

# Pacific Coast Roofers Pension Plan

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ADMINISTRATORS  
UNITED ADMINISTRATORS SERVICES



## NOTICE OF CRITICAL STATUS FOR PACIFIC COAST ROOFERS PENSION PLAN

This is to inform you that on October 29, 2010, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan is in critical status (the “red zone”) for the Plan Year beginning August 1, 2010. Federal law requires that you receive this notice.

### CRITICAL STATUS

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan’s actuary determined that the following circumstances exist:

- The Plan is projected to have an accumulated funding deficiency for the 2013-2014 Plan Year.
- The sum of the Plan’s normal cost and interest on the unfunded benefits for the current Plan Year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2013-2014 and 2014-2015 Plan Years.

### REHABILITATION PLAN AND POSSIBILITY OF REDUCTION IN BENEFITS

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. In addition to revising a plan’s formula for future benefit accruals and making similar changes, the law permits pension plans in the red zone to reduce or even eliminate benefits called “adjustable benefits” as part of a rehabilitation plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a Participant’s basic benefit payable at Normal Retirement Age. In addition, the reductions may only apply to Participants and beneficiaries whose benefit commencement date is on or after November 23, 2010. But you should know that whether or not the Plan adjusts adjustable benefits in the future, effective as of November 23, 2010, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity, except for the payout of benefits worth less than \$1,000) while it is in critical status.

### **Future Experience and Possible Adjustments**

The funding improvement plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 7.50% (in the 2010-2011 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

### **Commitment to Continued Improvement**

At this point, the Trustees anticipate that the Fund will emerge from endangered status and continue to see improved funded percentages. The Trustees maintain their commitment to providing a retirement benefit on which you can rely to pay a lifetime benefit that will play a significant role in your overall retirement planning.

### **Where to Get More Information**

You have a right to receive a copy of the funding improvement plan once it has been formally approved by the bargaining parties. It should be completed by July 26, 2011. To receive a copy, you may contact the TIC International Corporation at 6525 Centurion Drive, Lansing, Michigan, 48917-9275 or by telephone at (517) 321-7502.