



# Blueprint

A Publication of the Bricklayers & Trowel Trades International Pension Fund • Special Issue Spring 2012

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

Dear Participant:

This 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, 2012, the Plan was once again considered in "endangered" status under the tests set out in the PPA. As noted in the box below, the Plan is certainly solvent, and remains in relatively strong financial position. The investment markets have rebounded somewhat from 2008, but the continued slump 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 2013 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. At the same time, participating Locals should continue their 15% IPF PPA rates until further notice.

The second notice starts on page 2 and relates to the Plan funding in 2011. 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. Despite the difficult economic realities that face all of us, be assured that your Trustees are committed to the sound administration of 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](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,

A handwritten signature in black ink, appearing to read 'D F Stupar', written over a light blue background.

David F. Stupar  
Executive Director

## International Pension Fund Projected Solvent for 30 Years

Despite flagging construction activity and a resulting drop in contributions, the actuary to the International Pension Fund (IPF) has confirmed that IPF is able to pay expected benefits and meet expected expenditures over a thirty year period commencing January 1, 2011 and running through December 31, 2040. The actuary made the 30-year projections using plan provisions, participant data, IPF financial information and expectations of industry performance to project plan solvency.

# 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, 2012. 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 2012 because its funding percentage on January 1, 2012 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 reduc-

tions. In addition, any such reductions or modifications would only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2012.

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 through 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, 2011 and ending December 31, 2011 (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, 2011, the fair market value of the Plan's assets was \$1,227,775,117. 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. 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 78,462. Of this number, 30,611 were active participants, 23,883 were retired or separated from service and receiving benefits, and 23,968 were retired or separated from service and entitled to future benefits.

	2011	2010	2009
Valuation Date	1/1/2011	1/1/2010	1/1/2009
Funded Percentage	68.9%	71.20%	66.10%
Value of Assets	1,470,115,924	1,313,793,801	1,241,038,847
Value of Liabilities	2,133,571,467	2,091,083,412	2,047,143,423

## 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 2011.

## 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 ➤*

# Bricklayers & Trowel Trades International Pension Fund

### Union Trustees

James Boland  
Henry Kramer  
Ken Lambert  
Gerard Scarano  
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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 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 ( $\$17.75 \times 10$ ).

## Asset Allocations

	Percentage
1 Interest Bearing Cash	0.46%
2 US Govt Securities	0.28%
3 Corporate Debt—All Other	1.05%
4a Corp Stocks—Preferred	0.00%
4b Corp Stocks—Common	35.84%
5 Partnership/Joint venture	7.51%
6 Value of interest in common/collective trusts	25.18%
7 Value of interest in pooled separate accounts	4.16%
8 Value of interest in 103-12 investment entities	3.62%
9 Value of interest in registered investment companies	15.16%
10 Value of funds held in insurance co	0.18%
11 Buildings and other property	0.05%
12 Other investments	6.51%

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](http://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).

## Protect and Help Maximize Your Retirement Income

Recognizing the importance of retirement income planning, the BAC SAVE International Retirement Savings Plan (RSP) is offering you an additional way to guarantee income in retirement for as long as you live.<sup>1</sup> Through this option, by placing a portion of your RSP in a MetLife income annuity at retirement, you have the potential to obtain higher income payments than if you purchased an annuity individually.

An immediate annuity works well as part of an overall retirement strategy, so consider using just a portion of your savings to guarantee income.

### Looking to cover immediate expenses?

#### With a \$25,000 purchase payment...

A 65 year old would receive \$139 per month for life.\*

#### With a \$50,000 purchase payment...

A 65 year old would receive \$288 per month for life.\*

#### With a \$100,000 purchase payment...

A 65 year old would receive \$585 per month for life.\*



Find out more! Contact the  
International Pension Fund  
at 1-888-880-8222.

# MetLife

\*This is a hypothetical illustration and for illustrative purposes only. It is not an actual quote. Income based on rates on 12/1/2011, life-only income payout and qualified funds invested. Actual income payments will be determined on the date of each purchase payment and will vary. Ordinary income taxes apply to the taxable portion of annuity income payments. This illustration does not reflect the effect of taxes.

<sup>1</sup> Guarantees subject to financial strength and claims-paying ability of Metropolitan Life Insurance Company.

Pursuant to IRS Circular 230, MetLife is providing you with the following notification: The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This brochure supports the promotion and marketing of MetLife's annuity products. You should seek advice based on your particular circumstances from an independent tax advisor.

Like most annuity contracts, MetLife annuities contain charges and terms for keeping the contract in force. Product availability and features may vary by state.

Metropolitan Life Insurance Company  
200 Park Avenue, New York, NY 10166

CLFAB016 L1211225017[exp1212][All States][DC]

# The International Health Fund says YES to NOT ME

Introducing a New Employee Benefit Program (IHF Participants Only) that Can Save Your Life

## **One in Three American Adults are At Risk. Are You One of Them?**

24 million American adults have diabetes, and another 79 million are at risk of developing it. By 2020, if current trends continue, 52% of the US adult population will either have the disease or be on the path to getting it. Most people have no idea they're at risk, and some people with diabetes don't even know they have it. And diabetes is progressive; it starts with prediabetes, which has no symptoms.

**Two new programs are proven to reverse these trends. And now, The International Health**

**Fund makes them available at no additional cost to you as part of your UnitedHealthcare health plan.**

The **Diabetes Prevention Program** is a 16-session lifestyle coaching program conducted in a small group setting for people with prediabetes. This program teaches participants how healthier eating and a moderate increase in activity can prevent or delay the onset of Type 2 diabetes by nearly 60 percent.\*

The **Diabetes Control Program** connects people currently diagnosed with diabetes to community pharmacists who make it easier and more afford-

able to follow treatment plans recommended by physicians. These pharmacists are specially trained and provide 1-on-1 care in private rooms. All appointments are prescheduled, and are covered as a preventive benefit by your health plan.

Both programs were developed by the Diabetes Prevention and Control Alliance (DPCA), and have been tested through controlled trials or pilot projects with the National Institutes of Health (NIH), Centers for Disease Control and Prevention (CDC), the Y, Indiana University, clinical centers, employers and pharmacies.

## Know Your Risk—Take the Quiz

Y	N	QUESTION
1	0	Are you a woman who had a baby weighing more than 9 pounds at birth?
1	0	Do you have a sister or a brother with diabetes?
1	0	Do you have a parent with diabetes?
5	0	Find your height on the chart. Do you weigh more than the weight listed for your height?
5	0	Are you younger than 65 years of age and get little or no exercise in a typical day?
5	0	Are you between the 45 and 65 years of age?
9	0	Are you 65 years of age or older?

### About Your Score

**9 or more points:** high risk for prediabetes. Prediabetes means your blood glucose (sugar) is higher than normal, but not yet diabetes. Type 2 diabetes can be delayed or prevented through effective lifestyle programs. Please consider getting your blood glucose tested for elevated levels

**3 to 8 points:** Lower risk for having prediabetes today, but keep your risk low. Maintain a healthy weight, and don't use tobacco. If you have high cholesterol or high blood pressure, talk to your health care provider about your risk for Type 2 diabetes. Take this quiz annually, and share with friends and family.

## WHAT IS PREDIABETES?

You are not alone if you don't know. Prediabetes is a diagnosed condition where your blood sugar levels are high but not yet high enough to be diagnosed as diabetes. But it's progressive, and that makes prediabetes a serious health issue. Good news, you can reverse it.

## WHAT IS DIABETES?

When you have Type 2 Diabetes, your body may fight the effects of insulin, A hormone that controls the movement of sugar into your cells. Or your body doesn't produce enough insulin to keep a normal glucose level. Type 2 diabetes is a very serious condition which can result in diabetic complications, Including: Blindness, kidney failure, foot amputation, heart attacks and strokes.

### Height and Weight

HGT	WGT	HGT	WGT
4'10"	128	5'8"	176
4'11"	132	5'9"	181
5'0"	137	5'10"	187
5'1"	142	5'11"	192
5'2"	146	6'0"	198
5'3"	151	6'1"	203
5'4"	156	6'2"	209
5'5"	161	6'3"	215
5'6"	166	6'4"	220
5'7"	171		

**VISIT NOTME.COM OR CALL  
888-688-4019 TO LEARN MORE.**

**TO FIND OUT IF YOU ARE AT  
RISK, TAKE THE 30 SECOND QUIZ  
AT NOTME.COM.**

*"The \$1,000 helped us get  
back on track after Jenny's hospitalization.  
Thank you."*



**Union  
SAFE**  
Security Assistance  
Financial Education

### **\$1,000 to Help with Hospital Bills**

**Union SAFE Hospital Care Grant**

If hospital bills are endangering your financial security, you're not alone. Fortunately, **Union Plus** may be able to help with a **\$1,000 Hospital Care Grant** to help pay large, out-of-pocket hospital expenses for union members, spouses or dependants. To be eligible for this grant you must participate in at least one of the following programs: Union Plus Credit Card, Union Plus Insurance, or Union Plus Mortgage.

**UnionPlus.org/HospitalGrant** 

# Hitting hard times?

NEW Union SAFE grants provide a **SAFETY NET** for union families struggling in today's tough economy.

**Union SAFE programs offer special grants and assistance to members facing financial hardship.** Grants do not need to be repaid. They are emergency funds to help see you through economic crises.

## 1 Become more financially secure.

- Job Loss Grant
- Disability Grant
- Disaster Grant
- Layoff Helpline

## 2 Make your mortgage payments.

- Mortgage Assistance Grant up to \$1000
- Save-My-Home Hotline

## 3 Deal with health care expenses.

- Hospital Care Grant
- Health Savings Programs
- Free Medical Bill Negotiator

## 4 Afford higher education.

- College Savings Grants
- Scholarships

NOTE: Some of this assistance is only available to members who have a Union Plus Credit Card, Mortgage or Insurance policy.



**UnionPlus.org/UnionSAFE**

EdMail

## 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

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A Quarterly Publication of the . . .



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