

Boston Plasterers' & Cement Masons' Local 534 Trust Funds

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Dear Participant:

This letter describes the two Notices that are included in this mailing, and explains the reason you are receiving each one. Based on Internal Revenue Code rules, multiemployer pension plans like ours are required to be certified by their actuaries as being in one of three funded status zones:

- Neither Endangered nor Critical (unofficially called the "Green Zone"). Generally, if the Fund is funded at a level of 80% or above, it is in the "Green Zone" of funding.
- Endangered (unofficially called the "Yellow Zone"). Generally, the Fund is funded at a level of under 80%, but meets a series of tests that show the Fund is financially strong, it is in the "Yellow Zone" of funding. **This is the "Zone" that the Fund is in for the current year.**
- Critical (unofficially called the "Red Zone"). If the Fund is funded at a level of under 65%, and fails one or more of these tests, it's in the "Red Zone." This is the "Zone" that the Fund was in for the last several years.

1. Notice of Endangered Status for 2014

As a result of the actions taken to improve the funded position of the Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local 534 Pension Plan, **the Trustees are pleased to notify you that the Plan has moved from "Critical Status" (the "Red Zone") to "Endangered Status" (the "Yellow Zone") for the April 1, 2014 through March 31, 2015 plan year (the current plan year).** Please see the attached Notice for additional information.

2. Annual Funding Notice for 2013

This Notice is required under the Pension Protection Act of 2006 to provide you with useful information in understanding the Plan's funded status. It reflects results for the April 1, 2013 through March 31, 2014 plan year (the prior plan year) and contains information for the two preceding plan years. The language of the notice was developed by the U.S Department of Labor. The references to "reorganization" and "insolvent plans" are part of the standard language. This plan **is not** in reorganization or insolvent.

We encourage you to read the attached Notices in their entirety. We have tried to meet the content requirements of the IRS and Department of Labor while keeping the information included as clear as we could. If, after reviewing the Notices, you have any questions or concerns, please feel free to contact the Board of Trustees:

c/o Mary Keohan, Fund Administrator
Boston Plasterers', Cement Masons' and Asphalt Layers'
Union Local 534 Pension Plan
7 Frederika Street
Boston, MA 02124(617) 825-4500

04-6127786

**Notice of Endangered (YELLOW ZONE) Status for
Boston Plasterers', Cement Masons' and Asphalt Layers'
Union Local #534 Pension Plan**

This Notice is to inform you that on June 27, 2014 the Plan's actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in "Endangered (Yellow Zone) Status" for the plan year beginning April 1, 2014. Federal law requires that you receive this Notice.

Under the Pension Protection Act of 2006 ("PPA"), within the first 90 days of each plan year, the Plan's actuary must certify whether a plan is in "Endangered (Yellow Zone) Status" or "Critical (Red Zone) Status".

In general, in order to perform this Certification, the Plan's actuary must determine if the Plan's funded ratio is at least 80% and if the Plan will not meet the minimum required funding standards in any of the next 10 plan years. The Plan's actuary must also project the Plan's assets, benefit costs, contributions, and unfunded liability to determine whether the Plan will not be able to pay benefits when due or if it is expected to run out of assets.

Emergence from Critical (RED ZONE) Status

You will recall the Plan was certified in "Critical (Red Zone) Status" for the last several plan years (2010 - 2013). On August 27, 2010 the Plan's Trustees adopted a "Rehabilitation Plan," aimed at restoring the Plan's financial health. As a result of the Bargaining Parties' adoption of this "Rehabilitation Plan" and the Trustees' election to apply specific provisions under the "Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010" ("PRA 2010"), the Plan's actuary determined that the Plan has emerged from "Critical (Red Zone) Status" for the current plan year because the Plan is not projected to have an "accumulated funding deficiency" for the current plan year or any of the 9 succeeding plan years. A "funding deficiency" may occur if contributions made to the plan are less than the minimum required amount determined under current law.

Endangered (YELLOW ZONE) Status

Although the Plan's actuary determined that the Plan has emerged from "Critical (Red Zone) Status" and that the Plan is projected to not have an "accumulated funding deficiency," the Plan's estimated funded percentage on April 1, 2014 is 60.7% (as measured for PPA purposes). Because the funded percent is below 80%, the Plan is considered to be in "Endangered (Yellow Zone) Status" for the 2014 plan year.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in "Endangered (Yellow Zone) Status" to adopt a "Funding Improvement Plan" aimed at restoring the financial health of the plan. The law permits pension plans to reduce benefits earned in future years as part of a "Funding Improvement Plan." If the Plan's Trustees determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Looking Ahead

The plan's funding status must be reviewed and certified annually. Notices like this one will be sent each year until our plan is no longer in "Endangered (Yellow Zone) Status". The "Funding Improvement Plan" will also be updated each year, if changes are needed.

Where to Get More Information

For more information about this Notice, you may contact: Mary Keohan / Fund Administrator / Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local 534 Pension Plan at (617) 825-4500 / 7 Frederika Street / Boston / MA 02124. You have a right to receive a copy of the "Funding Improvement Plan" from the Plan.

July 9, 2014