

NEW MEXICO STATE CONFERENCE OF PLASTERERS & CEMENT MASONS

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TRUST FUND OFFICE

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FROM: Board of Trustees

DATE: January 30, 2015

TO: All Participants and Beneficiaries
All Contributory Employers
Operative Plasterers & Cement Masons International Association, Local Union No. 254

United States Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave. NW
Washington DC 20210

Multiemployer Program Division
Pension Benefit Guaranty Corp.
1200 K Street NW
Suite 930
Washington, DC 20005

**Notice of Critical Status for the
New Mexico State Conference of Operative Plasterers'
and Cement Masons' Retirement Plan**

This is to inform you that on December 29, 2014 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 for the plan year beginning October 1, 2014. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan has an accumulated funding deficiency for the current year.

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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that the 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. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after January 28, 2009. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of January

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28, 2009, 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) while it is in critical status.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fifth year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On January 28, 2009, you were notified that the plan reduced or eliminated adjustable benefits. On January 28, 2009, you were notified that as of January 28, 2009 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) while it is in critical status. If the trustees of the plan determine that further 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. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after January 28, 2009.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA) (including a 75% QOSA).

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. The surcharge is not currently in effect because the bargaining parties have incorporated into their Labor Agreements the contribution schedule that the plan's actuary recommended.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the Plan at the Trust Fund Office, (505) 262-1921, 1330 San Pedro Dr. NE Suite 105A, Albuquerque, New Mexico 87110. You have a right to receive a copy of the rehabilitation plan from the plan. The Board of Trustees adopted a Rehabilitation Plan on February 12, 2009.