



**BAC**

# Blueprint

A Publication of the Bricklayers & Trowel Trades International Pension Fund • Fall/Winter 2009-2010

## Beware the "Free Lunch"

### Regulator Warns Senior Investors of Red Flags



With an economic downturn narrowing their field of potential victims, unscrupulous investment advisors are ramping up operations, offering free lunches and other enticements to "educate" investors. "Go for the meal but don't make the deal," advises the Honorable David Massey, Deputy Securities Administrator for the State of North Carolina and President

Elect of the North American Securities Administrators Association. "These types of enticements are just one of many red flags potential investors, especially retirees, should be aware of."

Massey, a panelist at a recent forum on fraud sponsored by the American Association of Retired Persons (AARP) and the National Consumers League (NCL), urges retired seniors to apply common sense and basic rules of thumb when making investments and to remain skeptical of financial advisors. Massey cautioned

not to invest with any person or product that offers "guaranteed" high rates of return, employs pressure tactics, offers tax-free off-shore investment vehicles, purports to have "inside information", or is not fully licensed.

Speaking from years of experience in the regulatory field, Massey reminds investors that even reputable, well-known investment products are not guaranteed and even reputable brokerages often sell high-cost products that are rarely suitable for retirees. "Remember, it's your money. Don't put it all in one

*(Continued on page 2)*

## INSIDE THIS ISSUE

- **Seniors Targeted for Fraud**
- **Updated Rules on Work after Retirement**
- **Rapid Reciprocal Transfers Urged**
- **Medicare Cross-Over**
- **IPF U.S. Amortization & Statement Notices**
- **Canadian "Pension Splitting"**

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## Beware the “Free Lunch” (cont.)

basket and never apologize for not investing with anyone or anything you're not fully comfortable with.” He

also advises potential investors to use a simple refusal script when dealing with cold calls or other sales pitches.

“Just say ‘I’m not interested. Please take me off your list.’ It’s that easy,” says Massey.

One simple way to search the licensure of a potential investment advisor is to run their name through the Securities and Exchange Commission (SEC) database by going to [www.adviser-info.sec.gov/IAPD/Content/Search/iapd\\_OrgSearch.aspx](http://www.adviser-info.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx). This convenient, free service allows users to review the investment advisor’s registration and provides basic data regarding where the firm is registered, its mailing address, and contact information. Consumers can also contact the SEC’s Investor Information Service toll free at 1-800-SEC-0330. In addition to this service, the SEC is embarking on a new educational mission to help investors steer clear of questionable investment schemes. For more information regarding sound investment practices for consumers go to [www.investor.gov](http://www.investor.gov).

### **Fraudsters Cashing-in on “Home Rescue” Market**

Fending off home foreclosure is getting even more difficult thanks to a new wave of fraud taking place in the loan modification or “home rescue” market. The schemes, which are being reported nationwide according to Chuck Harwood, Deputy Director of Consumer Protection for the Federal Trade Commission, are perpetrated by quickly evolving criminal rings that either offer to work with mortgage holders for cash up-front or offer to refinance properties through third party arrangements. Both schemes operate by insisting that homeowners not contact mortgage holders and allow their “loan modification specialists to do all of the work.”

Marietta Rodriguez, Director of Home Ownership Programs at NeighborWorks, a non-profit housing advocacy organization, explains how her organization has developed a campaign to warn at-risk homeowners of such schemes. “We’ve developed a new program called Loan Scam Alert to combat these “home rescuers” by educating consumers about their tactics. From using government-looking logos to using the actual names of government programs, these scam artists will go to any length to lure at-risk homeowners and we now see them spilling into other markets including student loans,” says Rodriguez.

For more information on preventing home foreclosure and avoiding fraudulent “home rescue” schemes call NeighborWorks at (202) 220-2300 or visit them on-line at [www.nw.org](http://www.nw.org). Homeowners can also benefit from a variety of programs available through UnionPlus at [www.unionplus.org](http://www.unionplus.org). At risk homeowners can call the Save My Home Hotline to speak with a UnionPlus HUD Certified Counselor at 1-866-490-5361.

## 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 write to:

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

# International Pension Fund U.S. Rules on Employment After Retirement

If you work in the same industry, trade or craft as is covered by the IPF, your monthly pension will be suspended for the month or months you worked in such employment. You are required to report in writing within 15 days to the Fund office about any such employment you undertake. If you do not, your pension benefits may be canceled for an additional six months. Exactly what kind of work will cause such a temporary loss of pension depends on your age.

After age 62, a pensioner, may return to covered employment and continue to receive retirement benefits until their earnings exceed the Social Security earnings limitations for pensioners age 62 and older. For 2010 the age 62 limit is \$14,160. There is no limit for pensioners 64 and older. Before age 62 you may not be engaged or employed, without limit to the geographical area covered, in any of the following:

1. Employment with any contributing employer;
2. Employment or self-employment in the same or related business as a contributing employer;
3. Employment or self-employment in any business, which is under the jurisdiction of the Union;



4. Employment with the Union or any Fund or program to which the Union is a party by virtue of a written document.

Pensioners under age 62 must have their benefits suspended for any months they engage in such employment.

For each calendar quarter in which a pensioner engages in non-covered Masonry employment prior to normal retirement age, his benefit will be suspended for 6 months.

While pensioners over age 62 are allowed to work in covered employment in accordance with social security guidelines, a participant must have separated from covered employment for one benefit period (one month) to be considered retired. Therefore, you must separate from employment for the entire month your pension starts.

Except for these limitations, you will be free to work at anything else, without effect on your pension.

If you are not sure whether a particular type of employment is prohibited, you may request a ruling from the Trustees.

*Canadian IPF participants may refer to the Winter/Spring 2009 issue of the IPF Retirement Blueprint (page 10) for rules on employment after retirement under IPF Canada or contact the Fund office.*



**International  
Union of Bricklayers  
and Allied Craftworkers**

Office of the Secretary-Treasurer

Dear Local Union officers, fund administrators, and travelling BAC craftworkers:

BAC members and officers can be proud of the gains our Union has made in the area of reciprocity between our benefit funds. These gains are the product of extensive research and deliberation that has led to a series of International Reciprocal Agreements, the establishment of the Reciprocal Clearinghouse and, most recently, the advent of the Electronic Reciprocity Transfer System (ERTS) which became operational in 2005. The rapid, accurate transfer of benefit data is now even more critical considering the enormous challenges facing BAC craftworkers in the current economy. BAC members, on average, spent 6 weeks working away from their home jurisdictions in 2008, and that number has climbed even higher in 2009.

We have received recent reports about certain funds delaying outgoing reciprocity payments with members falling out of benefit status as a result. This may be a reaction to a dramatic decrease in hours, and therefore contributions, that all of our funds have been facing in this difficult economy. But it is precisely because of the slow-down in hours, and the difficulties many of our members are facing in finding sufficient hours to maintain benefit eligibility, that reciprocity is more important now than ever.

Reciprocity depends on the diligence of users, both fund administrators and travelling members alike. It is critical in this period of limited work opportunities that members travelling for work not lose their continued healthcare coverage to untimely reciprocal transfers. We urge all Local Union officers to remind travelling members of the importance of forwarding their blanket authorization forms to the Reciprocal Clearinghouse and the Local fund offices of the jurisdictions they are working in. We also urge our officers to work with their Local fund offices to optimize the efficiency of reciprocity and ERTS by ensuring that all transfers are processed in a timely manner. Keep in mind that the International Reciprocal Agreements require that contributions be forwarded within 30 days after receipt by the travelling jurisdiction's fund and on a monthly interval thereafter.

By optimizing reciprocity, and in particular the advances that ERTS has brought, we can mitigate some of the worst consequences of this poor economy for our members and their families.

Sincerely,

James Boland, Secretary Treasurer  
International Union of Bricklayers and Allied Craftworkers





# Save on Taxes with Pension Income-Splitting

## Canadian Corner By Linda Brodey, Professional Lifestyle Retirement Planner

“My husband and I haven’t started receiving any pension income, but when we do, I will look closely at pension income-splitting.” As of tax year 2007, the Canadian Government allows one spouse to transfer up to 50% of their pension income over to their spouse. As a result, the couple could pay significantly less tax.

According to the Department of Finance, the ability to split pension income will provide nearly \$700 million in new tax relief annually for Canadians.

Being a Lifestyle Retirement Planner and not a “Financial” Retirement Planner, I was curious about how this Pension Income-Splitting works so I set out to meet with one of my colleagues, Keith Deviney, from Assante Financial Management Ltd. I remember that Keith and I had talked about this income-splitting at one of our Retirement Planning Association of Canada workshops so I called Keith and asked lots of questions.

I knew that this is a very powerful tax benefit that the government has given retired Canadians. Every couple has a unique financial scenario. So, to ensure that you and your spouse maximize the benefits of Pension Income-Splitting, you need to consult with your financial advisor or accountant and/or lawyer. The information that is provided in this article is general in nature only and further advice on your own specific circumstances is necessary.

Rather than splitting actual payments from a Pension Plan (like IPF Canada) any pension income that’s split can be deducted from the income of one spouse or partner and included as income on the other spouse’s or partner’s tax return.

Here are the questions I asked and Keith’s answers:

### **1. What kind of pension income is eligible for this income-splitting benefit?**

For those under age 65, the pension income must come from a Registered Pension Plan (RPP). For those 65 or older, additional eligible pension income includes income from RRIFs, LIFs, LRIFs and income from an annuitized deferred profit sharing plan (DPSP).

### **2. What about CPP and OAS?**

They do not qualify for pension income-splitting benefit. Spouses can already split CPP benefits and OAS benefits are the same for everyone.

### **3. What happens if the couple’s incomes change dramatically from year-to-year?**

The couple can change the split percentage each year depending on their financial circumstance at the time.

### **4. What about the OAS Clawback?**

Pension income-splitting can reduce or eliminate this extra tax depending on the couple’s financial circumstances.

### **5. What about the Pension Income Credit? Who can claim it?**

Both spouses can claim the \$2,000 credit provided that each of them is 65 or older regardless of the source of the income. If one or both of them is under 65 then the source must be from a Registered Pension Plan (RPP) in order for the person to receive the credit.

### **6. Are there any disadvantages?**

Some credits and benefits may be reduced or eliminated. And there may be new taxes added when the lower-income spouse gets allocated more income. For example, the Ontario Health Premium may be increased in total for the couple or the age credit may be impacted. You need to look at the overall tax benefit.

### **7. How much tax can a couple save?**

For example, if one spouse received eligible income of over \$100,000 and the other had a much smaller income at around \$10,000 they would pay over \$30,000 in tax. After applying the pension income-splitting credit they would be able to divide up the income more evenly and, for tax purposes, have more equal incomes. Under this scenario they would pay less tax and eliminate the OAS clawback. In total, the tax savings and resumption of the OAS benefit would increase their net after-tax income by almost \$11,000 per year or \$900 per month. This takes into account any additional taxes like the Ontario Health Premium and loss of any other tax credits.

I would like to thank Keith Deviney, RFP, CFP, a Senior Financial Advisor with Assante Financial Management Ltd.

# Bricklayers & Trowel Trades International Pension Fund U.S. Plan

## Notice of Application for an Extension of an Amortization Period to the Unions, Contributing Employers, Participants, PBGC, Beneficiaries and Alternate Payees

This notice is to inform you that an application for an extension of an amortization period for unfunded liability under § 431(d) of the Internal Revenue Code (Code) and § 304(d) of the Employee Retirement Income Security Act of 1974 (ERISA) has been submitted by the Board of Trustees of the Bricklayers and Trowel Trades International Pension Fund to the Internal Revenue Service (Service) for the Bricklayers and Trowel Trades International Pension Fund (Fund) for the plan year beginning January 1, 2009.

Under § 431(d)(3)(B) of the Code and § 304(d)(3)(B) of ERISA, the Service will consider any relevant information submitted concerning this application for extension of the amortization period for unfunded liability. You may send this information to the following address.

Director, Employee Plans  
Internal Revenue Service  
ATTN: SE:T:EP:RA:T:A2  
1111 Constitution Avenue, N.W.  
Washington, DC 20224

Any such information should be submitted as soon as possible after you have received this notice. Due to the disclosure restrictions of § 6103 of the Code, the Service cannot provide any information with respect to the extension request itself.

In accordance with § 104 of ERISA, annual financial reports for the Fund, which include employer contributions made to the Fund for any plan year, are available for inspection at the Department of Labor in Washington, DC. Copies of such reports may be obtained upon request and upon payment of copying costs from the following address:

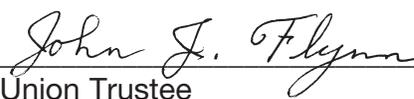
Public Disclosure Room  
Room N-1513  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Ave, N.W.  
Washington, DC 20210

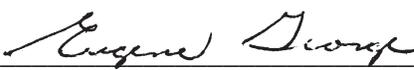
In addition, Fund actuarial information filed for 2009 and later plan years filed with the Department of Labor may be obtained at <http://dol.gov/ebsa/actuarialsearch.html>. As required by § 104(b)(2) of ERISA, copies of the latest annual plan report are available for inspection at the principal office of the Fund, which is 620 F Street, NW, Suite 700, Washington, DC 20004. As required under § 101(k)(1) of ERISA, copies of periodic actuarial reports, quarterly, semi-annual, or annual financial reports, and copies of any application for extension under § 304 of ERISA or § 431(d) of the Code may be obtained upon request and upon payment of a copying charge of \$0.25 per page by writing to the Plan Administrator at the above address.

The following information is provided pursuant to § 304(d)(3) of ERISA and § 431(d)(3) of the Code:

Present Value of Vested Benefits: \$1,998,621,000  
Present Value of Benefits, calculated as though  
the plan terminated: \$2,047,143,000  
Fair Market Value of Plan Assets: \$1,127,151,000  
The above present values were calculated using  
an interest rate of 7.50%

For the Board of Trustees of the Bricklayers and  
Trowel Trades International Pension Fund

  
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Union Plus—working for you, even when you're not working.

# Facing Hardship?

Your Union Plus benefits provide a lifeline.



When financial hardship strikes, you can count on the Union Plus benefits to stand behind you with special help and support. Our unique Safety Net programs protect your financial security and help see you through unexpected emergencies and hard times. We keep working for you—even when you're not working.

#### When you're on strike or laid off...

We stand ready to help:

- **Make** your Union Plus **Mortgage payments.** Call **1-800-848-6466.**
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- Get **discount prescriptions** and **vision care.** Call **1-877-570-4845.**

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and have a significant loss of income, your Union Plus Credit Card offers additional aid:

- **Lifeline Trust** provides one-time grants and payments to cardholders facing long-term disability and illness. Call **1-877-761-5028.**
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#### Always at your side.

Whatever difficulty you face, Union Plus is here to help you. We'll make sure you get the most from your union benefits, including:

- **Free credit counseling** and **budget advice.** Call **1-877-833-1745.**
- **Free legal consultation** up to 30 minutes. Call **1-888-993-8886.**
- **Save My Home Hotline** provides free confidential consultation with expert housing counselors. Call **1-866-490-5361.**



For more details, visit

[www.UnionPlus.org/Help](http://www.UnionPlus.org/Help)

Web 08

## 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](mailto:cweir@ipfweb.org)

## IPF Retirement Blueprint

A Quarterly Publication of the . . .



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