



Airconditioning and Refrigeration Industry Joint Trust Funds

1380 S. SANDERSON AVENUE, SUITE 201, ANAHEIM, CALIFORNIA 92806 • PHONE: (714) 714-6100 • FAX: (714) 917-6065

April 28, 2009

To: Participants of the Airconditioning and Refrigeration Industry Retirement Trust Fund

From: Board of Trustees

Re: Pension Plan Notices

Enclosed are two important notices regarding your Retirement Plan: (1) the Plan's **Annual Funding Notice** for 2008, and (2) a **Special Notice** regarding the Plan's funded status for 2009. As noted in the Annual Funding Notice for 2008 (see the section titled "Fair Market Value of Assets"), the market value of Plan assets as of December 31, 2008, was \$180,353,662, down from \$238,036,283 as of December 31, 2007. This memorandum provides a brief explanation of each of these notices and also discusses the steps we are taking to ensure the security of your pension benefits during the current economic crisis.

ANNUAL FUNDING NOTICE - 2008

The first notice is the Annual Funding Notice for the 2008 Plan Year. The Annual Funding Notice provides important financial information about your Retirement Plan, including descriptions of the Trustees' funding and investment policies, and the allocation of the Plan's investments. Federal law also requires that the Annual Funding Notice include certain information that is *not* applicable to your Plan, such as a description of the rules for plans that are insolvent or are in reorganization.

Much of the information in the Annual Funding Notice is a snap-shot of the Plan's financial status as of the *beginning* of 2008, and therefore does not reflect changes that have occurred as a result of the 2008 economic crisis. For example, the section titled "Funding Percentage" provides information as of January 1, 2008, well over a year ago.

A section to note in the Annual Funding Notice is the section titled "Critical or Endangered Status." This section refers to the classifications created by the Pension Protection Act of 2006 (the PPA) for assessing the financial health of pension plans. If a plan is classified as either "critical" or "endangered," it must take steps to improve its financial health by meeting certain financial goals within a specified period (generally, ten years). As this section indicates, the Plan was neither critical nor endangered for the 2008 Plan Year. When a plan is neither critical nor endangered, the plan is commonly referred to as being in the "green zone," signifying that the plan's funding status is at or above certain funding thresholds established by Federal law.

SPECIAL NOTICE REGARDING PPA STATUS - 2009

The second notice is the Special Notice regarding the Plan's funding status for 2009. Due to the downturn in the financial markets in 2008, the vast majority of pension plans across the country will be either "endangered" or "critical" for 2009. The Airconditioning and Refrigeration Industry Retirement Trust was, of course, also impacted by the economic melt-down, and is classified as "endangered" for 2009. However, we were fortunate to have had a better return than most trusts. In fact, we ranked in the top 20% of all Taft-Hartley Trusts.

As a result of the economic crisis, however, Congress passed the Worker, Retiree, and Employer Recovery Act (WRERA), which allows plans that were in the green zone for 2008 (such as this Plan) to elect to keep (or "freeze") their green zone status for 2009, even if the plan's actual status for 2009 is endangered or critical. As permitted by WRERA, the Plan's Board of Trustees has elected to keep the green zone status for 2009, and the enclosed Special Notice informs you of this decision.

The election of the one year "freeze" does not mean that we can or will wait a year before addressing the current pension funding situation. The "freeze" merely provides a one-year exemption from certain statutory reporting requirements, and gives us the time to develop the best approach for dealing with the impact of the 2008 investment losses. The Trustees are currently working with the Retirement Plan's advisors to develop a plan to restore the Plan's financial health.

The Trustees want to assure you that we are working to keep your pension secure. Despite the 2008 investment losses, the Plan's reserves are adequate to pay all benefits to participants currently receiving a pension. If you are not currently receiving a monthly pension, any benefits you have earned to date are protected under Federal law.

If you have any questions about these notices or any other questions about your Retirement Plan, please contact Jack Wilkerson, the Plan's Administrator, at (714) 917-6100.

**AIRCONDITIONING AND REFRIGERATION INDUSTRY RETIREMENT TRUST FUND
SPECIAL NOTICE OF ELECTION TO MAINTAIN PRIOR YEAR'S STATUS**

DATE: April 28, 2009
TO: Participants, Beneficiaries, Participating Employers
FROM: The Board of Trustees
SUBJECT: Election to Maintain Prior Year's Status

The Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) Section 204 allows sponsors of multiemployer pension plans to temporarily freeze the plan's 2009 status under the Pension Protection Act of 2006 (PPA) to be the same as the 2008 status.

The Board of Trustees has made an election under Section 204 of WRERA to treat the Plan as being in neither endangered nor critical status for the plan year beginning January 1, 2009. Note that this election applies only for the 2009 plan year.

Prior to this election, the Plan was certified by the Plan's actuary to be in endangered status for the 2009 plan year. Based on this election by the Board of Trustees, the Plan will not be required to develop a formal Funding Improvement Plan for 2009, as would otherwise be required under the PPA.

If the Plan is certified to be in endangered or critical status for the 2010 plan year, the Trustees will provide you with a notice of the Plan's status for 2010, and steps will need to be taken to improve the Plan's funded situation, which may include increases in contributions and reductions in future benefit accruals.

Please be aware that, despite the Trustees election to freeze the Plan's status for one year, the Trustees are currently exploring ways to improve the Plan's funding in view of the significant investment losses that occurred during 2008. The Trustees are committed to taking the appropriate steps to ensure the security of your pension.

This Special Notice is intended to satisfy the requirements of Section 204(c)(2)(A)(ii) of WRERA. If you have any questions regarding this notice or your benefits under the Plan, please contact the Plan Office:

Airconditioning and Refrigeration Industry
Trust Fund
1380 South Sanderson Ave, Suite 201
Anaheim, CA 92806
Phone: (714) 917-6100

Plan Identification: Airconditioning and Refrigeration Industry Retirement Trust Fund
EIN: 95-6035386
Plan Number: 001