

December 10, 2010

Dear Brothers and Sisters:

This letter is notifying you that the Pension Fund Trustees will be holding a Special Called Meeting on Tuesday, January 4, 2011 at 6:00 PM at the Holiday Inn of East Windsor 399 Monmouth Street, East Windsor, NJ 08520. The purpose of the meeting is to have the Local 9 Pension Fund professionals that include our Fund Administrator IE Shaffer; our Actuary Dave DeRyder from DeRyder Plans Inc. and our Fund Investment Consultant, Janine Foreman from Quantelligent Solutions LLC go over our Pension Fund and its requirements under the Pension Protection Act (PPA) of 2006. Under the guidelines of the PPA of 2006 all Taft Hartley Multi Employer Pension Funds that are below 80% funded must come up with a Funding Improvement Plan (FIP) by a certain date and Local 9's is July 1, 2011. Enclosed you will find information regarding our FIP by our Actuary Dave DeRyder that will be explained in length by all the professionals. In short our Pension Fund if it was to stay "the same, as it is now" we would need to have a \$10.00 contribution effective 7-1-11. Currently our contribution rate is at \$8.47 and in doing the math that would mean we would need to allocate \$1.53 cents from our raise to meet this goal.

In talking to other Building Trade Unions (including all of NJ UA Locals) our fund is in similar or better shape than most funds. There will be other options for the membership to decide on that night that is outlined in the handout. Keep in mind that the Pension Fund Trustees that you elected can "act on their own" without input from the membership and make the required FIP improvements. However, the Trustees and I have for the past 2½ years stressed that **you** will be involved in this important decision. It also should be noted the \$1.53 that is needed was almost doubled before the fund had some changes enacted by congress and by us delaying action until now worked out to our benefit. The Trustees will ask the body on which ever plan we select to allocate the amount needed on the plan selected that night to go into effect 7-1-11 as required by the PPA of 2006.

I will attempt to go over the enclosed handout for your review.

Number 1 has to do with our \$55.00 per credited year as you can see if the membership decides they would like to increase the \$55.00 to \$100.00 per credited year the amount needed would \$11.20 per hour contribution to have this effective 7-1-11. Next as stated earlier to "keep" the fund, as it is now a \$10.00 per hour contribution would be needed. Next example is if we lowered our \$55.00 per credited year to \$50.00 a \$9.85 per hour contribution would be needed. Next which the Pension Fund Trustees highly discourage is; example is if we terminated our Pension Fund on 7-1-11 the membership would still have to make an \$8.30 per hour contribution until the last man standing (vested pensioner and or beneficiary alive receiving a pension).

Number 2 has to do with the \$1000.00 supplement we can receive when eligible. Again if we were to leave our pension as it exists today with "no changes" we would need to increase our pension contribution from \$8.47 per hour to \$10.00 per hour (\$1.53). Example A is if we were to have the \$1000.00 supplement that we receive at age 55 with 25 years service changed to when we can receive it to 60 years of age the contribution rate per hour would be \$9.70 per hour (\$1.23 increase). Example B is if we were to eliminate entirely the \$1000 supplement we would need \$9.20 per hour (\$.73 increase). Examples C, D and E change the early retirement penalty from 2 per cent to 6 per cent.

Number 3 would change our full vested year from 1000 hours to 1400 hours we could save an extra 10 cents IE leaving the fund as it is now, instead of a \$1.53 contribution it would now be \$1.43 per hour.

Number 4 changes it from 1000 hours to 1800 hours to have a full vested year we could save 25 cents from the \$1.53 (\$1.28 contribution).

Number 5 has to do with getting future credit if you worked more than 1000 hours. This example will be explained at length (there is not enough space on this letter) by our professionals at the meeting.

Numbers 6 and 7 are self explanatory.

Please feel free to contact me or any other Trustee if you have questions on this matter.

In Unionism,

Michael Maloney
Business Manager, Financial Secretary

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Enclosure