

Notice of Critical Status
for
Bricklayers and Allied Craftworkers Local 5 New York Pension Plan
EIN: 14-6016608 / PN: 001

This is to inform you that on March 31, 2012, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in critical status for the Plan year beginning January 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 projected to have a funded status of less than 65% and is projected to have an accumulated funding deficiency for the current plan year or in any of the following four plan years.

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 third year the Plan has been in critical status. While the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" (as described in the next section below) as part of a Rehabilitation Plan, the Trustees have been very selective in doing so. Effective January 1, 2010, the unreduced Early Retirement at age 62 with 5 years of Vesting Service was dropped from the Plan and replaced with an unreduced Early Retirement at age 62 with 20 years of Pension Service, with no limitation on Service earned in a Plan Year. In addition to contribution rate increases, you have been periodically notified that the pension plan was amended for the following changes:

- Effective April 23, 2010, 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.
- Effective January 1, 2010, the accrual rate was reduced to \$50 from \$75 or to \$37.50 from \$50 depending on your date of hire.
- Effective January 1, 2010, Pension Service is credited for each 1,000 hours worked with 1/10th of a year for each 100 hours worked but only if at least 200 hours are earned in a Plan Year.
- On November 15, 2011, you were notified that benefits accrued under the Plan would be frozen as of December 31, 2011.

If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction in adjustable benefits (other than a repeal of a recent benefit increase, as described below) 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 May 1, 2010.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any Rehabilitation Plan the pension may adopt:

- Subsidized Early Retirement Benefits. As noted above unreduced Early Retirement at age 62 with 5 years of Vesting Service has been eliminated from the Plan and replaced with an unreduced Early Retirement at age 62 with 20 years of Pension Service
- Disability Benefits (not yet in pay status)
- Death Benefits

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until such time as their collective bargaining agreements are updated to reflect the contribution increases required by the Rehabilitation Plan. 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 thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact:

Albert Alimena
Dickinson Group, LLC
825 East Gate Blvd., Suite 102
Garden City, NY 11530
Phone (516) 740-5300

You have a right to receive a copy of the Rehabilitation Plan from the Plan.

DATE SENT: April 26, 2012

cc: Local Unions
Employers
PBGC
U.S. Secretary of Labor (DOL)