

B.A.C. LOCAL 5 BENEFIT FUNDS
GARY J. MERCADANTE - FUND ADMINISTRATOR

14 PLOG ROAD - SUITE 2 - FAIRFIELD, NEW JERSEY 07004

Telephone (973) 808-1141

(888) 288-1263

Facsimile (973) 808-7151

April 2012

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

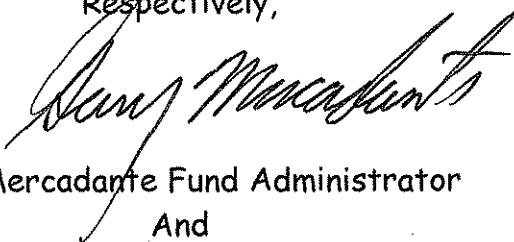
EBSA/PUBLIC DISCLOSURE
2012 MAY -3 PM 3:19

RE: BAC Local #5 of New Jersey Pension Plan 2012 Notice of Critical Status

Dear Secretary of Labor:

Enclosed is a copy of the 2012 Notice of Critical Status ("Red Zone") for the
Bricklayers and Allied Craftworkers Local #5 New Jersey Pension Plan

Respectively,



Gary Mercadante Fund Administrator

And

BAC Local #5 Board of Trustees

Enc: BAC Local #5 Pension Plan
GM/jd.



**NOTICE OF CRITICAL STATUS FOR THE 2012 PLAN YEAR
for
BRICKLAYERS AND ALLIED CRAFTWORKERS LOCAL NO. 5
OF NEW JERSEY PENSION PLAN**

This is to inform you that on March 30, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, the plan sponsor, that the Bricklayers and Allied Craftworkers Local No. 5 of New Jersey Pension Plan ("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 has determined that the funded percentage of the plan is 65% or less, and an accumulated funding deficiency is projected within five years.

Rehabilitation Plan, Possibility of Reduction in Benefits and Limits on Lump Sum Payments

Federal law requires pension plans in critical status to adopt a "Rehabilitation Plan" aimed at restoring the financial health of the plan. The Board of Trustees must adopt a Rehabilitation Plan no later than November 25, 2012. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Sixty-month payment guarantees on the normal form of benefit;
- Benefit payment options other than a qualified joint & survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring after January 1, 2007).

If the Board of Trustees determines that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described above) 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 is on or after April 27, 2012. You should also know that whether or not the Plan reduces adjustable benefits in the future, effective as of April 27, 2012, the Plan is not permitted to pay lump sum distributions in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Employer Surcharge

The law requires that all contributing employers 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 thereafter in which the plan is in critical status. The surcharge will cease to apply to any employer once its Collective Bargaining Agreement is amended to comply with the Rehabilitation Plan.

Where to Get More Information

For more information about this notice, you may contact:

<p>Gary J. Mercadante, Administrator B.A.C. Local 5 Benefit Fund 14 Plog Road, Suite 2 Fairfield, NJ 07004 Telephone 888-288-1263</p>
