



Northern California Cement Masons Funds Administration, Inc.
220 Campus Lane, Fairfield, CA 94534-1499 • Telephone: 707 864 3300 or 888 245 5005

**NOTICE OF FUNDED STATUS
FOR THE PENSION PLAN OF THE
CEMENT MASONS PENSION TRUST FUND FOR NORTHERN CALIFORNIA
2014 Plan Year
September 1, 2014 – August 31, 2015**

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

This is to inform you that on November 26, 2014, the Plan actuary certified to the U.S. Department of the Treasury, and to the Board of Trustees, that the Plan is in endangered status for the Plan Year beginning September 1, 2014. Federal law requires that you receive this notice.

ENDANGERED STATUS

The Plan is considered to be in endangered status because it is considered underfunded. More specifically, the Plan actuary determined that the Plan's funded percentage for the 2014 Plan Year is less than 80 percent.

FUNDING IMPROVEMENT PLAN

Federal law requires pension plans that are determined to be in endangered status adopt a funding improvement plan aimed at restoring the financial health of the plan. As a result of the Plan having previously been certified as seriously endangered for the Plan Year beginning September 1, 2010, the Board of Trustees adopted a funding improvement plan on June 27, 2011 containing two schedules—a default and an alternative schedule. The default schedule which contains benefit reductions and the alternative schedule which contains both benefit reductions and employer contribution increases. Collective bargaining agreements entered into or renewed after September 1, 2010 were required to contain the provisions of one of the two schedules with the default schedule imposed on any employer and its employees if no agreement is reached within 180 days following the expiration of the collective bargaining agreement. The major collective bargaining agreements expired in June 2013 and were renewed containing the provisions of the alternative schedule. The funding improvement period for the Plan, as adopted under the funding improvement plan update on June 22, 2012, is the ten-Plan-Year period beginning September 1, 2013 and ending August 31, 2023.

Any modification of benefits called for in a funding improvement plan schedule shall only apply to future benefit accruals. Participants and other interested parties will be notified of the specific changes. Under the alternative schedule, benefit accruals on and after February 1, 2014 are based on 1.75% instead of 2.00% of credited contributions (these exclude "off-benefit" contributions earmarked solely for Plan funding purposes). In addition, the portion of the supplemental retirement benefit earned on and after February 1, 2014 is reduced by 1/8.

Collective bargaining in 2013 resulted in an allocation to the Pension Plan that increased the hourly employer contribution rate from \$8.80 to \$9.30 effective with July 2013 hours, to \$9.80 effective with July 2014 hours and to \$10.30 effective with July 2015 hours. These increases are not credited towards benefit accruals.

You may obtain a copy of the Plan's funding improvement plan and the actuarial and financial data which is the basis for the actions taken by the Plan toward fiscal improvement by contacting the Plan administrator.

FOR MORE INFORMATION

We understand that legally required notices like this one can create anxiety and concern about the Pension Plan's future. The Board of Trustees is working with contributing employers and the union to take the necessary and appropriate actions to improve the financial health of the Plan to secure the future retirement benefits for participants and their families. The Plan's status will be examined each year and you will be informed on how the Plan is progressing, as well as whether there are any changes.

In the event you have questions or would like additional information, you may contact the Board of Trustees or Edward Smith, the Fund Manager, at:

Cement Masons Pension Trust Fund for Northern California
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cc: United States Department of Labor
United States Pension Benefit Guaranty Corporation