

Operative Plasterers and Cement Masons Local 109

Pension Fund

33 Fitch Boulevard
Austintown, Ohio 44515



Telephone (330) 270-0453
Ohio Statewide 1-800-435-2388

Summary of Material Modifications

**TO: ALL PARTICIPANTS
ALTERNATE PAYEES UNDER QDROs WHOSE BENEFITS MAY BE AFFECTED**

As announced in previous communications, the Operative Plasterers and Cement Masons Local No. 109 Pension Plan ("Plan") has a Pension Protection Act of 2006 (PPA) funded status of critical for the Plan Year beginning May 1, 2010. Therefore, the Board of Trustees is required by law to adopt a Rehabilitation Plan that will improve the Plan's funded status over time. The Board of Trustees has considered many possible solutions and, after much discussion, determined that Plan changes are necessary at this time.

This Notice outlines the changes that have been adopted by the Board of Trustees and is intended to be a Summary of Material Modification of reductions in Plan benefits. You should keep this Notice with your Summary Plan Description booklet. If you have any questions about these changes, please contact the Fund Office.

CHANGES TO THE EARLY RETIREMENT REDUCTION FOR RETIREMENTS ON AND AFTER DECEMBER 1, 2010

If you are an **Active** participant in the Plan, have attained at least age 55, and have at least 10 Years of Vesting Service but less than 30 years of service with the local union, your monthly benefit will be actuarially reduced to reflect commencement of benefits prior to your Normal Retirement Date (age 65).

Sample actuarial reduction factors for Active Plan participants with at least 10 Years of Vesting Service but less than 30 years of service with the local union are:

<u>Age at Retirement</u>	<u>Actuarial Reduction Factor</u>
Age 65 – Normal Retirement	0.0000%
Age 64 – 12 months early	9.9947%
Age 63 – 24 months early	18.7769%
Age 62 – 36 months early	26.5225%
Age 61 – 48 months early	33.3778%
Age 60 – 60 months early	39.4651%
Age 59 – 72 months early	44.8872%
Age 58 – 84 months early	49.7309%
Age 57 – 96 months early	54.0701%
Age 56 – 108 months early	57.9675%
Age 55 – 120 months early	61.4771%

Example:

You retire at age 55 with 25 Years of Vesting Service. Your accrued monthly benefit is \$2,500.00. Based on the Plan's actuarial reduction factors, your Early Retirement Pension is calculated as follows:

Accrued monthly benefit:	\$ 2,500.00
Early Retirement Reduction Factor at age 55 years and 0 months (1-61.4771%):	<u>×38.5229%</u>
Total monthly pension:	<u>\$ 963.07</u>

This change does not impact **Active** participants who have 30 Years of Service with the local union.

CHANGE TO THE BENEFIT COMMENCEMENT DATE FOR TERMINATED VESTED PARTICIPANTS THAT RETIRE ON AND AFTER DECEMBER 1, 2010

If you are a **Terminated Vested** participant in the Plan, you will not be entitled to any retirement benefits until the first day of the month following your normal retirement date, which is generally age 65. You will be considered a **Terminated Vested** participant if you fail to complete 400 Hours of Service in a Plan Year.

Example:

You have 10 Years of Vesting Service and during the 2010-2011 Plan Year you fail to complete 400 Hours of Service. You will not be eligible to receive your Retirement Pension until you are age 65 or complete 400 Hours of Service during a Plan Year in which you turn age 55 or older.

CHANGE IN FUTURE SERVICE BENEFIT MULTIPLIER EFFECTIVE MAY 1, 2011

The benefit formula that will be used to determine benefits earned under the Plan will be changed to 0.8% of Employer contributions for work performed after May 1, 2011. **This change does not affect any of the benefits that you have earned prior to April 30, 2011.**

Example:

Your accrued monthly benefit on April 30, 2011 is \$2,500. During the 2011-2012 Plan Year you earn 1,500 Hours of Service. Your Employer contributions total \$6,000. Your April 30, 2012 accrued monthly benefit is calculated as follows:

April 30, 2011 Accrued Monthly Benefit:	\$ 2,500.00
2011–2012 Plan Year Employer Contributions:	6,000.00
0.8% Service Benefit Multiplier:	<u>× 0.8%</u>
Monthly Benefit Earned During the 2011–2012 Plan Year:	<u>48.00</u>
April 30, 2012 Accrued Monthly Benefit:	\$ 2,548.00

RESTRICTED BENEFITS AS OF AUGUST 27, 2010

As a reminder, effective August 27, 2010 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 are restricted under the Plan:

- The lump sum return of contributions pre-retirement death benefit is no longer payable.
- The Joint & Survivor Annuity “pop-up” provision is no longer available.
- The Joint & Survivor Annuity no longer provides the guarantee of 120 monthly payments.
- The Single Life Annuity no longer provides the guarantee of 60 monthly payments.

Participants who were in pay status prior to August 27, 2010 will continue to receive the pop-up provision, the Joint & Survivor Annuity 120 payment guarantee, and the Single Life Annuity 60 payment guarantee, if applicable.

If you believe a reduction applied to your benefit is incorrectly calculated, a material fact is in error, or some other basis for modification to your benefit, you may submit an appeal through the Plan’s claims and appeal procedure contained in your Summary Plan Description. If you have other questions or desire further clarification, you may contact the Plan’s administrative office directly at:

Operative Plasterers and Cement Masons Local 109 Pension Fund
33 Fitch Blvd
Austintown, OH 44515

You may also request additional information, submit a complaint or request other appropriate assistance from the Department of Labor at the following:

U.S. Department of Labor
200 Constitution Ave, NW
Washington, DC 20210
1-866-4-USA-DOL

The Board of Trustees realizes that the above Plan changes are significant. However, the Trustees are committed to trying to find a way, within the extent permitted by law, to return the Plan to a safe funding status. The Board of Trustees has determined that these changes are necessary at this time.

Sincerely,

BOARD OF TRUSTEES

October 27, 2010