Bricklayers and Allied Craftworkers Local 5 New York
Retirement Fund Pension Plan
EIN: 14-6016608/PN: 001

Rehabilitation Plan Update – 2014 Plan Year

I. Introduction and Background

The Bricklayers and Allied Craftworkers Local 5 New York Retirement Fund Pension Plan (the "Plan") was determined by the Plan's actuary to be in "critical" status as of 1/1/2009. However, the Board elected to temporarily freeze the Plan's Zone Status (and extend the funding improvement period) under WRERA in the 2008 "Endangered" status. As of 1/1/2010 the Plan was certified in "Critical" status and, a Rehabilitation Plan ("RP") was developed with benefit cuts and contribution rate increases.

Key Dates Summary:

January 1		PPA Status
2008	• Initial Status	Seriously Endangered
	• Expiration of CBA(s) covering 75% of active participants:	5/31/2008
	• Funding Improvement Period (15 years for Orange Zone):	1/1/2009-12/31/2023
2009	• Initial Status	Critical
	• Frozen Status (after application of WRERA)	Seriously Endangered
2010	• Status	Critical
	• Expiration of CBA(s) covering 75% of active participants:	5/31/2011
	• Adoption Period:	3/31/2010 - 12/31/2011
	• Rehabilitation Period:	1/1/2012 - 12/31/2021
2011	• Status	Critical
	• Rehabilitation Plan Update	"Safety Valve" Schedule

1. Adopting and Duration of a Schedule

Typically, with respect to each Collective Bargaining Agreement ("CBA") that was in effect on the adoption date and after the bargaining parties received a copy of the original Rehabilitation Plan, the bargaining parties agree to adopt one of the schedules (Default or Alternative). If the bargaining parties fail to adopt a Schedule, then the Plan Sponsor must implement the Default Schedule (available upon request), which must take effect on the earlier of (i) the date the Secretary of Labor certifies that the parties are at an impasse, or (ii) the date which is 180 days after the date on which the CBAs on 1/1/2010 expire.

The Alternative Schedule was agreed to and adopted for our Plan. Once the agreed to Schedule takes effect, it remains in effect for the duration of the CBA and is relied upon by the bargaining parties. When a CBA comes up for negotiation, it needs to be negotiated pursuant to the most recent update of this Rehabilitation Plan and the schedules within.

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2. Updates to Schedules

The Plan Sponsor must annually update the schedules and file the update with the Plan's annual report under Section 104 of ERISA. The annual update reflects updated projections of assets, liabilities and funding standard account credit balances provided by the Plan's actuaries, as well as a projection by the Plan's actuary as to whether or not the Plan is projected to emerge from critical status by the end of the Rehabilitation Period. Such updates shall be adopted by the Plan Sponsor each critical year following the first critical year (2010). The updated schedules shall include additional actions, including updated contribution and benefit schedules, that the Plan Sponsor deems reasonable, and may be expected to enable the Plan to emerge from critical status by the end of the Rehabilitation Period.

3. CBAs as of January 1, 2010

The main Collective Bargaining Agreement as of January 1, 2010 expired on May 31, 2011.

4. Explanation of why the Plan is not expected to emerge from Critical Status

The slow economic recovery of the past two years continues to create a tremendous funding burden related to the loss in asset value and reduction in employment (and future contributions). As a result, the plan sponsor determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the plan can not reasonably be expected to emerge from critical status by the end of the rehabilitation period.

After reviewing the options, the Trustees believed that such required contribution increases would cause employers to withdraw from the Plan leading to insolvency, financial assistance from the PBGC, and benefit cuts.

Based upon these results, the Trustees' selection of the Alternative Schedule as permitted by IRC §432(e)(3)(A)(ii), also known as a "reasonable measures" schedule, which is intended to forestall insolvency continues in effect.

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II. Alternative Schedule

Benefit Changes

1. The following benefit changes were previously adopted effective January 1, 2010:
   - (i) The monthly Normal Retirement Benefit earned on and after January 1, 2010 will depend on the date on which the Participant first earned Future Service Credit. If that date is prior to June 1, 2004, the benefit rate will be $50 for all Years of Future Service Credit after December 31, 2009. Otherwise, the benefit rate will be $37.50 for the first ten Years of Future Service Credit and $50.00 for all subsequent service on and after December 31, 2009. The ten year period is measured from date of hire.
   - (ii) A year of Future Service Credit is credited for each 1,000 hours, with 1/10 of a Year credited for each 100 hours worked. No Future Service Credit will be credited if less than 200 hours are worked in a Plan Year.
   - (iii) Unreduced Early Retirement at age 62 with 5 years of Vesting Service is eliminated from the Plan and an unreduced Early Retirement at age 62 with 20 years of Future Service Credit, with no limitation on Service earned in each Plan Year is added.
2. Effective January 1, 2012, accrued benefits are frozen and will equal the benefit accrued through December 31, 2011.
3. Effective March 21, 2013 the following benefits for participants not yet in pay status as of March 21, 2013 will be suspended until 2017:
   - (i) Early Retirement
   - (ii) Disability
   - (iii) The Pop-Up feature on the Joint & Survivor Benefits
   - (iv) Return of Contributions Death Benefit

Contribution Increase

Effective January 1, 2013, the Trustees have decided to eliminate all future contribution increases.