



Malcolm Thompson & Associates

Customized Retirement Plan Solutions

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January 18, 2013

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

Re: Cement Masons Local 783 Pension Trust
Plan Sponsor's EIN: 74-1976110
Plan Number: 001

Enclosed are the Notice of Critical Status and Annual Funding Notice for the above-referenced plan.

Sincerely,

E. Malcolm Thompson, FSA
President

mal@malthompson.com

Enclosures

ESSA/PUBLIC DISCLOSURE
2013 JAN 29 AM 11:40

January 17, 2013

To: Cement Masons Local 783 Pension Plan Participants

From: Board of Trustees

Re: Pension Plan Notices

Enclosed are two important notices regarding your Pension Plan: (1) a **Notice of Critical Status** regarding the Plan's status under the Pension Protection Act of 2006 (the PPA), and (2) the **Annual Funding Notice**, a notice providing information about the Plan's finances. This memorandum provides a brief explanation of each of these notices and also discusses the steps we are taking to improve the Plan's financial health and ensure the security of your pension benefits during the current economic crisis.

NOTICE OF CRITICAL STATUS

Beginning in 2008, the PPA created new classifications, also known as "zones" or "statuses" for assessing the financial health of pension plans: Green Zone (neither "endangered" nor "critical" status), Yellow or Orange Zone ("endangered" status), or Red Zone ("critical" status). When a plan is classified in the Yellow, Orange, or Red Zone, it must take steps to improve the financial health of the plan by meeting certain financial goals within a specified time period (generally, ten years).

The Cement Masons Local 783 Pension Plan was again certified as a Red Zone Plan (critical) for the plan year beginning October 1, 2012. The enclosed Notice of Critical Status is required by law if the Plan is certified as being in critical status and outlines the implications of being certified in the Red Zone for both participants and employers. Be assured that the Trustees are currently working with the Pension Plan's advisors to develop a plan to improve the financial health of the Pension Plan.

ANNUAL FUNDING NOTICE

Also enclosed is the Annual Funding Notice for the 2011 Plan Year, which you will receive each January. Since the format of the Annual Funding Notice is prescribed by regulations, we want to provide this brief guide to the contents of the Notice.

The Annual Funding Notice provides important information about your Pension Plan, including descriptions of the Trustees' funding and investment policies and the allocation of the Plan's investments as of September 30, 2012.

Please also note that some of the required information in the Annual Funding Notice appears to be somewhat out of date, specifically: (1) the Plan's funded percentage as of October 1, 2011 and (2) the Plan's PPA status for 2011. While this information is important, it does not reflect changes that have occurred during 2012.

If you have any questions about these notices or any other questions about your Pension Plan, please contact the Plan Office:

Board of Trustees of Cement Masons Local 783 Pension Plan
c/o Malcolm Thompson & Associates
19500 State Hwy 249, Suite 570
Houston, TX 77070
(281) 453-8309

**Notice of Critical Status
For
Cement Masons Local 783 Pension Plan**

This is to inform you that on December 28, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan remains in critical status for the plan year beginning October 1, 2012. 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 determined that the plan is expected to have a funding deficiency for the 2012 plan year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fifth year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 14, 2010, you were notified that the plan reduced or eliminated adjustable benefits. On January 19, 2009, you were notified that as of January 19, 2009 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. If the trustees of the plan determine that future benefit reductions are necessary, you will receive a separate notice 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 may only apply to participants and beneficiaries whose benefit commencement date is on or after January 19, 2009.

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:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e. occurring in past 5 years);
- Other similar benefits, rights, or features under the plan

Employer Surcharge

The law requires that contributing employers who have not yet adopted the rehabilitation plan 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 in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact

Board of Trustees of the Cement Masons Local 783 Pension Plan
c/o Malcolm Thompson & Associates
19500 State Hwy 249, Suite 570
Houston, TX 77070

(281) 453-8309

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You have a right to receive a copy of the rehabilitation plan from the plan.