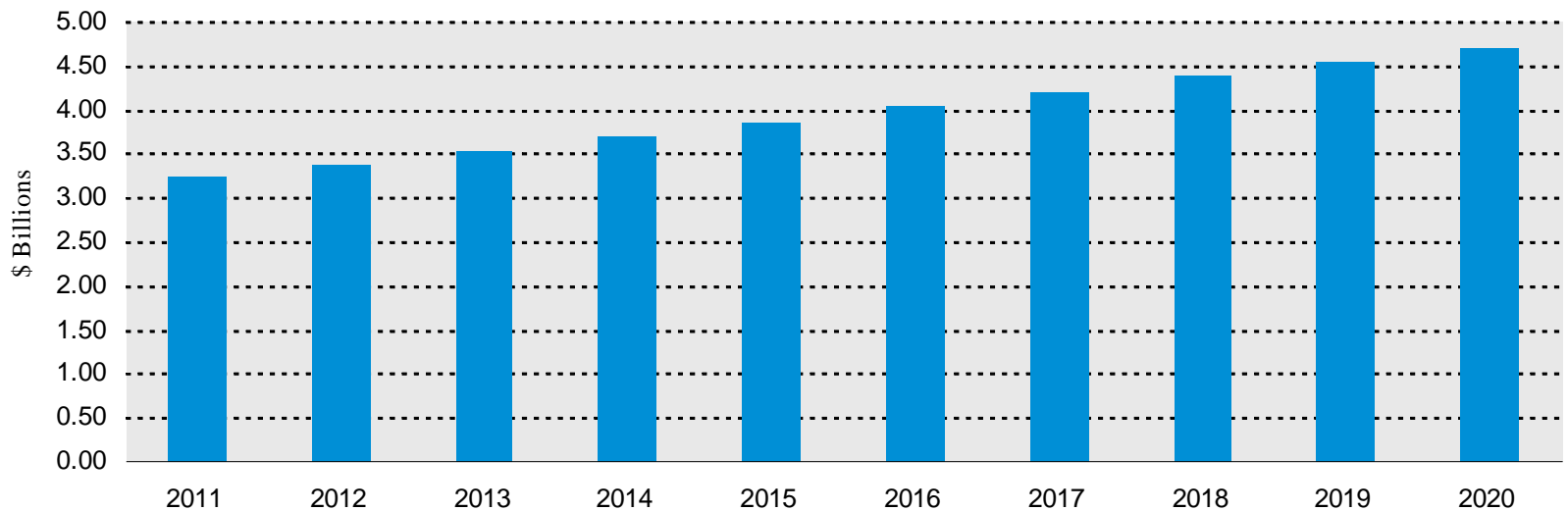
E. CASH FLOW

Projections indicate that the current value of assets plus projected investment earnings and future contribution income will exceed projected benefit payments and administrative expenses for at least thirty years, assuming experience is consistent with the assumptions. Chart 16 shows a ten-year projection of the market value of assets.

The projection in Chart 16 only recognizes contribution rate increases bargained as of the valuation date. The projected market value of assets will increase more if all future Alternative Schedule contribution rate increases are recognized.

This chart shows the projected market value of assets for the next 10 years.

CHART 16
Projected Market Value of Assets for Years Ending December 31



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

F. 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 funding standard requirements under ERISA is called the credit balance. If actual contributions fall short of the minimum funding standards on a cumulative basis, a funding deficiency has occurred.

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 55,381 participants (reflecting a 1% decline during the 2011 Plan Year) will work an average of 1,650 hours at a \$3.7075 contribution rate (based on current collective bargaining agreements), the contributions projected for the year beginning January 1, 2011 are \$338,786,345 as shown in Chart 17. Contributions for the year beginning January 1, 2011 are projected to be less than the maximum allowable deduction level and to exceed the minimum funding standard requirement.

This chart summarizes the contribution information for the valuation year.

CHART 17

Contribution Requirements vs. Contributions Projected for Year Beginning January 1, 2011

ERISA minimum funding standard	\$197,102,919
Projected contributions	338,786,345
Maximum deductible contribution	9,749,767,115

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.

Beginning for 2009, the Funding Standard Account reflects the Trustees' election under PRA 2010 to extend the amortization of the 2008 investment loss, smooth that loss over 10 years in the actuarial value of assets, and increase the upper limit on the actuarial value of assets.

On December 31, 2010, the Funding Standard Account had a credit balance of \$173,706,540, as will be shown 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, 2011, as shown in Chart 17, is \$197,102,919. For the year beginning January 1, 2011, the minimum contribution necessary to avoid a decrease in the current credit balance is \$357,406,708. The projected contributions for the year of \$338,786,345 are not projected to be sufficient to meet this cost.

Chart 18 presents the Funding Standard Account information for the year ended December 31, 2010.

CHART 18
Funding Standard Account for the Year Ended December 31, 2010

Charges			Credits		
1	Normal cost, including administrative expenses	\$126,810,416	5	Prior year credit balance	\$207,231,976
2	Total amortization charges	468,637,385	6	Employer contributions	312,257,133
3	Interest to end of the year	<u>44,658,585</u>	7	Total amortization credits	248,438,861
4	Total charges	\$640,106,386	8	Interest to end of the year	45,884,956
			9	Full-funding limitation credit	<u>0</u>
			10	Total credits	\$813,812,926
			11	Credit balance: (10) – (4)	<u>\$173,706,540</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 2011 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% during 2011 and remains level thereafter, 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 19 shows the projected credit balance in the Funding Standard Account, with and without the five-year amortization extension that was effective January 1, 2009.

This projection does not take into account the pattern of schedule contribution rate increases as defined in the Rehabilitation Plan that were not reported as bargained.

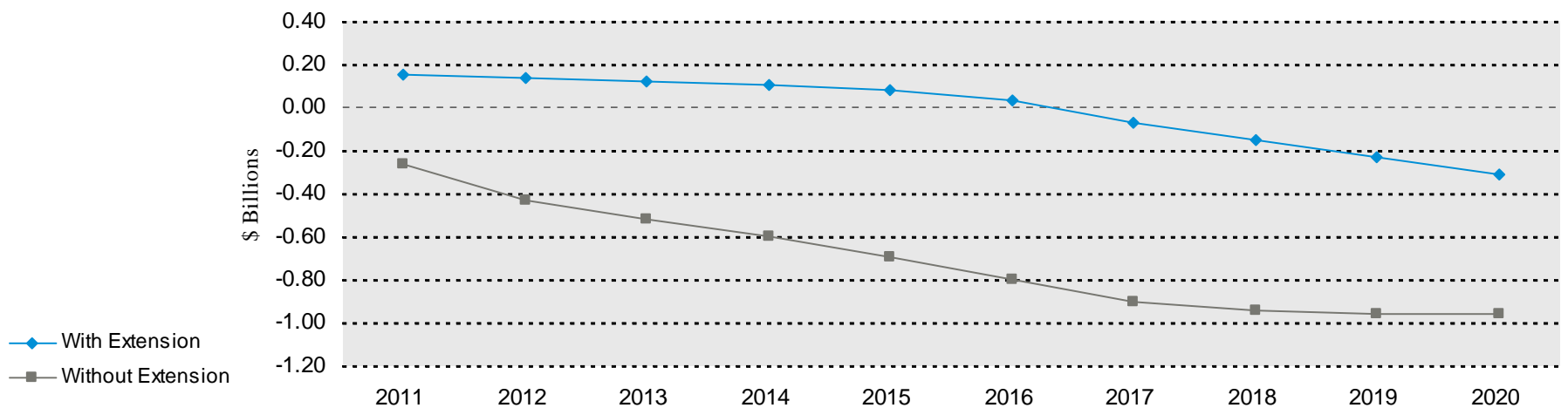
The projection shown is not the same as that used to determine the annual certification required under PPA '06 prepared earlier this year. The projection shown in Chart 19 reflects updated participant and financial information. It also applies a different contribution base assumption.

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 19

Projected Funding Standard Account Credit Balance for Years Ending December 31



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

G. 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.

2011 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 2011 certification was based on the liabilities calculated in the 2010 actuarial valuation, adjusted for subsequent events and projected to December 31, 2010, and estimated asset information as of December 31, 2010. In addition, the Trustees provided an industry activity assumption of a 9.7% decline in the active population as of December 31, 2010, a 1% decline as of December 31, 2011, and level thereafter. This Plan was classified as critical (*Red Zone*), because a funding deficiency in the Funding Standard Account was projected within one year (disregarding the five-year amortization extension that was effective January 1, 2009) and within seven years with the extension.

In addition, the certification included a statement that the Plan was not making scheduled progress in meeting the requirements of the Rehabilitation Plan. We will continue to work with the Trustees to assist in their review of the Rehabilitation Plan.

2012 Actuarial Status Certification

The PPA zone status for the 2012 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

H. 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 20 shows the present value of vested and accumulated plan benefits and the funded percentages based on the actuarial value of assets, for the 2011 and 2010 valuations. If the market value of assets were used to determine the funded percentage, the 57.8% figure for 2011 would become 51.0%. The PVAB funded percentage for 2011 is not the same as that used to determine the annual certification required under PPA'06. The values shown in Charts 20, 21, and 22 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 20
Present Value of Vested and Accumulated Plan Benefits

	January 1	
	2011	2010
1 Present value of vested accumulated plan benefits	\$5,691,270,885	\$5,442,076,124
2 Present value of accumulated benefits	6,073,684,438	5,820,766,198
3 Actuarial value of assets	3,512,613,358	3,416,979,203
4 PVAB funded percentage: (3) ÷ (2)	57.8%	58.7%

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

Chart 21 below compares the present value of accumulated plan benefits with the actuarial value of assets over the past ten years. Chart 22 shows the relationship of these measures as a percentage.

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

CHART 21
Present Value of Accumulated Plan Benefits vs. Actuarial Value of Assets as of January 1, 2002 - 2011

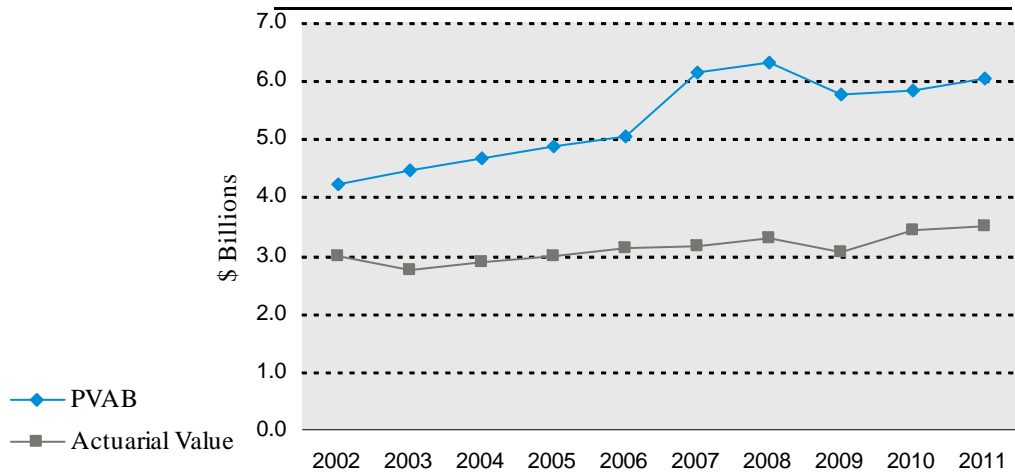
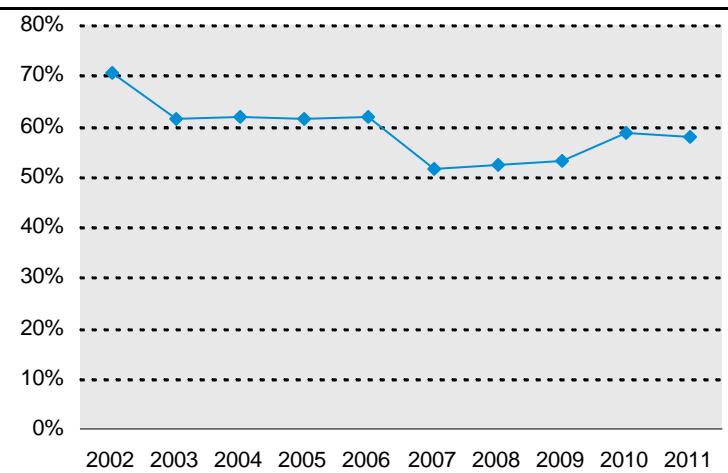


CHART 22
Actuarial Value of Assets as a Percentage of Present Value of Accumulated Plan Benefits as of January 1, 2002 - 2011



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 20, the value of plan benefits earned to date as of January 1, 2011 is \$6,073,684,438 using the long-term funding interest rate of 7.50%. As the actuarial value of assets is \$3,512,613,358, the Plan's funded percentage is 57.8%, compared to 58.7% 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, 2011 is \$9,133,666,845 using an interest rate of 4.47%. As the market value of assets is \$3,096,308,958, this funded current liability percentage is 33.9%. This will be disclosed on the 2011 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

I. 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 actuarial assumptions.

A detailed report on withdrawal liability is available.

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
	2010	2009	
Participants in Fund Office tabulation	57,350	63,994	-10.4%
Less: Participants with less than one pension credit	1,413	1,673	-15.5%
Active participants in valuation:			
Number			
Collective bargaining agreements with Default Schedule	12,778	14,005	-8.8%
Collective bargaining agreements with Alternative Schedule with 55/30	22,826	21,911	4.2%
Collective bargaining agreements with Alternative Schedule without 55/30	<u>20,336</u>	<u>26,405</u>	-23.0%
Total	55,940	62,321	-10.2%
Average age	42.2	41.9	N/A
Average pension credits	13.7	13.1	N/A
Average contribution rate as of the valuation date	\$3.61	\$3.32	8.7%
Number with unknown age	184	302	-39.1%
Total active vested participants	43,470	46,634	-6.8%
Inactive participants with rights to a pension (including deferred beneficiaries)	33,749	30,569	10.4%
Pensioners:			
Number in pay status	36,892	36,408	1.3%
Average age	71.2	71.0	N/A
Average monthly benefit*	\$850	\$854	-0.5%
Number in suspended status	18	37	-51.4%
Beneficiaries in pay status	8,371	7,999	4.7%

* Includes one-twelfth of annual COLA payment. 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, 2010					As of December 31, 2009				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/10	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09
001	420	43.71	16.34	1,623.48	\$5.39	450	43.50	15.77	1,538.85	\$5.04
002	1,186	41.76	14.28	1,635.37	7.73	1,268	41.24	14.01	1,632.00	7.24
003	376	41.61	12.89	1,661.57	3.93	485	41.53	12.01	1,719.40	3.62
004	214	40.79	13.75	1,689.01	0.33	268	40.54	12.74	1,854.03	0.31
005	626	42.34	10.33	1,702.80	3.12	479	43.34	11.76	1,587.89	2.85
007	974	40.90	13.23	1,601.85	1.22	990	40.82	13.06	1,559.08	1.25
009	783	41.68	12.53	1,578.55	0.49	994	41.66	11.43	1,610.73	0.54
010	2,175	42.03	14.51	1,542.75	3.21	2,364	41.68	14.17	1,537.36	3.00
012	1,020	41.57	14.46	1,518.74	6.65	1,160	41.31	13.78	1,640.39	6.25
015	573	45.42	8.97	1,798.98	1.89	697	44.43	8.15	1,796.61	1.82
016	1,270	41.30	11.63	1,646.03	1.45	1,336	40.73	11.30	1,622.88	1.37
017	1,220	41.94	14.42	1,516.35	7.41	1,297	42.15	14.44	1,557.68	7.03
018	2,365	42.13	15.52	1,575.58	6.60	2,591	41.82	14.85	1,581.38	6.09
019	283	45.10	14.37	1,726.58	3.13	364	43.89	12.74	1,784.62	3.20
020	2,335	41.66	14.22	1,610.32	4.05	2,522	41.03	13.57	1,612.31	3.67
023	253	43.27	13.75	1,690.66	1.69	236	43.39	13.74	1,656.75	1.72
024	1,206	42.79	15.34	1,648.99	2.92	1,325	42.37	14.74	1,637.57	2.73
025	473	44.88	17.52	1,436.63	7.99	619	43.78	16.21	1,618.42	7.41
026	169	40.36	12.41	1,436.37	1.93	213	39.71	11.63	1,494.72	1.80
027	529	44.65	16.24	1,458.37	7.99	546	44.00	15.43	1,506.03	7.48
028	2,003	42.73	14.58	1,440.53	9.58	2,330	42.01	13.74	1,477.92	8.75
029	149	37.18	12.00	1,616.21	3.55	164	36.99	11.17	1,601.57	3.23
032	330	43.93	13.56	1,603.96	3.49	393	43.09	12.16	1,545.22	2.82

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, 2010					As of December 31, 2009				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/10	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09
033	2,237	41.59	13.18	1,575.60	\$4.77	2,355	41.41	12.89	1,589.23	\$4.34
036	1,789	42.42	14.31	1,478.96	2.12	2,056	42.00	13.68	1,468.05	1.95
038	532	42.51	15.07	1,433.91	7.65	535	41.97	15.00	1,448.98	7.02
040	395	42.69	14.02	1,425.76	0.95	465	42.29	12.98	1,598.39	0.82
041	9	39.51	3.42	1,540.11	0.98	11	40.77	2.86	1,542.45	1.12
044	285	44.53	15.67	1,522.34	0.70	302	44.17	15.21	1,597.14	0.66
045	343	40.00	13.91	1,638.04	4.78	373	39.41	13.32	1,684.11	4.24
046	368	40.43	13.26	1,633.69	2.16	372	40.54	13.08	1,592.98	1.95
048	242	43.23	16.06	1,634.21	5.25	264	42.47	15.25	1,705.14	4.71
049	496	42.35	12.60	1,622.68	4.23	677	42.94	11.03	1,699.99	3.62
054	784	41.90	13.26	1,793.51	4.09	786	41.93	13.04	1,772.04	3.87
055	920	41.45	12.20	1,575.62	1.46	956	40.92	11.73	1,634.21	1.55
058	149	42.32	10.05	1,457.27	5.31	144	42.35	10.22	1,501.99	4.88
063	312	44.22	14.71	1,513.30	6.04	277	43.19	14.16	1,458.19	5.39
066	1,936	41.92	12.82	1,589.50	3.67	2,140	41.50	12.09	1,641.83	3.51
067	848	41.08	12.15	1,817.48	4.99	822	41.06	11.95	1,732.74	4.54
068	398	43.29	11.87	1,674.55	3.37	541	42.53	9.99	1,688.63	3.05
071	326	42.30	14.11	1,664.75	4.48	326	41.75	13.76	1,625.26	4.17
073	2,056	45.25	16.51	1,582.96	3.39	2,307	44.72	15.93	1,630.41	3.13
080	58	40.69	8.35	1,132.81	4.79	74	39.05	7.10	1,192.57	3.32
083	314	42.78	13.56	1,661.54	7.23	279	42.86	14.23	1,696.57	6.65
085	741	41.24	13.22	1,662.57	0.83	868	40.30	11.82	1,620.58	0.76
088	839	40.58	11.66	1,469.19	1.81	1,400	40.68	9.87	1,605.41	1.69

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, 2010					As of December 31, 2009				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/10	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09
091	568	39.98	13.67	1,623.31	\$3.65	569	39.53	13.21	1,589.50	\$3.42
100	537	43.12	13.18	1,516.87	5.09	661	43.04	12.83	1,582.40	4.94
103	403	42.34	12.37	1,637.52	1.17	423	41.99	12.06	1,616.28	1.15
104	2,749	42.26	13.95	1,465.49	1.70	3,248	41.76	13.18	1,472.72	1.69
105	2,998	40.53	12.10	1,503.60	2.24	3,610	40.10	11.23	1,629.61	2.05
110	557	43.99	14.95	1,633.22	6.04	538	43.56	14.84	1,472.44	5.70
112	308	41.79	11.23	1,715.79	1.78	304	42.05	10.92	1,629.01	1.68
124	392	41.57	13.18	1,667.33	1.57	427	40.80	12.06	1,710.31	1.47
137	365	43.28	13.70	1,648.56	7.54	409	42.61	12.03	1,656.28	6.71
162	908	40.46	11.65	1,500.94	2.12	1,053	40.39	11.25	1,515.46	2.06
170	740	45.90	12.73	2,061.60	1.23	819	45.31	12.27	1,886.50	1.24
177	370	41.01	12.44	1,533.14	0.70	448	40.22	11.39	1,664.23	0.67
202	38	50.14	20.42	1,812.50	1.52	42	47.87	18.88	1,677.86	1.35
204	--	--	--	--	--	1	37.33	15.67	2,007.00	2.25
206	391	40.67	10.81	1,623.49	3.30	398	39.94	10.61	1,638.56	2.99
214	530	40.61	12.70	1,758.10	1.78	589	40.78	12.22	1,778.30	1.48
218	333	42.58	15.19	1,497.28	2.71	325	42.23	14.87	1,514.35	2.33
219	302	41.56	15.52	1,666.45	4.47	311	41.13	15.05	1,652.35	4.15
237	189	53.02	22.36	1,791.06	2.39	253	51.35	19.00	1,868.73	2.25
256	31	52.78	9.58	1,866.97	0.70	27	51.39	8.29	1,938.22	0.65
263	262	39.41	12.83	1,654.48	4.34	300	39.13	12.35	1,711.74	4.01
265	1,276	42.35	15.21	1,434.69	0.78	1,500	42.00	14.73	1,462.84	0.79
268	394	42.36	14.62	1,573.23	3.36	415	41.89	14.40	1,683.93	3.13

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, 2010					As of December 31, 2009				
	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/10	Number of Members	Average Age	Average Service	Average Hours	Average Rate as of 12/31/09
270	135	41.25	12.53	1,566.68	\$4.24	170	39.76	10.46	1,474.15	\$3.79
273	220	40.77	12.08	1,394.58	2.38	242	41.00	12.40	1,468.01	2.21
276	--	--	--	--	--	1	43.75	2.25	2,103.00	4.24
292	381	45.13	15.69	1,580.70	1.21	212	46.39	18.92	1,295.45	1.38
293	1	55.33	18.33	806.00	1.92	11	44.31	7.72	1,425.64	2.83
312	887	39.44	12.37	1,742.76	0.25	954	39.15	11.61	1,765.60	0.26
359	581	41.94	11.68	1,624.77	1.61	590	41.86	11.18	1,492.38	1.58
361	121	44.08	14.67	1,721.00	4.48	132	42.83	13.96	1,716.79	4.21
367	--	--	--	--	--	3	54.42	14.56	1,931.67	0.65
399	177	43.80	9.55	1,632.40	4.53	175	43.66	9.59	1,666.97	4.00
435	208	40.39	12.06	1,601.59	4.15	295	40.00	10.44	1,508.40	3.69
441	244	42.38	14.10	1,679.47	3.80	278	41.21	12.53	1,626.02	3.47
450	133	47.77	14.77	2,317.28	2.00	124	48.17	15.40	2,325.94	1.95
464	241	50.45	17.59	1,825.91	0.78	343	48.36	12.96	1,794.63	0.72
480	437	48.00	19.11	2,059.95	1.83	464	47.44	17.99	1,818.23	1.70
555	195	45.12	9.53	1,896.50	0.78	210	44.85	8.78	1,786.96	0.78
565	1	55.67	31.75	1,960.00	0.78	1	55.67	30.75	1,960.00	0.73
997	28	49.55	8.94	1,901.96	4.42	25	49.87	9.24	1,913.16	4.13
Total	<u>55,940</u>	<u>42.27</u>	<u>13.73</u>	<u>1,590.95</u>	<u>\$3.61*</u>	<u>62,321</u>	<u>41.87</u>	<u>13.06</u>	<u>1,604.41</u>	<u>\$3.32*</u>

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

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, 2010	Year Ended December 31, 2009
Contribution income:		
Employer contributions and withdrawal liability payments	\$319,666,014	\$324,650,824
Liquidated damages	46,955	81,490
Adjustments for withdrawal liability receivable	-7,455,836	41,433
Less administrative expenses	<u>-12,005,156</u>	<u>-12,448,701</u>
Net contribution income	\$300,251,977	\$312,325,046
Settlement income	603,519	168,929
Investment income:		
Interest and dividends	\$66,146,835	\$68,842,153
Adjustment toward market	154,283,916	403,305,931
Less investment fees	<u>-10,481,905</u>	<u>-8,562,095</u>
Net investment income	<u>209,948,846</u>	<u>463,585,989</u>
Total income available for benefits	\$510,804,342	\$776,079,964
Less benefit payments	-\$415,170,187	-\$407,164,638
Change in reserve for future benefits	<u>\$95,634,155</u>	<u>\$368,915,326</u>

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

EXHIBIT D

Financial Information Table

	Year Ended December 31, 2010	Year Ended December 31, 2009
Cash equivalents	\$67,400,141	\$49,215,087
Accounts receivable:		
Employer contributions	\$40,148,064	\$41,797,226
Accrued interest and dividend	6,913,916	7,510,431
Payment for security sold	13,058,055	44,542,554
Miscellaneous	<u>703,024</u>	<u>292,935</u>
Total accounts receivable	60,823,059	94,143,146
Investments:		
Corporate stocks	\$1,718,587,459	\$1,543,232,204
Debt securities	508,343,536	437,258,737
Securities loaned to third parties	355,757,081	299,521,743
Real estate	41,850,599	41,985,666
Hedge funds	210,032,712	193,833,741
Limited partnerships and other securities	<u>266,034,219</u>	<u>289,893,625</u>
Total investments at market value	<u>3,100,605,606</u>	<u>2,805,725,716</u>
Total assets	\$3,228,828,806	\$2,949,083,949
Less accounts payable:		
Accounts payable	-\$132,510,072	-\$137,257,477
Medical benefit accounts	<u>-9,776</u>	<u>-47,498</u>
Total accounts payable	-132,519,848	-137,304,975
Net assets at market value	<u>\$3,096,308,958</u>	<u>\$2,811,778,974</u>
Net assets at actuarial value	<u>\$3,512,613,358</u>	<u>\$3,416,979,203</u>

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

EXHIBIT E

Annual Funding Notice for Plan Year Beginning January 1, 2011 and Ending December 31, 2011

	Funding Percentage		
	2011 Plan Year	2010 Plan Year	2009 Plan Year
Actuarial valuation date	January 1	January 1	January 1
Funded percentage	57.8%	58.7%	53.0%
Value of assets	\$3,512,613,358	\$3,416,979,203	\$3,048,063,877
Value of liabilities	6,073,684,438	5,820,766,199	5,749,182,057
Fair value of assets as of December 31, 2011		Not available	
Fair value of assets as of December 31, 2010		\$3,096,308,958	
Fair value of assets as of December 31, 2009		2,811,778,974	

Critical or Endangered Status

The Plan was in critical status in the 2011 Plan Year. In an effort to improve the Plan's funding situation, the Trustees have adopted and updated a Rehabilitation Plan, which reduces participant's benefits and required contribution rate increases under some schedules.

The 2011 certification included a statement that the Plan was not making scheduled progress in meeting the requirements of the Rehabilitation Plan. We will continue to work with the Trustees to assist in their review of the Rehabilitation Plan.

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, 2011, 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 may be greater than the normal ERISA funding requirements, a plan may be required to provide 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, 2011 - December 31, 2011 year.

Maximum Deductible Contribution

1.	Normal cost, including administrative expenses	\$127,065,580
2.	Amortization of unfunded actuarial accrued liability	347,080,945
3.	Preliminary maximum deductible contribution: (1) + (2), with interest to the end of the plan year	509,707,514
4.	Full-funding limitation (FFL)	5,083,015,518
5.	Preliminary maximum deductible contribution, adjusted for FFL: lesser of (3) and (4)	509,707,514
6.	Current liability for maximum deductible contribution, projected to the end of the plan year	9,333,503,194
7.	Actuarial value of assets, projected to the end of the plan year	3,317,137,356
8.	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	9,749,767,115
9.	End of year minimum funding standard	197,102,919
10.	Maximum deductible contribution: greatest of (5), (8), and (9)	<u>\$9,749,767,115</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 2010 and 2011. 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: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

October 14, 2011

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that The Segal Company (“Segal”) has prepared an actuarial valuation of the Sheet Metal Workers' National Pension Fund as of January 1, 2011 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. The Segal Company does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal, does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit VII.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in Exhibit I. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.



Daniel V. Ciner, MAAA
Vice President and Actuary
Enrolled Actuary No. 11-05773

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

Certificate Contents

EXHIBIT I	Summary of Actuarial Valuation Results
EXHIBIT II	Information on Plan Status
EXHIBIT III	Schedule of Active Participant Data
EXHIBIT IV	Funding Standard Account
EXHIBIT V	Current Liability
EXHIBIT VI	Actuarial Present Value of Accumulated Plan Benefits
EXHIBIT VII	Statement of Actuarial Assumptions/Methods
EXHIBIT VIII	Summary of Plan Provisions

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

1	Pensioners as of the valuation date (including 8,371 beneficiaries in pay status and 18 pensioners in suspended status)		45,281
2	Participants inactive during year ended December 31, 2010 with vested rights		33,749
3	Participants active during the year ended December 31, 2010 (including 184 participants with unknown age)		55,940
	Fully vested	43,470	
	Not vested	12,470	

The actuarial factors as of the valuation date are as follows:

1	Normal cost, including administrative expenses		\$127,065,580
2	Actuarial accrued liability		6,073,684,438
	Pensioners and beneficiaries	\$3,541,671,863	
	Inactive participants with vested rights	694,319,377	
	Active participants	1,837,693,198	
3	Actuarial value of assets* (\$3,096,308,958 at market value as reported by Calibre CPA Group)		3,512,613,358
4	Unfunded actuarial accrued liability		\$2,561,071,080

* Excludes receivable withdrawal liability payments of \$31,293,368

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT II

Information on Plan Status as of January 1, 2011

1	Plan status (as certified on March 31, 2011, for the 2011 zone certification)	<i>Critical</i>
2	Scheduled progress (as certified on March 31, 2011, for 2011 zone certification)	<i>No*</i>
3	Actuarial value of assets for Funding Standard Account	\$3,512,613,358
4	Accrued liability under unit credit cost method	6,073,684,438
5	Funded percentage for monitoring plan's status	57.8%

** The annual standard was a projected credit balance in the Funding Standard Account of \$191 million as of December 31, 2010 (taking into account the five-year amortization extension). The estimated credit balance for purposes of the plan status certification was \$168 million.*

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT III

**Schedule of Active Participant Data
(Schedule MB, line 8b)**

The participant data is for the year ended December 31, 2010.

Age	Pension Credits									
	Total	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 20	87	87	--	--	--	--	--	--	--	--
20 - 24	2,586	2,418	168	--	--	--	--	--	--	--
25 - 29	5,645	3,369	2,155	121	--	--	--	--	--	--
30 - 34	7,455	2,483	2,763	2,146	63	--	--	--	--	--
35 - 39	7,692	1,627	1,931	2,725	1,332	77	--	--	--	--
40 - 44	8,312	1,134	1,458	2,079	2,011	1,550	80	--	--	--
45 - 49	9,200	921	1,082	1,592	1,569	2,419	1,489	128	--	--
50 - 54	7,920	587	742	986	842	1,411	1,790	1,492	70	--
55 - 59	4,556	266	350	472	412	578	848	972	607	51
60 - 64	1,975	104	153	193	169	228	257	264	348	259
65 - 69	328	21	29	49	27	26	38	39	31	68
Unknown	184	166	16	2	--	--	--	--	--	--
Total	55,940	13,183	10,847	10,365	6,425	6,289	4,502	2,895	1,056	378

Note: Excludes 1,413 participants with less than one pension credit.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

**EXHIBIT IV
Funding Standard Account**

The table below presents the Funding Standard Account for the Plan Year ending December 31, 2011.

Charges		Credits			
1	Normal cost, including administrative expenses	\$127,065,580	5	Prior year credit balance	\$173,706,540
2	Amortization charges	510,008,835	6	Amortization credits	280,016,322
3	Interest on (1) and (2)	<u>47,780,581</u>	7	Interest on (5) and (6)	34,029,215
4	Total charges	\$684,854,996	8	Full-funding limitation credit	<u>0</u>
			9	Total credits	\$487,752,077
Minimum funding standard with interest required to avoid a funding deficiency: (4) – (9), not less than zero					\$197,102,919

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT IV (continued)

Funding Standard Account

Determination of Full-Funding Limitation Credit

(A) ERISA Full-Funding Limit		(B) Current Liability Override			
1	Projected accrued liability	\$6,207,967,211	1 90% of projected current liability for Funding Standard Account	\$8,400,152,875	
2	Lesser of projected market and actuarial values of assets	2,870,693,071	2	Projected actuarial value of assets	3,317,137,356
3	Credit balance, with interest to December 31, 2011	186,734,931	3	Credit balance, with interest to December 31, 2011	N/A
4	ERISA FFL: (1) – (2) + (3), not less than zero	3,524,008,671	4	Current Liability override: (1) – (2), not less than zero	5,083,015,519
5	Minimum funding standard for the year, disregarding the credit balance and any interest on the credit balance				\$383,837,450
6	ERISA full-funding limitation credit: (5) – [greater of 4(A) and 4(B)], not less than zero				0

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT IV (continued)
Funding Standard Account

Schedule of Funding Standard Account Bases (Charges)
(Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining*	Outstanding Balance
Plan Amendment	01/01/1989	\$14,770,976	13	\$129,028,583
Initial Base	01/01/1989	39,990,460	7	227,699,540
Prior Local 137 Combined Bases	01/01/1990	75,592	12	628,578
Prior Local 38 Combined Bases	01/01/1990	447,018	5	1,944,225
Prior Local 12 Combined Bases	01/01/1990	1,227,045	7	6,986,608
Plan Amendment	01/01/1990	4,751,277	14	43,359,392
Prior Local 51 Combined Bases	01/01/1991	41,541	10	306,528
Prior Local 49 Combined Bases	01/01/1991	286,737	5	1,247,111
Prior Local 17 Combined Bases	01/01/1991	411,697	10	3,037,869
Plan Amendment	01/01/1991	4,891,545	15	46,416,620
Plan Amendment	01/01/1992	24,338,561	16	239,177,956
Plan Amendment	01/01/1993	5,201,026	17	52,746,245
Plan Amendment	01/01/1994	6,086,650	18	63,507,865
Plan Amendment	01/01/1995	1,519,236	19	16,264,954
Actuarial Loss	01/01/1996	17,855	5	77,657
Plan Amendment	01/01/1996	6,412,433	20	70,274,356
Change in Assumptions	01/01/1996	9,939,332	20	108,925,919
Plan Amendment	01/01/1997	8,866,050	21	99,250,925
Plan Amendment	01/01/1998	2,160,881	22	24,663,178
Actuarial Loss	01/01/1998	5,040,097	7	28,697,536
Prior Local 38 Combined Bases	01/01/1999	538,165	9	3,690,360
Plan Amendment	01/01/1999	555,299	23	6,451,012

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

**EXHIBIT IV (continued)
Funding Standard Account**

**Schedule of Funding Standard Account Bases (Charges)
(Schedule MB, line 9c)**

Type of Base	Date Established	Amortization Amount	Years Remaining*	Outstanding Balance
Actuarial Loss	01/01/1999	5,275,114	8	33,215,292
Change in Funding Method	01/01/2000	1,315,629	4	4,736,956
Actuarial Loss	01/01/2000	4,068,170	9	27,896,680
Plan Amendment	01/01/2000	19,037,631	24	224,771,390
Plan Amendment	01/01/2001	192,228	25	2,303,464
Actuarial Loss	01/01/2001	5,338,830	10	39,394,620
Plan Amendment	01/01/2002	10,255,333	26	124,570,973
Actuarial Loss	01/01/2002	35,807,007	11	281,589,204
Plan Amendment	01/01/2003	3,719,186	27	45,744,070
Actuarial Loss	01/01/2003	60,459,486	12	502,746,266
Actuarial Loss	01/01/2004	4,431,608	13	38,711,329
Plan Amendment	01/01/2004	12,476,476	28	155,224,585
Actuarial Loss	01/01/2005	7,680,390	14	70,090,008
Actuarial Loss	01/01/2006	3,351,823	15	31,805,959
Plan Amendment	01/01/2006	3,205,525	30	40,697,877
Actuarial Loss	01/01/2007	4,600,188	16	45,206,596
Plan Amendment	01/01/2007	3,652,210	31	46,786,215
Change in Asset Method	01/01/2007	10,417,797	11	81,926,399
Change in Assumptions	01/01/2007	75,824,731	31	971,344,094
Actuarial Loss	01/01/2008	4,486,880	17	45,503,723
Actuarial Loss	01/01/2009	2,228,556	18	23,252,661
Extended Recognition of 2008 Investment Loss	01/01/2009	53,243,117	28	662,417,900

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT IV (continued)

Funding Standard Account

**Schedule of Funding Standard Account Bases (Charges)
(Schedule MB, line 9c)**

Type of Base	Date Established	Amortization Amount	Years Remaining*	Outstanding Balance
Change in Assumptions	01/01/2011	15,855,236	15	150,452,776
Extended Recognition of 2008 Investment Loss	01/01/2011	<u>25,516,211</u>	27	<u>313,836,240</u>
Total		\$510,008,835		\$5,138,608,294

** The years remaining for all charge bases as of January 1, 2009 were extended five years (not to exceed 30 years for the extended recognition of the 2008 investment loss) under IRC Section 431(d)(1).*

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

**EXHIBIT IV (continued)
Funding Standard Account**

**Schedule of Funding Standard Account Bases (Credits)
(Schedule MB, line 9h)**

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Change in Assumptions	01/01/1989	\$4,851,477	9	\$33,268,048
Prior Local 501 Combined Bases	01/01/1990	22,415	10	165,401
Change in Method	01/01/1991	40,285	8	253,661
Change in Assumptions	01/01/1992	11,419,594	11	89,804,608
Change in Method	01/01/1992	15,774,802	11	124,054,321
Plan Amendment	07/01/1994	13,461	19.5	145,853
Plan Amendment	01/01/1996	14,769,689	15	140,151,848
Actuarial Gain	01/01/1997	5,462,305	1	5,462,305
Prior Local 38 Combined Bases	01/01/1999	1,046,592	3	2,925,815
Plan Amendment	09/01/2003	21,285,335	22.67	245,864,871
Plan Amendment	01/01/2005	3,079,758	24	36,361,745
Change in Cost Method	01/01/2007	45,147,422	6	227,808,696
Plan Amendment	01/01/2008	2,607,010	12	21,678,393
Plan Amendment	03/01/2008	49,137,498	12.17	412,212,428
Plan Amendment	08/01/2008	27,770,774	12.58	237,790,872
Change in Asset Method (Funding Relief)	01/01/2009	18,467,502	28	229,761,222
Plan Amendment	01/01/2010	627,691	14	5,728,204
Actuarial Gain	01/01/2010	12,696,666	14	115,867,745
Extended Recognition of 2008 Investment Loss	01/01/2010	14,218,585	27	174,881,260
Plan Amendment	01/01/2011	1,357,810	15	12,884,467
Actuarial Gain	01/01/2011	<u>30,219,651</u>	15	<u>286,758,911</u>
Total		\$280,016,322		\$2,403,830,674

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT IV (continued)

Funding Standard Account

Balancing Equation

1	Net outstanding balance of bases	\$2,734,777,620
2	Credit balance	<u>173,706,540</u>
3	Unfunded actuarial accrued liability: (1) - (2)	\$2,561,071,080

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT V

Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2011.

Item	Amount
1. Retired participants and beneficiaries receiving payments	\$4,662,935,783
2. Inactive vested participants	1,245,038,551
3. Active participants	
a. Non-vested	\$586,454,730
b. Vested	<u>2,639,237,781</u>
c. Total active	3,225,692,511
4. Total	<u>\$9,133,666,845</u>
Expected increase in current liability due to benefits accruing during the plan year	\$219,155,589
Expected release from current liability for the plan year	427,828,437
Expected plan disbursements for the plan year, including administrative expenses of \$14,556,165	442,384,602
Current value of assets	3,096,308,958
Percentage funded for Schedule MB	33.9%

Note: The actuarial assumptions used to calculate these values are shown in Exhibit VII.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT VI

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is shown below as of January 1, 2011 and as of January 1, 2010.

	Benefit Information Date	
	January 1, 2011	January 1, 2010
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	\$3,541,671,863	\$3,350,820,826
Other vested benefits	<u>2,149,599,022</u>	<u>2,091,255,298</u>
Total vested benefits	\$5,691,270,885	\$5,442,076,124
Actuarial present value of non-vested accumulated plan benefits	<u>382,413,553</u>	<u>378,690,074</u>
Total actuarial present value of accumulated plan benefits	<u>\$6,073,684,438</u>	<u>\$5,820,766,198</u>

The amounts shown above have been calculated in accordance with Actuarial Standard of Practice No. 4 promulgated by the Actuarial Standards Board for calculating such values. The actuarial assumptions used are shown in Exhibit VII.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT VI (continued)

Actuarial Present Value of Accumulated Plan Benefits

The factors that affected the change in the actuarial present value of accumulated plan benefits from the preceding to the current benefit information date are as follows:

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Plan amendments	-\$12,884,467
Benefits accumulated, net experience gain or loss, changes in data	109,531,535
Benefits paid	-415,170,187
Changes in actuarial assumptions	150,452,776
Interest	<u>420,988,583</u>
Total	<u>\$252,918,240</u>

Changes in actuarial assumptions are described in Exhibit VII. Changes in Plan provisions are described in Exhibit VIII.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT VII

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

Mortality Rates:

Healthy: RP-2000 Combined Healthy Blue Collar Mortality Table projected using Scale AA on a generational basis

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

The RP-2000 Combined Healthy Blue Collar Mortality Table reasonably reflects the projected mortality experience of the Plan as of the measurement date. The mortality table was then adjusted to future years using generational projection under Scale AA to reflect future mortality improvement.

Termination Rates Before Retirement:

Age	Rate (%)					
	Mortality*		Disability	Withdrawal**		
	Male	Female		Construction	Production	
20	0.03	0.02	0.04	13.00	24.00	
25	0.04	0.02	0.04	10.17	20.00	
30	0.07	0.03	0.04	7.00	14.84	
35	0.11	0.05	0.04	5.42	11.57	
40	0.14	0.09	0.07	4.72	9.57	
45	0.18	0.14	0.14	3.53	8.43	
50	0.24	0.20	0.30	3.00	7.40	
55	0.42	0.28	0.64	0.00	0.00	
60	0.83	0.49	1.30	0.00	0.00	

* Healthy rates are projected on a generational basis using Scale AA. Rates above are sample rates in 2000.

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

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

Retirement Rates

Age	Rate (%)	
	Not Eligible for 55/30 Pension	Eligible for 55/30 Pension*
55	5	25
56-57	5	14
58-59	7	14
60-61	14	20
62	35	40
63-69	25	35
70	100	100

**Rate at first eligibility for 55/30 Pension is 25% (or above rate at applicable age, if higher)*

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, 2011 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: Certificate of Actuarial Valuation 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 for future retirements under the Alternative Schedule) and non-married participants are assumed to elect the Life Annuity.

Net Investment Return: 7.50%, net of investment expenses
Annual Administrative Expenses: \$14,556,165, payable monthly, for the year beginning January 1, 2011 (equivalent to \$14,000,000 payable at the beginning of 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 unrecognized return for the year ended December 31, 2008 is recognized, 10% per year, over a ten-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.

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

The valuation reflects a change in valuation software that meets the requirements of Revenue Procedure 2000-40.

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

Current Liability Assumptions:
Interest 4.47%
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: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

Justification for Changes in Actuarial Assumptions (Schedule MB, line 11):

For purposes of determining current liability, the current liability interest rate was changed due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Based on past experience and future expectations, the following assumptions were changed:

- Healthy Mortality, previously the RP-2000 Combined Healthy Blue Collar Mortality Table (without generational adjustment)
- Retirement rates for active participants, previously:

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

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

➤ Disability and withdrawal rates, previously:

Age	Rate (%)		
	Disability	Withdrawal*	
		Construction	Production
20	0.05	6.53	7.89
25	0.05	5.22	7.67
30	0.05	4.78	7.17
35	0.06	4.41	6.22
40	0.09	3.75	5.06
45	0.18	3.03	3.80
50	0.40	1.12	2.16
55	0.85	0.33	0.94
60	1.74	0.00	0.09

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

Estimated Rate of Investment Return:

*On actuarial value of assets
(Schedule MB, line 6g):* 6.2%, for the Plan Year ended December 31, 2010

*On current (market) value of assets
(Schedule MB, line 6h):* 14.5%, for the Plan Year ended December 31, 2010

Funding Standard Account

**Contribution Timing
(Schedule MB, line 3):**

Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a July 1 contribution date.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

EXHIBIT VIII

**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

Normal 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: Certificate of Actuarial Valuation 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:

<i>Age Requirement</i>	55
<i>Service Requirement</i>	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
<i>Amount</i>	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: Certificate of Actuarial Valuation 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: Certificate of Actuarial Valuation 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 Benefits

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 Benefits:

<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: Certificate of Actuarial Valuation 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.

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.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

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

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

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

Contribution Rate: Varies from \$0.05 to \$11.45 per hour as of the valuation date. The average rate is \$3.61 per hour as of January 1, 2011. 2.5% of employer contributions are allocated to 401(h) Medical Accounts but are subject to pension benefit accruals.

Cost of Living Increases:

Eligibility 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.

Amount 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 were eliminated for benefits accrued after June 30, 1995.

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

Normal Pension Amount Under the Default Schedule 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.

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

Early Retirement Amount Under the Alternative Schedule Accrued benefit, reduced by 6% per year from age 65 to age 55

Special Early Retirement Under the Default Schedule Pension is not available.

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

<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.
<i>Disability Amount</i>	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.
<i>Optional Forms of Payment</i>	The following optional forms of payment were eliminated under each schedule: <ul style="list-style-type: none">➤ 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
<i>Form of Payment Under Default Schedule</i>	Effective January 1, 2011, 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.
<i>Contribution Rate Increases Scheduled for Employers Who Elected the Alternative Schedule</i>	7% increases for the 2011-2017 Plan Years (will be recognized in future valuations as adopted)
<i>Cost of Living Increases</i>	Benefit is not available.

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

<i>Early Retirement Amount</i>	Pension is not available.
--------------------------------	---------------------------

SECTION 4: Certificate of Actuarial Valuation for the Sheet Metal Workers' National Pension Fund

EIN 52-6112463/ PN 001

<i>Special Early Retirement</i>	Pension is not available.
<i>55/30 Pension Amount</i>	Pension is not available.
<i>Cost of Living Increases</i>	Benefit is not available.
<i>Form of Payment</i>	Effective January 1, 2010, current and future inactive vested participants are no longer eligible for any early retirement subsidy and 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:

<i>Cost of Living Increases</i>	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, 2011, participants covered under the Default Schedule are no longer eligible for early retirement subsidy or 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 \$3.32 per hour as of January 1, 2010 to \$3.61 per hour as of January 1, 2011. The average rate for 2011, including reported bargained increases, is \$3.62.

5211890v1/04287.001