

**OPERATIVE PLASTERERS AND CEMENT MASONS LOCAL 109 PENSION PLAN  
2010 NOTICE OF CRITICAL STATUS**

*August 27, 2010*

This is to inform you that on July 29, 2010 the Plan's actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor ("the Board of Trustees"), that the Operative Plasterers and Cement Masons Local 109 Pension Plan is in critical status for the Plan Year beginning May 1, 2010 and ending April 30, 2011. Federal law requires that you receive this Notice.

**Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency for the 2012 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government's minimum contribution requirements for funding purposes. It does not mean that the Plan will be insolvent in the 2012 Plan Year.

**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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Board of Trustees of the Plan determines that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions would only apply to participants and beneficiaries whose benefit commencement date is on or after August 27, 2010.

Whether or not the Plan reduces adjustable benefits in the future, effective as of the date of this Notice, the Plan is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity while it is in critical status. The following benefits will be restricted under the Plan:

- The lump sum return of contributions pre-retirement death benefit will no longer be payable.
- Participants who are not in pay status as of the date of this Notice will no longer be provided the "pop-up" provision if they receive their benefit as a Qualified Joint & Survivor Annuity.
- Participants who are not in pay status as of the date of this Notice and who elect a Joint & Survivor Annuity will no longer be provided the guarantee of 120 monthly payments.
- Participants who are not in pay status as of the date of this Notice and who elect a Single Life Annuity will no longer be provided the guarantee of 60 monthly payments.

Participants who are already in pay status will continue to receive the pop-provision, the 120 payment guarantee for participants who are receiving their pension as a Joint & Survivor Annuity, and the 60 payment guarantee for participants who are receiving their pension as a Single Life Annuity.

### **Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Subsidized Early Retirement benefit at age 55 for participants with 10 years of service;
- Total and Permanent Disability benefits (if not yet in pay status); and
- Pre-retirement death benefits.

If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice identifying the type of the reduction and the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of your basic benefit payable at your Normal Retirement Age, which is generally age 65.

### **Employer Surcharge**

The law requires that all contributing Employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an Employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status. This surcharge would not generate benefit accruals. If a rehabilitation plan is not adopted, Employers would be required to add 5% to their Pension Plan remittances on or after October 1, 2010 and due November 15, 2010.

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

For more information about this Notice, you may contact the Operative Plasters and Cement Masons Local 109 Pension Plan at 33 Fitch Boulevard, Austintown, OH 44515 or call 1-800-435-2388. Also, once the Plan's rehabilitation plan has been negotiated by the bargaining parties and adopted by the Trustees, you will have the right to receive a written copy of the rehabilitation plan.