



B.A.C. Trust Funds

B.A.C. Local No. 3 Pension Plan
B.A.C. Local No. 3 Defined Contribution Pension Plan
B.A.C. Local No. 3 Health & Welfare Trust Fund
San Francisco Bricklayers Local No. 7 Pension Plan
San Francisco Bricklayers Local No. 7 Money Purchase Pension Plan
Bricklayers and Allied Craftworkers Local No. 16 Pension Plan

October 28, 2010

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

Re: Bricklayers and Allied Craftworkers Local 16 Pension Trust
EIN: 94-6287225
Plan#: 001

Enclosed is the Notice of Critical Status for the BAC Local 16 Pension Plan.

Thank you for your assistance in this matter. Please contact the undersigned if you have any questions about this notice.

Sincerely,

Charles Besocke
Plan Manager

Notice of Critical Status for the B.A.C. Local No. 16 Pension Plan

This is to inform you that on September 23, 2010, 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 July 1, 2010. 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 the funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the 2010 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 October 28, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of October 28, 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.

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:

- Pre-retirement lump sum death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- 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. The surcharge is eliminated once the rehabilitation plan is adopted by the bargaining parties. The surcharge would be scheduled to start with hours worked in December 2010, however, it is the intent of the Board of Trustees and Bargaining Parties to adopt the rehabilitation plan before the surcharge is scheduled to begin, resulting in no surcharge due from employers.

Where to Get More Information

For more information about this notice, you may contact the Board of Trustees, c/o BeneSys Administrators at (925) 208-9995, 2610 Crow Canyon Road, Suite 200, San Ramon, CA 94583. You have a right to receive a copy of the rehabilitation plan from the plan.