

**NOTICE OF ENDANGERED STATUS
OF
BRICKLAYERS AND ALLIED CRAFTWORKERS LOCAL NO. 5
OF NEW JERSEY PENSION PLAN**

This is to inform you that, on March 31, 2011, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan's Board of Trustees, the plan sponsor, that the Bricklayers and Allied Craftworkers Local No. 5 of New Jersey Pension Plan ("Plan") is in the endangered status for the plan year beginning January 1, 2011. Federal law requires that you receive this Notice.

Endangered Status

The Plan continues to be considered in the endangered status because it has funding problems. This category of endangered status is also referred to as the "yellow zone." More specifically, the Plan's actuary has determined that the Plan's funded percentage for the plan year beginning January 1, 2011 is less than 80%.

Funding Improvement Plan

The Pension Protection Act of 2006 requires pension plans that are in the endangered status to adopt a Funding Improvement Plan ("FIP") aimed at restoring the financial health of the plan. At a minimum, the FIP must effectuate the avoidance of a funding deficiency and the reduction of the plan's underfunding by 33% over a 10-year period. Employer contribution rates cannot be reduced for any current or future participants during the time a FIP is in place. The collective bargaining parties have been presented with a schedule of contribution rate increases and/or future benefit reductions that comply with the targets set by the FIP. If such a rate cannot be achieved through collective bargaining, the rate of future benefit accruals must be reduced. A combination of both future contribution increases and benefit reductions can be used in a FIP. No benefit increases are permitted unless they are required to retain the Plan's tax-qualified status or the benefit increases are funded by additional contributions not required by the FIP to help improve the underfunding.

In 2008 the Board of Trustees adopted a Funding Improvement Plan and agreed on benefit reductions effective January 1, 2009 to meet the targets of the FIP. These reductions included a 1,600 hour annual cap on hours for benefit accrual and eligibility purposes, a delay in the eligibility requirement for unreduced early retirement benefits from age 55 with 30 years of service to age 60 with 30 years of service for future benefits accrued on or after January 1, 2009 and a requirement that a participant qualify for Social Security disability benefits to be eligible for the disability retirement benefit from the Plan. A five year amortization base extension, effective January 1, 2008, was approved by the IRS on March 18, 2009.

Based on the unfavorable investment performance of 2008, the Board of Trustees adopted revisions to the Funding Improvement Plan in 2009, which included a reduction in the monthly benefit accrual rate from \$0.08 per hour worked to \$0.06 per hour worked, effective January 1, 2010; a diversion of \$2.70 per hour in future contributions from the Bricklayers and Allied Craftworkers Local No. 5 of New Jersey Annuity Plan effective May 1, 2009 (creating an hourly

pension contribution rate of \$9.70 effective May 1, 2009); a pension contribution rate increase of \$1.00 effective November 1, 2009 (creating an hourly pension contribution rate of \$10.70 effective November 1, 2009); and a pension contribution rate increase of \$1.00 effective May 1, 2011 (creating an hourly pension contribution rate of \$11.70 effective May 1, 2011).

The Funding Improvement Period is the 10-year period beginning January 1, 2011 and ending December 31, 2020. The above changes and the other provisions in the Funding Improvement Plan are expected to reduce the underfunding of the Pension Plan by 33% by 2019. The Pension Plan is projected to emerge from the endangered status by 2021. Under the requirements of the Pension Protection Act of 2006, the Funding Improvement Plan will again be examined in 2012 and updated as necessary.

Where to Get More Information

For more information about this notice, you may contact:

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