

# ROOFERS LOCAL NO. 74/NO. 203 PENSION FUND

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FBSA/PUBLIC DISCLOSURE  
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## NOTICE OF ENDANGERED STATUS

August 27, 2010

This is to inform you that on August 16, 2010 the actuary for the Roofers Local No. 74/ No. 203 Pension Fund (the "Plan") has certified to the U.S. Department of the Treasury, and also to the Board of Trustees of the Plan, that the Plan is in endangered status for the plan year beginning July 1, 2010. Federal law requires that you receive this notice.

### Endangered Status

The Plan is considered to be in endangered status because the Plan's actuary has determined that the Plan's funded percentage for the plan year beginning July 1, 2010 is less than 80%. As of July 1, 2010, the Plan's funded percentage has been determined to be 70.3%.

### Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in endangered status to adopt a "funding improvement plan" aimed at restoring the financial health of the plan within 240 days after the notification of endangered status. The funding improvement plan must be annually updated to reflect the change in contribution rates that have come into effect.

On October 15, 2009, the Fund sent you a notice that the Roofers Local No. 74 / No. 203 Pension Fund has been certified by its actuary to be in critical status for the 2009 Plan Year. Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Trustees adopted the following rehabilitation plan which has since been approved by the bargaining parties:

1. Employer contribution rates increase by twenty-five (25%) percent effective June 1, 2010 and then by one and three-tenths (1.3%) percent each year thereafter, through May 31, 2024.
2. Monthly benefits under the Plan accrue at the rate of \$40.40 for Local 74 members, and \$32.40 for Local 203 members for each year of Credited Service earned after June 1, 2010. Prior to that date, benefits accrued at the rate of one percent of contributions or \$51.50 for Local 74 members and \$41.30 for Local 203 members for each year of Credited Service.
3. Years and fractional years of credited service are earned for 750 or more hours of service in a Plan Year, based on a ratio to 1,000 Hours of Service for one year of Credited Service. Currently, Credited Service is

earned for Hours of Service starting at 500 in a Plan Year. The cap of 2300 Hours of Service in a Plan Year will remain in effect.

4. Effective July 1, 2010, Participants may retire from active service with a full unreduced pension when their years of Vesting Service plus their age equals 80, but in no event earlier than age 50. Prior to July 1, 2010, an Early Retirement Benefit was available at age 47 with 28 years of Vesting Service, with lesser years required at older ages.
5. The normal form of benefit for married Participants retiring on or after July 1, 2010 is now a joint and 50% survivor annuity. Prior to July 1, 2010, the normal form of benefit for a married participant was a joint and 100% survivor annuity.

Since the Plan's status has improved from "critical" to "endangered," the Trustees must adopt a "funding improvement plan," rather than a "rehabilitation plan." The previously adopted rehabilitation plan will be reviewed to determine if the Plan is meeting the benchmarks required of a funding improvement plan. If the Trustees determine that any adjustments to the previously adopted rehabilitation plan are necessary, you will be notified.

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

For more information about this notice, you may contact the Fund Office at [berniem14075@roadrunner.com](mailto:berniem14075@roadrunner.com) or by calling 800-905-0904. You have a right to receive a copy of the full rehabilitation plan. You may email or write the Fund Office for a copy.