

MICHIGAN BAC FRINGE BENEFIT FUNDS

Michigan BAC Health Care Fund
Michigan BAC Pension Fund
Michigan BAC Apprenticeship Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

August 27, 2014

SENT VIA EMAIL
criticalstatusnotice@dol.gov

United States Department of Labor
Employee Benefits Security Administrators
Public Disclosure Room; N-1513
2000 Constitution Avenue, N.W.
Washington, DC 20210

RE: MICHIGAN BAC PENSION FUND –
EIN #38-2895943, PLAN #001

Dear Representative:

Attached is the Notice of Endangered Status for the Plan Year Beginning May 1, 2014, on behalf of the Michigan BAC Pension Fund.

If you have any questions with regard to this Notice, please feel free to contact me, or in my absence, Robert Merrick at (517) 327-2139.

Sincerely,


James E. Schreiber
Administrative Manager

JES/tf

attachments

xc: Kyle Weaver
Paul Bullock
Ted Disabato
Christopher Legghio
Robert Merrick
Bryan Stulz
John Bobrowski

MICHIGAN BAC FRINGE BENEFIT FUNDS

Michigan BAC Health Care Fund
Michigan BAC Pension Fund
Michigan BAC Apprenticeship & Training Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

Notice of Endangered Status For Michigan BAC Pension Plan

This is to inform you that on July 29, 2014 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan emerged from critical status and is in endangered status for the plan year beginning May 1, 2014. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Endangered Status

The Plan is considered to be in endangered status because it is projected to satisfy both of the following:

1. Funded percentage less than 80% - The Plan's actuary determined that the Plan's funded percentage is 78.6% on May 1, 2014. The "funded percentage" is the fraction of earned benefits that could be funded with existing Fund assets.
2. No projected accumulated funding deficiencies within the current or next 9 plan years - The Plan's actuary projects that, if no further action is taken, the Plan will have an accumulated funding deficiency for the plan year ending April 30, 2027. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements, it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the Plan. The funding improvement plan requires that the Plan's funded percentage improve at least one-third of the way to 100% over a 10-year period beginning May 1, 2015. The estimated target for this Plan under the law is a funded percentage of 85.45% by 2025. The Plan must also meet the Federal minimum funding requirements during this 10-year period. The funding improvement plan will be designed such that these benchmarks will be met or exceeded.

Future Experience and Possible Adjustments

The funding improvement plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 7.50% (in the 2014-15 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Commitment to Continued Improvement

Once the funding improvement plan is implemented, the Trustees anticipate that the Fund will eventually emerge from endangered status and continue to see improved funded percentages. The Trustees maintain their commitment to providing a retirement benefit on which you can rely to pay a lifetime benefit that will play a significant role in your overall retirement planning.

Where to Get More Information

You have a right to receive a copy of the funding improvement plan once it has been formally approved by the bargaining parties. It should be completed by March 26, 2015. To receive a copy, you may contact the Fund Office at 6525 Centurion Drive, Lansing, MI, 48917 or by telephone at (517) 321-7502.

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