

Boston Plasterers' & Cement Masons'

Local 534 Trust Funds

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EBSA/PUBLIC DISCLOSURE

2009 AUG -3 PM 2: 13

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NOTICE OF FUNDED STATUS OF PENSION PLAN

July, 2009

Background

This notice contains important information about the Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local #534 Pension Plan, E.I.N. 04-6127786, Plan Number 001. Based on funding criteria set forth in the Internal Revenue Code, multiemployer pension plans are required – beginning with the 2008 plan year – to be certified by their actuaries as being in one of three funded status zones:

- *Neither Endangered nor Critical* (unofficially called the “Green Zone”)
- *Endangered* (unofficially called the “Yellow Zone”)
- *Critical* (unofficially called the “Red Zone”)

While trustees of Green Zone plans must continue to exercise diligence to protect the funded position of their plans, the law does not require them to take any specific actions or adopt particular programs to maintain or improve plan funding. On the other hand, trustees of plans that are not in the Green Zone must take specific actions spelled out in the law, including the adoption of a “funding improvement plan” for plans in endangered status or a “rehabilitation plan” for plans in critical status that are designed to restore the plans to Green Zone status over a period of time. For example, a plan in endangered status may reduce or eliminate future benefits or recommend that the bargaining parties negotiate additional employer contributions.

Recognizing that the value of the assets, and therefore the funding, of almost all pension plans has declined due to the impact of the current economic crisis, Congress passed the *Worker, Retiree and Employer Recovery Act of 2008 (WRERA)*. The law allows multiemployer plan trustees to take more time to come up with a plan of action for dealing with these issues by giving them the option to keep their plan in its 2008 plan year's zone status for one more year, regardless of the plan's actual funded status for the 2009 plan year.

2008 Plan Year Certification

The Plan's actuary certified the Plan's zone status for the April 1, 2008 through March 31, 2009 plan year to be Endangered (“Yellow Zone”). The Plan Trustees adopted a Funding Improvement Plan on February 11, 2009.



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2009 Plan Year Certification

For the April 1, 2009 through March 31, 2010 plan year, the Plan's actuary has certified the Plan's zone status to be Critical ("Red Zone") because the Plan is projected to have an accumulated funding deficiency for the Plan Year ending March 31, 2013 and its funded percentage is 53.24%.

Election To Continue In The 2008 Plan Year Zone Status

In accordance with Section 204(a) of WRERA, the Trustees have elected to temporarily "freeze" the Plan's 2008 Plan Year Endangered/Yellow Zone status and have it apply to the April 1, 2009 through March 31, 2010 Plan Year.

Please be advised that freezing the Plan's 2008 Plan Year Endangered/Yellow Zone status does not extend beyond March 31, 2010. By June 29, 2010, the Plan's actuary will again certify its funded status and zone classification. If the Plan is certified to be either Endangered or Critical at that point, within 30 days after the date of certification the Plan will send you a notice similar to this one explaining the Plan's zone status and actions that the Trustees may be required to take under the law to improve the funded status of the Plan. If the Plan is in the Critical/Red Zone, the Trustees might need to amend it to reduce early retirement or other so-called adjustable benefits for people who retire after that date. It is also possible that a surcharge would be imposed on employer contributions.

What's Next?

We understand that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund. With the assistance of the Fund's actuary, legal counsel and other Plan professionals, and working with the contributing employers and the Union, the Trustees will continue to work towards strengthening the funded position of the Plan.

Since the Pension Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed. The Board of Trustees is continuously monitoring and reviewing the Plan's progress with its professional advisors.

Questions?

For more information about this notice or the Fund, contact

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