



# Blueprint

A Quarterly Publication of the Bricklayers & Trowel Trades International Pension Fund • Special Issue Spring 2009

Dear Participant:

This special issue of the IPF Retirement Blueprint focuses on the Pension Protection Act of 2006 (PPA) and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) and notices required under these laws. The PPA and WRERA were previously discussed in recent mailings from the Fund Office to participants, employers and Local Unions. This notice is also being sent to pensioners and inactive participants. Retirees and inactive participants should know that recent changes in the IPF do not affect monthly benefits being paid. All participants should know that the recent changes in the IPF will not affect the benefits already earned under the Plan. Given the current economic environment, we wanted to take a minute to explain what the Trustees are doing to help protect the pension benefits that you have earned.

The first notice concerns the WRERA and can be found on page 2. In plan year 2008 the Bricklayers and Trowel Trades International Pension Fund ("Plan") was considered "safe" under the law meaning that the government considered it adequately funded to meet its obligations. As a result of the economy and its effect on pension plans, the government is allowing pension plans to "freeze" their zone statuses from 2008. The Plan has chosen to elect this option and will remain in the "safe" zone for 2009. Had the Trustees not elected this option, they would have been required to institute a rehabilitation plan to improve funding, including a rollback of benefit increases given during the past five years. The second notice also starts on page 2 and is a snapshot of the funding of the Plan as of January 1, 2009 and the new way all Plans are measured under the PPA as of 2008. The notice also provides information on Plan assets, participants and its investment policy. You will also note sections on the Pension Benefit Guaranty Corporation and additional information available from the fund office as noted in previous issues of the IPF Summary Plan Description Booklet and Annual Reports. On page 5, the notice reviews recent actions taken by the Trustees to reduce benefit accruals going forward from April 1, 2009 and a policy requiring a 15% increase in contributions by participating employers that will go solely to improving funding. The Trustees have taken these steps so that the Plan may continue to be in a strong financial position. Despite the harsh economic realities that face all of us, your Trustees are committed to the goal of maintaining your Plan so as to provide you with the pension benefits that you earned. The Plan has always paid its benefit obligations timely and is committed to doing so in the future. The Trustees are committed to the sound administration of your plan and fully intend to provide you with the benefits provided for in the plan.

If you have any questions about this notice, or any other questions regarding your pension benefits under the Plan, please do not hesitate to contact the Plan office at 1-888-880-8222, via email at [dstupar@ipfweb.org](mailto:dstupar@ipfweb.org) or write to David F. Stupar, Executive Director, Bricklayers and Trowel Trades International Pension Fund, 620 F Street, N.W., Suite 700, Washington, DC 20004.

Sincerely yours,

David F. Stupar  
Executive Director

# BRICKLAYERS & TROWEL TRADES INTERNATIONAL PENSION FUND

EIN: 52-6127746

PN: 001

This notice is provided pursuant to section 204(c)(2)(A)(ii) of the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA") to inform you that the Trustees have made an election under section 204 of WRERA to treat the plan as being neither in endangered nor critical status for the plan year beginning on January 1, 2009. The notice is being provided to participants and beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation, and the Secretary of Labor.

This election under section 204 of WRERA applies only for the current plan year. If the plan is certified to be in endangered or critical status next year, you will be notified of the plan's status (i.e., endangered or critical) for that year and steps will have to be taken to improve the plan's funded situation, which steps may include

increases in contributions and reductions in future benefit accruals.

The plan's actuary certified that the plan was in critical status in 2009. That is, if no section 204 election were made the plan would be in critical status. If the plan is certified to be in critical status for 2010, the steps that will have to be taken to improve the plan's funded situation will include a surcharge on employer contributions and the suspension of the payment of lump sums

and similar accelerated distributions for individuals who commence receiving benefits after notice is provided of the plan's critical status, and may include amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

If you wish to obtain more information about this notice, you may contact Mr. David Stupar, at by telephone at 1-888-880-8222, or in writing at 600 F Street, NW Suite 700, Washington DC, 2004.

## Bricklayers & Trowel Trades International Pension Fund

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## ANNUAL FUNDING NOTICE

### For

## Bricklayers and Trowel Trades International Pension Fund

### **Introduction**

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reor-

ganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2008 and ending

December 31, 2008 (referred to hereafter as "Plan Year").

### **Funded Percentage**

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by divid-

	2008	2007	2006
Valuation Date	1/1/2008	1/1/2007	1/1/2006
Funded Percentage	80.40%	Not Applicable	Not Applicable
Value of Assets	1,569,179,494	Not Applicable	Not Applicable
Value of Liabilities	1,951,595,968	Not Applicable	Not Applicable

ing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart above, along with a statement of the value of the Plan's assets and liabilities for the same period.

### Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The plan has entered "not applicable" in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For 2007, the Plan's "funded current liability percentage" was 60.66%, the Plan's assets were \$1,445,353,308, and Plan liabilities were \$2,382,597,939. For 2006, the Plan's "funded current liability percentage" was 64.05%, the Plan's assets were \$1,350,062,468, and Plan liabilities were \$2,107,898,816.

### Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2008, the fair market value of the Plan's assets was \$1,144,142,796. As of December 31, 2007, the fair market value of the Plan's assets was \$1,531,360,899. As of December 31, 2006, the fair market value of the Plan's assets was \$1,344,492,872. These market values exclude the value of receivable employer withdrawal liability payments.

### Participant Information

The total number of participants in the plan as of the Plan's valuation date was 81,328. Of this number, 43,864 were active participants, 22,497 were retired

or separated from service and receiving benefits, and 14,967 were retired or separated from service and entitled to future benefits.

### Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to comply with the funding requirements of the Internal Revenue Code, as amended from time to time. The Board of Trustees monitors the level of funding with the assistance of the Plan's enrolled actuary and the Plan's investment consultant.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries, who are responsible for plan investments, with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is as follows:

*The Board of Trustees has appointed The Marco Consulting Group as independent fiduciaries to be responsible for the investment of the Plan's assets. This means that The Marco*

Consulting Group is responsible for creating the Statement of Investment Policy and for selecting investment managers, allocating assets among these managers, and monitoring the activity and performance of these managers.

The investment managers are responsible for the management of the assets assigned to them by the Marco Consulting Group that include allocations among allowable asset classes, selection and disposal of individual securities, and diversifying portfolio assets under the managers' control.

Commingled investment vehicles, including mutual funds, may be used. To the extent assets are placed in commingled funds, it is understood that the practices of such commingled funds will be in accordance with the funds' prospectus or investment guidelines.

The Marco Consulting Group Management Committee will be responsible for selecting asset classes that are appropriate for "The Fund" and determining optimal weights. The Committee will utilize information and research provided by the Research Group in order to achieve the most efficient and optimal asset mix for "The Fund" while limiting risk.

Asset classes that may be included are:

- Equities
- Fixed Income
- Real Estate Equity
- Private Equity
- Fund of Hedge Funds including portable alpha strategies

- Other Alternatives including, but not limited to- Diversified Beta, Commodities, Derivatives, Infrastructure

The Marco Consulting Group shall be responsible for voting the proxies of all securities held by the Fund and for providing the Board of Trustees with an annual report of all such proxy votes cast on behalf of the Fund.

In accordance with the Plan's investment policy, the Plan's

assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

### Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of

Asset Allocations	Percentage
1. Interest-bearing cash	3.1%
2. U.S. Government securities	2.3%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All other	1.9%
4. Corporate stocks (other than employer securities):	
Preferred	0.0%
Common	44.6%
5. Partnership/joint venture interests	3.9%
6. Real estate (other than employer real property)	0.0%
7. Loans (other than to participants)	0.0%
8. Participant loans	0.0%
9. Value of interest in common/collective trusts	18.7%
10. Value of interest in pooled separate accounts	5.7%
11. Value of interest in master trust investment accounts	0.0%
12. Value of interest in 103-12 investment entities	1.8%
13. Value of interest in registered investment companies (e.g., mutual funds)	4.9%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.2%
15. Employer-related investments:	
Employer securities	0.0%
Employer real property	0.0%
16. Buildings and other property used in plan operation	0.1%
17. Other	12.8%

the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status in the Plan Year.

### **Events with Material Effect on Assets or Liabilities**

Federal law requires trustees to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. For the plan year beginning on January 1, 2009 and ending on December 31, 2009, the following events are expected to have such an effect:

The IPF benefit formula accrual was reduced to a monthly benefit of \$.140 per \$.10 of IPF contribution rate for each year or partial year of service earned on and after April 1, 2009. All collective bargaining agreements negotiated on or after April 1, 2009 will require a 15% increase over the existing IPF contribution rate. The 15% increase will

not have an associated benefit accrual and will be used solely to increase Plan funding.

### **Right to Request a Copy of the Annual Report**

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan’s annual report by making a written request to the plan administrator.

### **Summary of Rules Governing Plans in Reorganization and Insolvent Plans**

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC’s guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status

and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

## Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus  $\$24.75 (.75 \times \$33)$ , or \$35.75. Thus, the participant's guaran-

teed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or  $\$200/10$ ). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus  $\$6.75 (.75 \times \$9)$ , or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-

retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

## Where to Get More Information

For more information about this notice, you may contact Mr. David Stupar, by telephone 1-888-880-8222, or in writing at 600 F Street, NW Suite 700, Washington DC, 20004. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6127746. For more information about the PBGC and benefit guarantees, go to PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

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