

# Boston Plasterers' & Cement Masons'

## Local 534 Trust Funds

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### Deferred Income (Annuity)

EIN: 04-6127786

Plan No. 001

To: Participants, Beneficiaries, Participating Unions and Contributing Employers:

THOMAS S. GUNNING, *Chairman*  
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HARRY C. BROUSAIDES  
*Secretary-Treasurer*  
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*Representing A.G.C. of Mass., Inc.*

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## NOTICE OF CRITICAL STATUS

FOR

### BOSTON PLASTERERS', CEMENT MASONS' AND ASPHALT LAYERS' UNION LOCAL #534 PENSION PLAN

The Pension Protection Act of 2006 ("PPA" or "Act") requires that the Trustees of the Plan provide this Notice to you.

### Plan's Status – Red Zone

On June 29, 2010, the Plan's actuary certified to the U.S. Department of the Treasury and the Board of Trustees that the Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local #534 Pension Plan ("Plan") is in critical status (the "red zone") for the Plan Year beginning April 1, 2010. Federal law requires that you be notified of the funding status of the Plan and its classification of critical status ("red zone"). The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency as of March 31, 2014. In addition, the Plan's funding percentage is currently 50.69%.

### Rehabilitation Plan

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 in the red zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of the rehabilitation plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions or adjustments. No reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will reduce the level of a Participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to Participants and Beneficiaries whose benefit commencement date is on or after July 29, 2010.

The Trustees intend to adopt a Rehabilitation Plan that includes a change in the early retirement reduction factor for participants who have incurred a three-year break in service. A separate notice providing more information on this change will be distributed.



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### **Adjustable Benefits**

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of the Rehabilitation Plan:

Disability benefits (if not yet in pay status),

Early retirement benefits,

Death benefits, other than the Qualified Pre-Retirement Survivor Annuity (QPSA),

Optional forms of payments.

### **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. A 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding Plan Year while the Plan is in critical status. Thus, the 5% surcharge is payable on contributions required for work performed on and after August 28, 2010 until March 31, 2011, and the 10% surcharge is payable with respect to contributions required for work performed on or after April 1, 2011. The surcharge ceases to be effective for an employer upon reaching an agreement adopting a schedule presented by the Trustees as part of the Rehabilitation Plan.

The surcharges will be disregarded in determining benefits and withdrawal liability, as required by the law.

### **What's Next**

The Board of Trustees intends to adopt a Rehabilitation Plan prior to August 28, 2010. Shortly after the adoption of the Rehabilitation Plan by the Trustees, a copy will be sent to Contributing Employers and the Union. Participants and Beneficiaries will receive a separate notice identifying and explaining the effect of any reductions or adjustments of benefits and may request a copy of the Rehabilitation Plan.

You will receive notices like this each year, letting you know of the Plan's progress in stabilizing its financial status. Since the funding of the Plan is influenced by economic and financial variables beyond the control of the Trustees (such as investment market volatility and changes in employment levels and/or the number of contributing employers), unexpected developments can affect the Plan's status and cause modification of the Rehabilitation Plan and the required corrective actions needed.

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

For more information about this notice, you may contact Ms. Mary Keohan, Fund Administrator at 7 Frederika Street, Boston, MA 02124, (Telephone: 617-825-4500). For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 04-6127786. For more information about the PBGC and benefit guarantees, go to PBGC's Web site, [www.pbgc.gov](http://www.pbgc.gov), or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.)

We are working closely with our professional advisors to monitor the Plan's condition and develop strategies to improve the Fund's funding status and provide you with sound pensions.

Sincerely,

Board of Trustees

cc: Department of Labor  
Pension Benefit Guaranty Corporation