



Boston Plasterers' & Cement Masons' Local 534 Trust Funds

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MARY T. KEOHAN
Administrator

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Representing Local 534

Dear Participant:

The purpose of this letter is to describe the two notices that are included in this mailing, and explain the reason you are receiving each one.

1. Notice of Critical Status for 2012

Under the Pension Protection Act of 2006 ("PPA"), the Plan's actuary has to analyze the current plan and project results for the next several years. The actuary then certifies to the plan's Trustees the Plan's "zone status" under PPA. The *Notice of Critical Status for the Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local 534 Pension Plan* included with this letter shows this Plan's "zone status" as of April 1, 2012 is "Critical" Status. Some people refer to pension funds that are in Critical Status as in the "Red Zone."

You also received a Notice like this one last year, because the Plan was in Critical Status (in the "Red Zone") for 2011. The Plan is expected to remain in Critical Status for the 2013 zone certification. We think you should be aware, though, that the Trustees are closely monitoring the Plan's condition and funded status, and are working toward bringing the Plan back into the Green Zone. In August 2010, the Trustees, working with the actuary and other Plan professionals, created a "Rehabilitation Plan," intended to improve the funding condition of the Pension Plan. The Plan's Trustees annually monitor the progress being made under the Plan's "Rehabilitation Plan."

2. Annual Funding Notice for 2011

This notice, entitled *2011 Annual Funding Notice for the Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local 534 Pension Plan*, is also included in this mailing. It reflects results from April 1, 2011 through March 31, 2012.

You will see, as you review this AFN, that there is quite a bit of information contained in the Notice. The Department of Labor requires that you receive this information to ensure that all participants have a clear understanding of the plan's financial position.

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

Notice of Critical Status
Boston Plasterers', Cement Masons' and Asphalt Layers'
Union Local 534 Pension Plan

This is to inform you that on June 28, 2012 the plan actuary certified to the Internal Revenue Service, and to your Plan's Board of Trustees, that the Boston Plasterers', Cement Masons' and Asphalt Layers' Union Local 534 Pension Plan ("Plan") is in critical status for the plan year beginning April 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 determined that:

1. Over the next three Plan Years, the Plan is projected to have an accumulated funding deficiency for the Plan Year beginning April 1, 2015.
2. The Plan was in critical status last year and over the next 9 years, the Plan is projected to have an accumulated funding deficiency for the Plan Year beginning April 1, 2015 and the next four Plan Years.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. This is the fourth year the Plan has been in critical status.

The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. On September 1, 2010, you were notified that the Plan reduced or eliminated certain adjustable benefits. On July 29, 2010, you were notified 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. If the trustees of the Plan determine that further 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, reductions in adjustable benefits may only apply to participants and beneficiaries whose benefit commencement date is on or after July 29, 2010.

Adjustable Benefits

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of any Rehabilitation Plan the Pension Plan may adopt:

- Disability Benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Death benefits other than Qualified Pre-retirement Survivor Annuity (QPSA); and
- 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 trustees adopted a Rehabilitation Plan on August 27, 2010. A collective bargaining agreement amendment was then adopted containing terms necessary for the Plan to carry out its Rehabilitation Plan. Employers bound by that amended collective bargaining agreement were *not* subject to the 5% or 10% surcharge.

Where to Get More Information

For more information about this Notice, you may contact Ms. 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 Rehabilitation Plan from the Pension Plan.