STONER & ASSOCIATES

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EBSA/PUBLIC DISCL. 2012 AUG 27 PM 3:09

August 20, 2012

U.S. Dept of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Ave, NW
Washington, DC 20210

Re: Bricklayers #55 Pension Plan

Please find enclosed a copy of the 2012 Notice of Critical Status for the above Pension Plan.

Sincerely,

Jill Huber
Assistant Administrator

98-C

BRICKLAYERS LOCAL NO. 55 PENSION PLAN
2012 NOTICE OF CRITICAL STATUS
August 2012

On July 27, 2012 the actuary for the Bricklayers Local No. 55 Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan continues to be in "critical status" for the 2012 Plan Year as defined by the *Pension Protection Act of 2006* (PPA). The 2012 Plan Year began on May 1, 2012 and will end on April 30, 2013. 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. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan's 2009 PPA certification date the Plan was projected to have an accumulated funding deficiency for the 2013 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 is insolvent.

The Plan continues to be in critical status for the 2012 Plan Year because the Plan's actuary has determined that the Plan has not passed the "Emergence Test" that would enable it to come out of critical status. In order to pass this Test, the Plan's actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

On August 23, 2010, the Board of Trustees adopted a rehabilitation plan that has been ratified by the bargaining parties. The Plan is continuing to operate in accordance with this rehabilitation plan. For the 2012 Plan Year, the Plan's actuary has certified that the Plan is making scheduled progress in meeting the requirements of its rehabilitation plan.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at improving the plan's funded percentage. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of "adjustable benefits", and/or (3) increases in the hourly contribution rate. The Board of Trustees adopted a rehabilitation plan that includes the reduction of "adjustable benefits" and increases in the Plan's hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay "restricted benefits", such as single sum disability and death benefits.

The rehabilitation plan that was adopted by the Board of Trustees included changes in the Plan's Early Retirement Benefits, Deferred Vested Retirement Benefits, Total and Permanent Disability Benefits, Disabled from the Trade Benefits, and Pre-retirement Death Benefits. Except as otherwise noted, these changes will not apply to participants and beneficiaries whose benefits were in pay status as of January 1, 2011 or to participants who retired on or before December 1, 2010. The changes in these benefits are outlined as follows:

1. Early Retirement Benefit. Beginning January 1, 2011, early retirement benefits at age 50 with 5 or more Years of Credited Service has been eliminated. On or after January 1, 2011, any participant with 5 or more Years of Credited Service will be eligible for early retirement at age 58, with a reduction of 0.5% for each month (6.0% per year) that the participant's early retirement date precedes the participant's normal retirement date (generally age 62). The unreduced early retirement benefit at age 60 with at least 25 Years of Credited Service will remain in place. Any participant with 25 or more Years of Credited Service will be eligible for early retirement at age 58, with a reduction of 0.5% for each month (6.0% per year) that the participant's early retirement date precedes the participant's attainment of age 60.

2. Deferred Vested Retirement Benefit. Beginning January 1, 2011, deferred vested retirement benefits at age 50 with 5 or more Years of Credited Service has been eliminated. On or after January 1, 2011, any participant with 5 or more Years of Credited Service will be eligible for vested retirement upon attainment of age 58, with a reduction of 0.5% for each month (6.0% per year) that the participant's early retirement date precedes the participant's normal retirement date (generally age 62). The unreduced early retirement benefit at age 60 with at least 25 Years of Credited Service will remain in place. Any participant with 25 or more Years of Credited Service will be eligible for early retirement at age 58, with a reduction of 0.5% for each month (6.0% per year) that the participant's early retirement date precedes the participant's attainment of age 60.

3. Total and Permanent Disability Retirement Benefit. The total and permanent disability retirement benefit payable on behalf of a disabled participant has been modified. The disabled participant will receive a total and permanent disability retirement benefit as follows:

   A. Unreduced Total and Permanent Disability Retirement Benefit. Beginning January 1, 2011, the unreduced total and permanent disability retirement benefit for disabled participants with 5 or more Years of Credited Service has been eliminated. On or after January 1, 2011, any disabled participant with 5 or more Years of Credited Service will be eligible for a reduced total and permanent disability retirement benefit, with a reduction of 0.5% for each month (6.0% per year) that the participant's total and permanent disability retirement date precedes the participant's normal retirement date (generally age 62). However, any participant with at least 25 Years of Credited Service will be eligible for a total and permanent disability retirement benefit, with a reduction of 0.5% for each month (6.0% per year) that the participant's total and permanent disability retirement date precedes the participant's attainment of age 60.

   B. Lump Sum Payment of Employer Contributions Total and Permanent Disability Retirement Benefit. Effective August 28, 2010, a disabled participant with less than 5 Years of Credited Service will no longer be eligible to receive a lump sum payment equal to the Employer Contributions made to the Pension Plan on behalf of the disabled participant.

4. Disabled from the Trade Benefit. Beginning January 1, 2011, the disabled from the trade benefit has been eliminated.

5. Pre-Retirement Death Benefit. The pre-retirement death benefit payable on behalf of a deceased participant has been modified as follows:

A. Qualified Pre-Retirement Survivor's Annuity to Deceased Participant's Surviving Spouse. Beginning January 1, 2011, the surviving spouse of a deceased participant who has 5 or more Years of Credited of Service will be eligible for a Qualified Pre-Retirement Survivor Annuity payable as of the later of the first day of the month following the participant's date of death or the month in which the participant would have attained age 58. The benefit payable will be reduced in accordance with the early retirement reductions outlined above, as applicable, and will reflect the election of the 50% Joint and Survivor Annuity form of payment.

B. Lump Sum Payment of Employer Contributions to Deceased Participant's Surviving Spouse. Effective August 28, 2010, the surviving spouse of a deceased participant will no longer have the option of receiving a lump sum payment equal to the Employer Contributions made to the Pension Plan on behalf of the deceased participant.

C. Lump Sum Payment of Employer Contributions to Deceased Participant's Beneficiaries. Effective August 28, 2010, the beneficiary(ies) of a deceased participant who is not married or who has less than 5 Years of Credited Service will no longer be eligible to receive a lump sum payment equal to the Employer Contributions made to the Pension Plan on behalf of the deceased participant.

In addition to the benefit changes outlined above, the rehabilitation plan also calls for increases in the hourly contribution rate. The rate will need to increase by 25¢ per hour for each Plan Year from 2011 until 2020. This means that the hourly contribution rate for a Journeyman bricklayer will increase to $5.65 per hour by June 1, 2020. It should be noted that, if a participant's actual contribution rate differs from the contribution rate for a Journeyman bricklayer, the benefit accrued by a participant for a Plan Year will be earned on a pro rata basis, determined as a ratio of the participant's actual contribution rate to the Journeyman bricklayer contribution rate.

The contribution increases required under the contribution schedule outlined above will be subject to adjustment each year in accordance with the annual updating of the Plan's rehabilitation plan by the Plan's actuary.

You can request a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Adjustable Benefits

If it is ever determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- ☐ Unreduced Early Retirement benefit at age 60 for participants with 25 years of service;
- ☐ Subsidized Early Retirement benefit at age 58 for participants with 5 years of service;
- ☐ Total and Permanent Disability benefits (if not yet in pay status);
- ☐ Pre-retirement death benefits.

If the Board of Trustees determines that further 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 (generally, age 62). In addition, the reductions will only apply to participants and beneficiaries whose benefit commencement date is on or after August 28, 2010.

Where to Get More Information

For more information about this Notice, you can contact the Bricklayers Local No. 55 Pension Plan at 205 West Fourth Street, Suite 225, Cincinnati, OH 45202, or by calling 513-381-6886. For identification purposes, the official Plan number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6126985.