

Bricklayers and Allied Craftsmen Local No. 7 Pension Plan
Summary of Material Modification

EIN: 34-6666798 Plan No: 001

TO: Plan Participants and Beneficiaries

FROM: The Board of Trustees

DATE: March 2009

RE: Change in the Plan's Benefit Formula

In order to maintain the actuarial soundness of the Plan, the Board of Trustees has decided to amend the Plan. This amendment reduces the rate at which Plan participants will earn benefits under the Plan after April 30, 2009.

Section 204(h) of the Employee Retirement Income Security Act of 1974 and ERISA regulation Section 2520.104b-3 require the Board of Trustees to notify you of the change that will be made to the Pension Plan Document. This change was adopted by the Board of Trustees on August 28, 2008 and will become effective on May 1, 2009.

Please keep this Notice with your current Summary Plan Description for future reference. If you have questions after reading this Notice, please contact the Fund Office.

As described in a separate notice the Plan is expected to be considered in critical status under the Pension Protection Act. While the trustees are considering options to preserve benefits, it is prudent to make the following allowable adjustments to benefits.

- The normal form of benefit under the plan is currently a life annuity with a guarantee of 60 months of payments should the retiree die within those first 60 months. For participants who are not yet retired the default form of benefit will not include the 60 month guarantee for any and all accrued benefits. The guarantee will be available with a reduction in the benefit amount. See Impact of Elimination of 60 Month Guarantee of this letter to see the impact on benefits.
- For retirement before age 62, benefits are currently reduced 4% per year. If you are not eligible for early retirement (age 55 with 10 years of service) on the effective date of May 1, 2009, then the reduction will be increased to 7% per year for retirements on and after May 1, 2009 for any and all accrued benefits. If you are already eligible for the early retirement benefit on May 1, 2009, you will remain eligible for the early retirement reduction of 4% per year for each year prior to age 62. Refer to the Impact of Early Retirement Reduction Changes paragraph of this letter for examples of the impact on benefits.
- For participants who are not yet retired, benefits payable on account of total and permanent disability have been eliminated. You may still be eligible for a deferred pension benefit at age 55 with 10 years of service or age 62 with five years of service.

- For participants not yet receiving pension benefits, a charge will be implemented for preretirement death coverage that entitles your surviving spouse to receive 50% of your joint survivor benefit for the rest of his or her lifetime starting at what would have been your earliest retirement age. Such coverage may be maintained with a reduction in benefits for each month the coverage is in effect. Election forms and spousal waivers will be distributed to all participants.

The reduction in your monthly benefit will depend upon your age at which you elect coverage and the number of months you choose to be covered. Refer to the table below and the Impact of Pre-retirement Death Benefit Changes paragraph of this letter for an example on how this impacts benefits.

Cost of Pre-retirement Death Benefit Coverage	
Age Range	Percent Reduction in Accrued Benefit Per Month Covered Within Age Range
35-44	0.002%
45-49	0.004%
50-54	0.008%
55-59	0.017%
60-65	0.045%

Impact of Elimination of 60 Month Guarantee

For participants not yet receiving payment as of May 1, 2009, the 60 Month Guarantee of benefit payments is eliminated. This is also called the 5 Year Certain and Continuous form of benefit. A participant who newly retires after May 1, 2009 can elect the 60 Month Guarantee with a monthly reduction in benefit. The reduction in your monthly benefit will depend upon your age at retirement. Refer to the table below:

Cost of 60 Month Guarantee Optional Benefit Form					
Age	Percent Reduction	Age	Percent Reduction	Age	Percent Reduction
55	0.86%	60	1.48%	65	2.61%
56	0.96%	61	1.66%	66	2.92%
57	1.07%	62	1.86%	67	3.25%
58	1.19%	63	2.08%	68	3.61%
59	1.33%	64	2.33%	69	4.00%

For example, participant John has a monthly benefit of \$500.00 and retires at age 62. His benefit will be reduced to \$490.70 if she elects the 60 month guarantee.

Impact of Early Retirement Reduction Changes

Significant changes were made to the reduction factors which apply to early commencement of retirement benefits. This change does not apply to any participant who has already retired or who is age 55 with 10 years of service on or before May 1, 2009. The table below has been created to help you understand the differences. In the table we assume that you have earned a monthly pension of \$1,000 per month based on the Plan’s benefit formula, that it will be paid as a single

life annuity, and that you will not earn any additional benefits from work in covered employment in the future.

Early Retirement Reduction Factors		
Your age when you start your pension	Before May 1, 2009	After May 1, 2009
	Your monthly pension amount with at least 10 years of service	Your monthly pension amount with at least 10 years of service
55	\$ 720	\$ 510
56	\$ 760	\$ 580
57	\$ 800	\$ 650
58	\$ 840	\$ 720
59	\$ 880	\$ 790
60	\$ 920	\$ 860
61	\$ 960	\$ 930
62	\$ 1,000	\$ 1,000

Impact of Pre-retirement Death Benefit Changes

Assume you just turned age 40 at the death benefit effective date of May 1, 2009. If you elect coverage from this point until you retire at age 65 with a \$1,000 monthly benefit, then your benefit is $\$954.40 = \$1,000 * \{1 - [(60 * 0.00002) + (60 * 0.00004) + (60 * 0.00008) + (60 * 0.00017) + (60 * 0.00045)]\}$. This covers the reduction which corresponds to coverage in the various age ranges noted in the first table on page 2, titled Cost of Pre-retirement Death Benefit Coverage.

No Change for Retired and Disabled Participants

Participants whose retirement or disability payments under the Plan began prior to May 1, 2009 will not be affected by this plan change.

Retired and Disabled Participants Returning to Work

Retired or disabled participants who return to work after May 1, 2009 will have any additional benefits earned during the period of reemployment determined under this new formula. Any questions regarding benefits to be earned during a period of reemployment should be directed to the Fund Office.

Why the Change was Made

The Trustees have been advised by the Fund Actuary that the formula for determining Plan benefits needed to be reduced again in order to protect the long-term future of the plan. While the Trustees would have liked to maintain the previous benefit formula into the future, it appears that doing so would not be prudent and could cause damage to the Plan in the future. Therefore, the Trustees made the difficult decision to reduce the benefit formula at this time.