

# CEMENT MASONS PENSION TRUST FUND – DETROIT AND VICINTY

Cement Masons Pension Trust Fund – Detroit and Vicinity

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

August 30, 2010

To: All Participants, Beneficiaries, Alternate Payees, Employers and Bargaining Parties

This notice includes the Pension Fund's Summary of Material Modifications, Notice of Election Under the Pension Relief Act of 2010, Annual Funding Notice and other Notices for the Plan Year ended April 30, 2010.

We encourage you to read these Notices in their entirety. If you want any information about the Plan or you wish to file a claim for benefits, contact the Fund Office.

Fraternally,  
Boards of Trustees, Cement Masons Pension Trust Fund – Detroit and Vicinity

**Atención a los hablantes de español.** Este y otros anuncios de la Oficina de Fondos sobre sus derechos y sus beneficios están disponibles en español. Si quieren recibir futuros anuncios en español, escriba o llame a la oficina del Comité de los fideicomisarios, Fondo Fiduciario de Pensiones de Cement Masons – Detroit y Vecindad (Cement Masons Pension Trust Fund - Detroit And Vicinity), 30700 Telegraph Road, Suite 2400, Bingham Farms, Michigan 48025, (248) 645-6550.

## SUMMARY OF MATERIAL MODIFICATIONS

Since the summary plan description ("SPD") was written, the Trustees, in consultation with the Fund's actuaries and attorneys, have adopted several changes in the Plan, the most important of which are reported below. This Summary of Material Modifications supplements the SPD previously provided to you. You should retain this document with your copy of the SPD.

As of May 1, 2010, the Pension Plan was amended as follows:

1. For benefits accrued on and after May 1, 2010, the early retirement reduction factor has been increased from one quarter of one percent per complete calendar month (3% per year) to five twelfths of one percent per complete calendar month (5% per year). This will not affect any benefits accrued before May 1, 2010; and
2. Monthly Disability Benefits have been reduced from one calculated as the Single Life Benefit form of the Normal Retirement Benefit to the lesser of the Single Life Benefit form of the Normal Retirement Benefit or seven hundred and fifty dollars (\$750.00). This will not affect anyone in pay

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[www.detroitcementmasons.org](http://www.detroitcementmasons.org)

status with a Disability Benefit on May 1, 2010. You will continue to receive your benefit in accordance with the Plan; and

3. Monthly Disability Benefits will no longer be provided to a totally and permanently disabled participant retroactive to the date he was entitled to receive Social Security Disability Benefits. Disability Benefits will commence the first day of the first month following receipt of his application, regardless of the date of entitlement to Social Security Disability Benefits. This will not affect anyone in pay status with a Disability Benefit on May 1, 2010. You will continue to receive your benefit in accordance with the Plan.

**EMPLOYER TRUSTEES**

Marino Censoni, Secretary  
Anthony DiPonio  
Scott Fisher  
Paul Fortuna

**UNION TRUSTEES**

James Oakley, Chairman  
Mark King  
Joel Santos  
Henry Williams

Administered for the Trustees by:  
TIC International Corporation

Legal Counsel  
Derek Watkins and Patricia Tarini  
Sachs Waldman, P.C.

**Notice of Election Under the Pension Relief Act of 2010  
For  
Cement Masons Pension Trust Fund – Detroit and Vicinity**

This notice, which federal law requires, includes important information about the funding level of the Cement Masons Pension Trust Fund – Detroit and Vicinity (“Fund”), Plan Number 001, Employer Identification Number 38-6242187. In 2006 the Pension Protection Act (“PPA”) was enacted. Beginning with the 2008-09 Plan Year, that law requires the annual certification of the Plan’s funding status as critical, endangered or neither, generally referred to as red, yellow or green, respectively. The Fund has been certified green, or treated as though it were certified green, for each of the two prior Plan Years. The Fund has been certified green again for the 2010-11 Plan Year as a result of adopting relief available under the *Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010* (“PRA”).

On June 25, 2010, the PRA was signed into law. In part, Congress passed PRA to help pension plans like ours cope with the unprecedented stock market downturn in late 2008 and early 2009. Because the downturn affected our Fund, just as it did so many other funds, the Board of Trustees, upon the advice of its actuary, decided that the Fund would benefit from the relief Congress made available under PRA. Therefore, at its meeting on July 22, 2010, the Board of Trustees elected to adopt the relief available under the PRA.

**Relief Elected**

The Board of Trustees elected the following relief available under PRA:

- Pay off the investment losses for the 2008-09 Plan Year over 30 years, instead of 15 years – The Fund still has to take these losses into account, but this provides the Fund with more time, similar to getting a 30-year mortgage on a house instead of a 15-year mortgage.
- Increase the cap on actuarial value of assets from 120% to 130% of the market value of assets for 2009 – The investment losses for the 2008-09 Plan Year were so large that, under the usual rules, the Fund was not even able to delay recognition of losses above this cap - they had to be recognized immediately. By increasing this cap to 130%, the Fund can recognize its losses at the regularly scheduled future date.
- Smooth the investment losses for the 2008-09 Plan Year over 10 years instead of 5 years – This provides further deferral, slowing the recognition of the 2008-09 Plan Year investment losses.

**To summarize, the PRA relief adopted by the Board simply gives the Fund more time to recover from the 2008-09 stock market losses.** This reduces the level of response that the Board might be required to take otherwise, and helps the Fund to sustain another stock market downturn if it comes. The Fund’s actuary has certified that the Fund is eligible to take this relief.

**Benefit Improvement Restriction**

The PRA prevents any fund which adopts the available relief from making any benefit improvements for the Plan Year in which relief was elected (the 2008-09 Plan Year), and also the two Plan Years subsequent to the 2008-09 Plan Year, unless the improvements are paid out of additional contributions, and the Fund’s funding level is reasonably expected to be at least as strong as it would have been if the benefit increase had not been adopted. However, the Fund’s actuary advises that this restriction will expire for this Fund on April 30, 2011, and there was no likelihood that the Fund would have been able to make benefits improvements during the next

nine months without adopting the PRA relief. Therefore, the Board concluded that this restriction has no practical impact and should not prevent the Fund from taking advantage of the available relief.

### **Additional Information**

While the PRA relief elected does not erase or reduce the loss experienced during the 2008-09 Plan Year, it will allow the Fund to account for it in a more affordable manner and better preserve the current level of benefits. There is no quick fix for the funding problems caused by the combination of the downturn of work in Michigan and the turbulence in the financial markets, but the relief taken together with the recent benefit reductions and contribution increases has made it more likely that the Fund will continue to be certified green with only minimal contribution increases required in the future. Anticipated future funding levels are based on a number of assumptions about future experience and may have to be adjusted if those assumptions are not met.

The extreme turbulence and volatility in the financial markets we experienced during the 2008-09 Plan Year have lead to one of the worst periods since the Great Depression. The benefit reductions previously made are still needed to ensure the continued financial health of the Fund after this unprecedented period of economic turmoil. However, your Fund is not going away and the benefits you have earned will continue to be protected to the fullest extent of the law. The Board remains committed to the proper funding of your pension benefits and assures you that it will take appropriate actions to meet this goal. We have weathered this storm, but remain vigilant and will continue to communicate directly with you at each step in this process.

### **Questions**

Please direct any questions you may have to your Plan administrator at 30700 Telegraph Road, Suite 2400, Bingham Farms, Michigan, 48025-4524 or by telephone at (248) 645-6550.

### **NOTICE OF YOUR RESPONSIBILITY TO KEEP RECORDS**

The Fund has set up an employer audit and collection program to make sure that your employers pay the pension contributions owed to the Fund for your hours of work. But, it is your responsibility to keep records of your employment, including the names of your employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your employers fails to pay the required contributions or keep records of your work, the Fund will have the information necessary to grant you the Credit Years and benefits to which you are entitled.

**ANNUAL FUNDING NOTICE**  
**Cement Masons Pension Trust Fund – Detroit and Vicinity**  
**Plan Year Beginning May 1, 2009**

**Introduction**

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of your Pension Fund, the Cement Masons Pension Trust Fund – Detroit and Vicinity (the “Plan”). This notice also provides a summary of federal rules governing multiemployer plans in reorganization 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 May 1, 2009 and ending April 30, 2010 (referred to hereafter as “Plan Year”).

**Funded Percentage**

The funded percentage of the Plan is a measure of how well the Plan is funded. This percentage is obtained by dividing 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 2009-2010 Plan Year and the two preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	2009	2008	2007
Valuation Date	May 1	May 1	May 1
Funded Percentage	76%	100%	99%
Value of Assets	\$59,233,396	\$76,291,951	\$71,784,526
Value of Liabilities	\$78,048,778	\$76,306,397	\$72,457,458

**Fair Market Value of Assets**

Asset values in the chart above are actuarial values, not market values. Market value tends to show a clearer picture of the 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 the Plan to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of April 30, 2010, the fair market value of the Plan’s assets was \$64,624,189. As of April 30, 2009, the fair market value of the Plan’s assets was \$49,361,163. As of April 30, 2008, the fair market value of the Plan’s assets was \$76,558,423.

**Participant Information**

The total number of Participants in the Plan as of the Plan’s valuation date was 1,016. Of this number, 425 were Active Participants, 310 were Retired or separated from service and receiving benefits, and 281 were Retired or separated from service and entitled to future benefits.

**Funding and Investment Policies**

The law requires that the Plan have a procedure for establishing a funding policy to carry out its objectives. The funding policy relates to the level of contributions needed to pay for the benefits promised under the Plan currently and over the years. The Plan’s funding policy can be summarized as follows:

Benefits under the Plan are provided through a trust. Contributions and investment returns together fund current and future liabilities. Contributions are obtained directly from participating employers, based on hours worked by Plan participants at rates specified in the collective bargaining agreements.

The money contributed to the Plan is invested by the Plan's Trustees, who are called fiduciaries. Specific investments are made in accordance with the Plan's investment policy, which is a written statement with guidelines or general instructions for the Trustees and the Plan's investment managers concerning various types or categories of investment management decisions.

The investment policy of the Plan can be summarized as follows:

The federal law makes the Fund's Trustees responsible for investing the assets of the Plan. To assist them in carrying out this responsibility, the Trustees have engaged the services of an Investment Consultant to assist them in establishing and reviewing the asset allocation and selecting and evaluating the performance of the Fund's Investments. Investments are made with the primary emphasis upon consistency of performance, i.e., the achievement of growth in such a manner as to protect the Fund from excessive volatility in market value from year to year. Significant emphasis is also placed upon capital protection, i.e., the achievement of adequate investment growth such that the purchasing power of the principal amount of these assets is maintained over the investment horizon. Sufficient liquidity shall be maintained to meet benefit payment obligations. In pursuing these objectives, Fund assets will at all times be invested in a manner consistent with the fiduciary standards of ERISA. More specifically, the Trustees must adhere to the safeguards and diversification standards that a prudent investor would adhere to and all transactions undertaken on behalf of the Plan must be for the sole interest of Plan Participants and their Beneficiaries.

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:

Asset Allocations	Percentage
1. Interest-bearing cash	1.66
2. Common Corporate stocks (other than employer securities):	22.80
3. Value of interest in common/collective trusts	13.73
4. Value of interest in registered investment companies (e.g., mutual funds)	61.45
5. Other	0.36

For information about the Plan's investment in any common/collective trusts as described in the chart above contact the Board of Trustees of the Cement Masons Pension Trust Fund – Detroit and Vicinity, 6525 Centurion Drive, Lansing, Michigan 48917-9275 or at (517) 321-7502.

### Critical or Endangered Status

Under federal pension law, the Plan generally will be considered to be in "endangered" status if, at the beginning of the Plan Year, its funded percentage is less than 80 percent or to be in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). If the Plan enters endangered status, the Trustees are required to adopt a funding improvement plan. If the Plan enters critical status, the Trustees are required to adopt a rehabilitation plan. The rehabilitation or funding improvement plan must establish steps and benchmarks for the Plan to improve its funding status over a specified period of time.

On July 29, 2009, the Plan's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees (the plan sponsor) that the Plan was in critical status for the Plan Year beginning May 1, 2009. However, Section 204 of the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) allowed the Board of Trustees to freeze the PPA funding status from the prior year, so the Fund was treated as though it were certified green for the 2009-2010 Plan Year. Therefore, the Plan was not in either endangered or critical status in the 2009 Plan Year.

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

Federal law requires the Trustees to provide in this notice a written explanation of events in the current Plan Year (May 1, 2010 – April 30, 2011) which are expected to have a material effect on the Plan's liabilities or assets. There are no events in the 2010-2011 Plan Year that are expected to have such an effect.

The following benefit changes were made at the beginning of the Plan Year:

4. For benefits accrued on and after May 1, 2010, the early retirement reduction factor has been increased from one quarter of one percent per complete calendar month (3% per year) to five twelfths of one percent per complete calendar month (5% per year). This will not affect any benefits accrued before May 1, 2010; and
5. Monthly Disability Benefits have been reduced from one calculated as the Single Life Benefit form of the Normal Retirement Benefit to the lesser of the Single Life Benefit form of the Normal Retirement Benefit or seven hundred and fifty dollars (\$750.00). This will not affect anyone in pay status with a Disability Benefit on May 1, 2010. You will continue to receive your benefit in accordance with the Plan; and
6. Monthly Disability Benefits will no longer be provided to a totally and permanently disabled participant retroactive to the date he was entitled to receive Social Security Disability Benefits. Disability Benefits will commence the first day of the first month following receipt of his application, regardless of the date of entitlement to Social Security Disability Benefits. This will not affect anyone in pay status with a Disability Benefit on May 1, 2010. You will continue to receive your benefit in accordance with the Plan.

However, while necessary to improve the funding level of the Plan, these benefit changes are not expected to have a material impact of 5% or greater on the Plan's liabilities.

In addition, on July 22, 2010, the Board of Trustees decided to take advantage of relief provided under the recently passed Pension Relief Act of 2010. The PRA relief adopted by the Board gives the Fund more time to recover from the 2008-09 stock market losses. The Fund's actuary has certified that the Fund is eligible to take this relief. Based on the election made by the Board of Trustees in accordance with the Pension Relief Act of 2010, on July 29, 2010, the Plan's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees (the plan sponsor) that the Plan is not in either endangered or critical status for the Plan Year beginning May 1, 2010.

The Board of Trustees remains committed to the proper funding of your pension benefits and assures you that they will take appropriate actions to meet this goal. You will receive a separate notice identifying and explaining any additional changes in benefits, if necessary, and you will receive an annual notice, like this one, identifying any event that has a material effect on Plan assets or liabilities.

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

The Plan is required to file an annual report (Form 5500) with the U.S. Department of Labor containing financial and other information about the Plan. Copies of the annual report are available from the U.S. 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 Board of Trustees at the address provided on the next page.

### **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). A plan in reorganization status must notify Participants, contributing employers and the local unions that the Plan is in reorganization and that if contributions are not increased, accrued benefits under the Plan may be reduced or an excise tax may be imposed (or both).

Despite these special rules, a plan in reorganization could, nevertheless, become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due in that 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 must 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, for each credited Year of Service. Thus, the PBGC's maximum guarantee is \$35.75 per month times a Participant's credited Years of Service.

Example 1: If a Participant with 10 credited Years of 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 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 guaranteed 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 Board of Trustees of the Cement Masons Pension Trust Fund – Detroit and Vicinity, 30700 Telegraph Road, Suite 2400, Bingham Farms, Michigan 48025 or at (248) 645-6550. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6030972. 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).

**SOCIAL SECURITY NUMBER PRIVACY POLICY**  
**(Effective January 1, 2006)**

The Cement Masons Pension Trust Fund – Detroit and Vicinity and Cement Masons Vacation and Holiday Fund – Detroit and Vicinity are required by Michigan law to make sure that your Social Security number and the Social Security numbers of your family members are kept private as set forth in that law.

The law permits the Funds to use Social Security numbers to verify your identity and the identities of your family members and to perform other functions related to providing benefits under the Funds' Plans. Therefore, the Funds will continue to require Social Security numbers on application and other forms. When your employer pays contributions on your behalf, the law permits your employer to provide the Funds with your Social Security number so that the Funds may determine your eligibility status. The law also permits the Funds to use Social Security numbers when authorized or required to do so by state or federal statute, by court order, or pursuant to legal discovery or process. The Funds will ensure to the extent practicable the confidentiality of those Social Security numbers.

In order to protect your privacy and in compliance with the law, the Funds' third-party administrator, TIC International Corporation ("TIC"), will use alternate identification numbers wherever feasible, including on monthly notices of contributions. TIC does not print Social Security numbers on the exterior of any envelope or package sent through the mail or in a manner that can be seen from the exterior of such envelope or package.

Only TIC's employees and agents and employees and agents of other service providers may access the Social Security numbers of the Funds' participants and family members and only as necessary to provide services to the Funds. TIC uses practical means to limit access to written and electronic records in its possession that contain Social Security numbers to those employees and agents whose job duties require such access, such as securing areas where Social Security number information is located when not in use and requiring the use of passwords for access to electronic files containing Social Security numbers. TIC disposes of documents that contain Social Security numbers that the Funds are not actively using or are not otherwise obligated to retain by shredding and other processes that protect the confidentiality of the Social Security numbers. TIC's employees and agents must not disclose Social Security numbers by publicly displaying more than four sequential digits of a Social Security number or in any other manner prohibited by law.

The Funds notify all service providers that they must ensure, to the extent practicable, the confidentiality of all Social Security numbers related to the Funds' participants and their families as required by law. The Funds may take action regarding service providers who fail to protect adequately the confidentiality of those Social Security numbers, including the termination of contracts.

**NOTICE TO RETIREES  
ABOUT SUSPENSION OF PENSION BENEFITS**

This Notice is to remind you of the provisions of the Pension Plan governing Suspension of Pension Benefits for returning to work at the Trade. Under these provisions, Pension Benefits being paid to retirees may be suspended only if ALL of the following conditions are met:

1. A retiree is working 40 or more hours during any given month (or during the payroll periods falling within that month); and
2. The work is in the same industry as the type of business activity engaged in by employers who contribute to the Plan even though the employer may not be a contributing Employer (e.g., non-union); and
3. The work is at the same trade or craft in which the retiree was working when he earned benefits under the Plan. (Self-employed work, as well as supervisory or managerial work can be considered as a return to work so long as activity is reasonably related to the underlying skills associated with the trade or craft for which the retiree was trained or in which he acquired his work experience); and
4. The work is performed within the State of Michigan, or within the remainder of any Standard Metropolitan Statistical Area (SMSA), part of which is within the State of Michigan.

This suspension is applicable until the April 1st following the calendar year in which the retirees reaches age 70 ½. Thereafter, you may both work and receive your monthly pension.

Under the provisions of the Plan, every retiree is **required** to immediately notify the Pension Department at the Fund Office if he returns to work in any capacity regardless of whether he returns to work for a non-contributing employer (e.g., non-union) or in a self-employed, supervisory, or managerial capacity. Failure to notify the Pension Department in a timely manner of a return to work may subject the retiree to possible suspension of his current and/or future Pension Benefits. Should a retiree who returns to such employment without notifying the Trustees of his intent to do so be found to be or to have been working on a job, the Trustees will presume that he has been re-employed under the four conditions set forth above for the entire period that his employer has been working or worked on that particular jobsite and suspend the retiree's monthly benefits for such period. This presumption shall be rebuttable, but it shall be the responsibility of the retiree to submit evidence to rebut said presumption.