



Bricklayers & Trowel Trades International Pension Fund

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IMPORTANT NOTICE

TO: All active participants in the Bricklayers & Trowel Trades International Pension Fund

FROM: David F. Stupar, Executive Director 

DATE: March 16, 2009

This letter is an important notice concerning your pension rights under the Bricklayers & Trowel Trades International Pension Fund ("IPF"). It is being issued in accordance with Section 204(h) of the Employee Retirement Income Security Act ("ERISA"). Please read this letter carefully.

Due to the unprecedented turmoil and upheaval in the investment market that this Fund and many other Funds have experienced in the last year, the Trustees of the IPF are making important changes to the Plan to meet these challenges and are providing you with this notice of these important changes.

These changes are intended to improve the funding of the Plan, and contribute to its long-term growth and stability. After consulting with plan professionals and evaluating all of the available options, including legislative relief under the recent Worker, Retiree and Employer Recovery Act of 2008, the Trustees of the IPF have concluded that a prudent course of action includes a reduced rate of future benefit accrual under the IPF (U.S. Plan) effective April 1, 2009, as explained below.

A. Change in Accrual Rates:

The IPF benefit accrual rate has been in place since the Plan was established in 1972 and has increased, along with other improvements, over the years as the growth of the IPF along with investment returns and pension legislation have allowed. As pension benefits have improved, this, in turn, has increased the cost for IPF to provide benefits. Along with other pension funds, IPF must tailor their investments to prudently address the liabilities expected from improved benefits. This has led all pension funds to increase the amount of equities in their diversified portfolios. Historically, stocks have proven to outperform bonds and other investments over long periods of time. Most recently, this has not been the case, as stocks have seen a remarkable decrease of about 50.7% since late 2007. Consequently, values of pension funds with exposures to equities have also decreased significantly.

Accordingly, subject to Section B below, effective April 1, 2009, each \$.10 per hour contributed to the Plan on your behalf will result in a future benefit accrual rate of \$1.40 per month for each Year of Credited Service (1500 hours) accrued on or after April 1, 2009. It is important to note that your IPF pension benefit accrued as of March 31, 2009 will not be reduced or eliminated.

For example, prior to April 1, 2009, if your participating employer(s) were contributing \$1.50 per hour to the Plan on your behalf, you accrued benefits under the Plan at a rate of \$32.34 per Year of Credited Service (1500 hours). Effective April 1, 2009, this accrual rate will be reduced to \$21.00 per Year of Credited Service (1500 hours) or $\$1.40 \times 15 = \21.00 .



Similarly, prior to April 1, 2009, if your participating employer(s) were contributing \$1.00 per hour to the Plan on your behalf, you accrued benefits under the Plan at a rate of \$23.10 per Year of Credited Service (1500 hours). Effective April 1, 2009, this accrual rate will be reduced to \$14.00 per Year of Credited Service (1500 hours) or $\$1.40 \times 10 = \14.00 .

The new accrual rates also apply to local unions with contribution rates over \$1.50 per hour. Effective April 1, 2009, \$.10 per hour contribution rates in excess of \$1.50 per hour will also result in an additional accrual of \$1.40 per month for each year of Future Service Credit (1500 hours). This accrual rate of \$1.40 per month for each year of Future Service Credit (1500 hours) is lower than the current accrual rate of \$4.62 per month for each year of Future Service Credit (1500 hours) for each \$.10 per hour contributed in excess of \$1.50 per hour.

A chart listing the post-April 1, 2009 accrual rates for various contribution rates has been forwarded to your local union and also will be the subject of future Fund office mailings.

B. 15% Employer Contribution:

Plan participants will not be the only group affected by the recent Plan changes resulting from the unprecedented investment environment. Effective April 1, 2009, for any new hourly IPF rate, IPF participating employers are required to remit an additional fifteen percent (15%) to the IPF in addition to their respective employees' IPF contribution rates. This additional fifteen percent (15%) contribution will not be recognized for benefit accrual under the Plan but is intended solely to improve the Plan's current funding. If your next local collective bargaining agreement or allocation does not include this fifteen percent (15%) contribution, the rate of your future benefit accrual under the IPF will be fifty percent (50%) of the reduced accrual rate or \$.70 per month for each \$.10 in the IPF contribution rate for each Year of Credited Service (1500 hours) accrued after the current collective bargaining agreement expires. For example, instead of accruing \$21.00 per Year of Credited Service (1500 hours) at the \$1.50 rate, you would only accrue \$10.50 per Year of Credited Service (1500 hours). Therefore, it is vitally important that, after April 1, 2009, any new IPF rates, including any new allocations under existing collective bargaining agreements, include this fifteen percent (15%) contribution.

These changes are made necessary by the current challenges in the investment and regulatory environment and are intended to protect the long-term financial security of your pension benefits. The Board of Trustees remain committed to protecting the interests of all participants as it has for the last thirty-seven (37) years and will continue to work with local unions, contributing employers, members of Congress and others to address the ongoing challenges facing pension funds.

If you should have any questions regarding this matter, please contact the IPF Fund office at 1-888-880-8222, via email at 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, D.C. 20004.

cc: IPF Administrative Committee
IPF Participating Local Unions
BAC Regional Directors