

## **Bricklayers and Allied Craftsmen Local No. 7 Pension Plan**

### **Notice of Critical Status for 2009**

#### **Notice of Election to Freeze PPA Status for 2009 - Section 204 of WRERA**

#### **Notice of Election for 3-year Extension of Rehabilitation Period for 2008 - Section 205 of WRERA**

This is to inform you that on July 29, 2009 the plan actuary certified to the plan sponsor that the plan is in critical status for the plan year beginning May 1, 2009. Federal law requires that you receive this notice. You will receive an annual update of this status.

### **Critical Status**

The plan is in critical status because it is projected to satisfy the following criteria:

Projected accumulated funding deficiency in current year or next 3 years – The plan's actuary projects that, if no further action is taken, the plan will have an accumulated funding deficiency for the plan year ending April 30, 2011. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become insolvent or be unable to pay benefits when due.

### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the plan has been in critical status. The rehabilitation plan adopted for the plan year beginning May 1, 2008 allows the rehabilitation period to begin on May 1, 2009 and end on April 30, 2022 under the special trustee elections, as explained below. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Trustees have adopted a rehabilitation plan that includes changes in the plan's adjustable benefits. The plan's adjustable benefits include the following:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Death benefit payment options other than a qualified joint and survivor annuity (QJSA);
- Benefit increases made within the last 60 months.

You should have already received a Summary of Material Modifications in September of 2008 that explains the benefit changes.

Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, most reductions may only apply to participants and beneficiaries who have not yet retired.

### **Special Trustee Elections**

Section 204 of the Worker, Retiree, and Employer Recovery Act of 2008 allows pension plans to rely upon its prior year's funding status. This election also allows the postponement of the annual update to the rehabilitation plan. Section 205 of the Act also allows pension plans to a three-year extension of their rehabilitation plan period. By electing both options, Trustees are given additional time to make decisions toward improved funding. Accordingly, the Board of Trustees of this plan has elected to use both elections to enable flexibility in addressing funding issues. The Trustees remain committed to the proper funding of your pension benefits and assure you that they will take appropriate actions to meet this goal.

### **Future Experience and Possible Adjustments**

A rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer investment returns below the expected 8.0% (in any plan year after April 30, 2009), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

### **Additional Restriction Due to Critical Status**

Effective as of May 1, 2008, the plan is not permitted to pay lump sum benefits while it is in critical status.

### **Where to Get More Information**

You have a right to receive a copy of the rehabilitation plan. It has been formally approved by the bargaining parties and is available. It will next be updated in July of 2010. To receive a copy, you may contact the Benefit Office at 33 Fitch Boulevard, Austintown, OH, 44515-2202 or by telephone at (800) 435-2388.