Bricklayers
& Trowel Trades
International Pension Fund

BAC

IPF RETIREMENT

Blueprint

A Publication of the Bricklayers & Trowel Trades International Pension Fund • Special Issue Spring 2011

Notice: This is not a cut in your existing benefits.

Dear Participant:

This special issue of the IPF Retirement Blueprint focuses on the Pension Protection Act of 2006 (PPA) and the annual notice that law requires. The PPA has been discussed in previous mailings from the Fund Office to participants, employers and local unions. This notice is also being sent to employers, pensioners and inactive participants. Please keep in mind that recent changes in the International Pension Fund ("IPF" or "Plan") do not affect monthly benefits already being paid, or benefits already accrued, but not yet paid. Given the continued challenges of the economic environment, we wanted to again take a minute to explain what the Trustees are doing to continue to help protect the pension benefits that you have earned, and that participants continue to earn every day.

The first notice concerns the PPA and can be found on page 2. In the Plan Year effective January 1, 2011, the Plan was considered in "endangered" status under the tests set out in the PPA, although the Plan is certainly solvent, and remains in relatively strong financial position. The investment markets have rebounded somewhat from 2008, but the continued contraction in the construction industry has led to fewer work opportunities for IPF participants and therefore fewer contributions to the IPF as a whole, so prudence dictates certain precautions. For that reason, and pursuant to the PPA requirements for endangered plan status, the Trustees instituted a Funding Improvement Plan, which was provided to Locals and employers in a notice dated December 3, 2010. We have listed the key features of IPF's Funding Improvement Plan (FIP) on page 2. The FIP includes different contribution schedules starting in 2012 (which coincides with the beginning of IPF's 10-year Funding Improvement Period) with resulting varying accrual rates. Bargaining parties essentially have to choose between two schedules (3% or 4%), with a third that applies automatically as a default if they do not reach agreement. The "default" should be avoided because of its severe impact on participants and employers. The other two schedules are meant to improve Plan funding roughly equally, but the 3% option trades lower contribution increases for a further cut in accruals. Parties will have to consider which of the two is best under their particular circumstances. In the interim, participating Locals should continue their 15% IPF PPA rates until further notice.

International Pension Fund Projected Solvent for 30 Years

Despite flagging construction activity and a resulting drop in contributions, the International Pension Fund (IPF) was recently certified by the Plan actuary to be able to "pay expected benefits and meet anticipated expenditures over a thirty year period commencing January 1, 2009 and running through December 31, 2038." The actuarial study, performed in accordance with Section 432(b)(8) of the Internal Revenue Service Code (Sec.304(b)(8) of the Employee Retirement Income Security Act of 1974), uses Plan provisions, participant data, IPF financial information, and expectations of industry performance to project Plan solvency.

The second notice starts on page 2 and relates to the Plan funding in 2010. The second notice also provides information on Plan assets, participants and its investment policy. You will also note sections on the Pension Benefit Guaranty Corporation (PBGC) 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 a notice of recent funding relief elected by the Trustees is provided. 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 remains committed to doing so in the future.

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 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, 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 432 (b) (3) of the Internal Revenue Code ("Code") and Section 305(b) (3) of the Employee Retirement Income Security Act of 1974 ("ERISA") to inform you of the status of the plan for the plan year beginning on January 1, 2011. The notice is being provided to participants and beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation, and the Secretary of Labor.

The plan's actuary certified that the plan was in endangered status in 2011 because its funding percentage on January 1, 2011 was projected to be less than 80%. The funding percentage compares the value of the assets to the value of benefits accrued at that time.

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, certain benefits and increase contributions as part of a funding improvement plan. If the Trustees of the Plan determine that benefit reductions or modifications are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. In addition, any such reductions or modifications would only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2011.

If you wish to obtain more information about this notice, you may contact Mr. David F. Stupar, at 1-202-383-3935, or in writing at 620 F Street, NW Suite 700, Washington DC, 20004.

IPF Funding Improvement Plan Highlights

- No changes in Plan benefits paid or already earned
- Contributions and accrual rates unchanged until 2012
- Additional 3% or 4% IPF PPA rate increases starting in 2013
- Current accrual rates remain in place for Locals which negotiate initial 4% IPF PPA contribution rates in 2013, and specified increases in later years
- Ten year IPF Funding Improvement Plan will be reviewed annually and improve as conditions warrant
- If neither 3% nor 4% PPA rate increases achieved, all future accruals will cease

For a copy of the current IPF Funding Improvement Plan please contact the Fund office.

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 reorganization and insolvent plans and benefit payments guaranteed by the PBGC, a federal agency. This notice is for the plan year beginning January 1, 2010 and ending December 31, 2010 (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 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 Plan Year and 2 preceding plan years is set forth in the chart on page 3, along with a statement of the value of the Plan's assets and liabilities for the same period.

Fair Market Value of Assets

Asset values in the chart 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, 2010, the fair market value of the Plan's assets was $1,305,356,525. As of December 31, 2009, the fair market value of the Plan's assets was $1,251,446,124. As of December 31, 2008, the fair market value of the Plan's assets was $1,127,151,302. 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 80,993. Of this number, 36,207 were active participants, 23,433 were retired or separated from service and receiving benefits, and 21,353 were retired or separated from service and entitled to future benefits.

	2010	2009	2008
Valuation Date	1/1/2010	1/1/2009	1/1/2008
Funded Percentage	71.20%	66.10%	80.40%
Value of Assets	1,489,246,614	1,352,581,562	1,569,179,494
Value of Liabilities	2,091,083,412	2,047,143,423	1,951,595,968

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 independent fiduciary.

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 Marco 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, (see page 4) 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 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 certified as in endangered status for 2010.

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

Continued on page 4 ➤

64380_Newsletter_X.indd 3 4/28/11 12:18 AM

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 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 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 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

Asset Allocations	Percentage
1. Interest-bearing cash	5.18%
2. U.S. Government securities	1.10%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00%
All other	4.3%
4. Corporate stocks (other than employer securities):	
Preferred	.02%
Common	33.05%
5. Partnership/joint venture interests	5.80%
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	23.70%
10. Value of interest in pooled separate accounts	4.10%
11. Value of interest in master trust investment accounts	0.0%
12. Value of interest in 103-12 investment entities	4.0%
13. Value of interest in registered investment companies (e.g., mutual funds)	9.5%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.20%
15. Employer-related investments:	
Employer securities	0.0%
Employer real property	0.0%
16. Buildings and other property used in plan operation	0.05%
17. Other	9.0%

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 F. Stupar at 1-202-383-3935, or in writing at 620 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, or call the 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).

Notice of Election of Funding Relief to Participants and Beneficiaries in the Bricklayers and Trowel Trades International Pension Fund

This notice is being sent to you as required by Federal law. On February 25, 2011 the Board of Trustees of the Bricklayers and Trowel Trades International Pension Fund ("Plan") (EIN 52-6127746, Plan No. 001) elected funding relief under § 431 (b)(8) of the Internal Revenue Code ("Code") and § 304(b)(8) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The purpose of this notice to is to provide you with information regarding this election.

The Plan's Board of Trustees elected the following with respect to the Plan's funding rules:

1. The "special amortization rule," which allows the Plan's investment losses for the plan year ended December 31. 2008 to be separately amortized over 29 years, whereas they were previously required to be amortized over 15 years.

The election of the relief has the effect of decreasing the amount of required minimum contributions during the next few plan years, but will increase the minimum during later plan years. Thus, the relief is a deferral of contributions not a forgiveness of contributions. The election of relief also has the effect of decreasing the required minimum amount taken into account in determining the appropriate level of employer contributions under collective bargaining agreements. However, the election of relief will not decrease the amount of employer contributions under existing collective bargaining agreements. In addition, election of funding relief may also affect the Plan's funding status under the Pension Protection Act of 2006 (whether the Fund is certified as in the "green" zone, "yellow" zone or "red" zone).

As a result of these elections, federal law prohibits the Fund from increasing benefits during the two plan years immediately following any plan year in which either or both of the special funding rules apply, unless certain conditions are met.

Please be advised that Federal law requires that you receive this Notice. The election of funding relief does not affect the benefits you will receive from the Plan. Rather the election of relief changes the way in which the Plan takes into account certain investment losses. If you have any questions about this election, please contact the Fund Office, at dstupar@ipfweb.org or 620 F Street, N.W., Washington, DC 20004.

64380_Newsletter.indd 5 4/26/11 6:31 PM

Benefit Statement Notice

This is to remind you that you have the right to request a statement of your benefit accrued under the Plan. You may apply for a statement once every 12 months, and we will furnish a calculation of your accrued benefit and tell you if you have enough service to be vested in your benefit. We will provide this calculation within 30 days of our receipt of your written request. If you wish to request a benefit statement you should contact pensionestimate@ipfweb.org or write to:

Bricklayers & Trowel Trades
International Pension Fund
620 F. Street, N.W., Suite 700
Washington, DC 20004

Special Notice for International Health Fund Participants

International Health Fund (IHF) participants should take note of "special" annual notice packages mailed to all eligible plan participants in mid-November. This year's mailings include important information about provisions of the Patient Protection and Affordable Care Act, which includes topics such as young adult coverage and annual & lifetime maximums. Some provisions require participant action, so please respond in a timely fashion. If you are an IHF participant and did not receive the annual notice please contact the IHF at 1-888-880-8222.

NurseLine℠ services

When you have a health concern, it can be difficult and time-consuming to find the information you need. NurseLine services can help you make smart health care decisions with immediate telephone access to experienced registered nurses.

Take charge of your health

One toll-free number connects you with a registered nurse who can assist you and your family with a wide range of health care questions and concerns. Get trusted information and support any time — 24 hours a day, seven days a week.

NurseLine services also give you access to an audio health information library. Choose from more than 1,100 health and well-being topics, with 600 messages available in Spanish. Services are available to translate 140 languages and for callers with hearing impairments.

Experienced professionals

NurseLine nurses have an average of 15 years clinical nursing experience. They are an excellent resource when you need help choosing care, managing a chronic condition, understanding treatment options and more.

"My baby has a temperature of 102 degrees. It's midnight. What do I do?"

"I have diabetes. How can I manage my condition and stay healthy?"

"I've been diagnosed with breast cancer. How do I know what treatment option is right for me?"

Current health information

NurseLine nurses provide reliable information based on the latest medical and professional guidelines. So, think of NurseLine services as your one-stop resource for making smart health care decisions every day.

To talk with a NurseLine nurse, call the Customer Care number on the back of your member ID card.

To access NurseLine, call **1-888-315-7257, PIN 757**.

NurseLine services can help you:

- Find a doctor or hospital.
- Understand treatment options.
- Ask medication questions.
- Choose appropriate medical care.
- Locate available resources.

UnitedHealthcare®
A UnitedHealth Group Company

M.D. IPA℠ OPTIMUM CHOICE® MLH-PPO EAGLE

The *Blueprint* Wants to Hear From You

Are you involved in your community? Do you have hobbies or special interests you'd like to share with the readers of the *Blueprint*? Are you active in a Local Union retiree club? Perhaps you have some tips about making the transition to retired life a little easier? If so, please contact the ***Blueprint*** at:

Bricklayers & Trowel Trades
International Pension Fund

ATTN: ***Blueprint***

620 F Street, N.W.

Suite 700

Washington, DC 20004

You can also reach us electronically at:

cweir@ipfweb.org

IPF Retirement Blueprint

A Quarterly Publication of the . . .

BAC

Bricklayers & Trowel Trades
International Pension Fund
620 F Street, NW
Suite 700
Washington, DC 20004

www.ipfweb.org

13

Return Service Requested

PRSRT STD
U.S. POSTAGE
PAID
WASHINGTON, DC
PERMIT NO. 13