

Plasterers & Cement Masons Local No. 783  
Pension Plan and Trust  
3707 FM 1960 West, Suite 200  
Houston, TX 77068  
281-453-8309

**Notice of Critical Status For  
Plasterers & Cement Masons Local No. 783  
Pension Plan and Trust**

This is to inform you that on December 23, 2008, the plan actuary certified to the U.S. Department of the Labor, and also to the plan sponsor, that the Plasterers & Cement Masons Local No. 783 Pension Plan and Trust (the "Plan") is in critical status for the plan year beginning October 1, 2008. 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's funded percentage for the plan year beginning October 1, 2008 is less than 65%, and the Plan has an accumulated funding deficiency for the current plan year.

**Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Plan determine 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 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 January 19, 2009. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of January 19, 2009, 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.

**Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Pension Plan may adopt:

- Post-retirement death benefits
- Disability benefits (if not yet in pay status)
- Early retirement benefit or retirement-type subsidy
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA)

**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.

**Where to Get More Information**

For more information about this Notice, you may contact Mal Thompson at 281-453-8309, 3707 FM 1960 West, Suite 200, Houston, TX 77068 ([mal@malthompson.com](mailto:mal@malthompson.com)). You have a right to receive a copy of the rehabilitation plan from the Plan.