

OUTSTATE TROWEL TRADES' FRINGE BENEFIT FUNDS

Michigan Trowel Trades' Health & Welfare Fund
Outstate Michigan Trowel Trades' Pension Fund
Operative Plasterers' of Cement Masons' International Association of Apprenticeship
& Training Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

April 2006

IMPORTANT NOTICE TO ALL RETIREES ABOUT RETURNING TO WORK

Dear Retiree:

The Trustees of the Outstate Michigan Trowel Trades Pension Fund met on March 9, 2006, and reviewed the Suspension of Benefits provisions in the Pension Plan. They decided to change those provisions in order to implement the IRS Revenue Procedure concerning the retroactive effect of the United States Supreme Court's decision in Heinz v. Laborers Central States Pension Fund.

The new Suspension of Benefits provisions are as follows:

Effective, retroactively to May 1, 2003, the Plan will now have a two part test for determining when a Retiree who has returned to work at the trade (or in work related to the trade, in supervision, management, etc.) in the building and construction industry anywhere in Michigan has worked enough hours to result in the suspension of all or a portion of his monthly pension benefit.

The Fund will suspend that portion of your monthly benefit based on work you performed **before** May 1, 2003, if you work

- **more than 40** hours during any calendar month (or in the payroll periods falling within a calendar month) from November through April, and/or
- **more than 160** hours during any calendar month (or in the payroll periods falling within a calendar month) from May through October.

The Fund will suspend that portion of your monthly benefit based on work you performed **on and after** May 1, 2003, if you work more than **40** hours during **any** calendar month (or in the payroll periods falling within a calendar month).

After the first day of April following the calendar year in which you reach age 70 1/2, you may both work and receive your monthly pension benefits.

The Suspension of Benefits provisions apply in every situation, including when a Retiree works for a non-contributing (non-union) employer or is self-employed.

This amendment delays the application of the more restrictive Suspension of Benefits provisions, making them applicable only to that portion of your monthly benefit based on work you performed on and after May 1, 2003, instead of January 1, 2003.

From May through October, there is now a two-part test for the suspension of your benefits –

you can work up to **160** hours and continue to receive the part of your monthly benefits earned **before May 1, 2003**,

and

up to **40** hours and continue to receive the part of your monthly benefits earned **on and after May 1, 2003**.

The following example should help clarify this rule:

Example:

Mr. A is sixty-five years old. He stopped working at the trade and retired in July of 2005. He has worked at the trade and contributions were made on his behalf before and after May 1, 2003. His monthly pension benefit is \$1,000. The portion of the monthly benefit he is receiving based on work before May 1, 2003 is \$950, and the portion of the monthly benefit he is receiving based on work May 1, 2003 and after is \$50. Mr. A decides to return to work at the trade for 155 hours in August of 2005. Only \$50 of Mr. A's benefit is suspended for the month of August because he worked more than 40 hours, but did not work more than 160 hours. The \$950 portion of the benefit, accrued before May 1, 2003, is subject to the more than 160 hour rule, while the \$50 portion of the benefit, based on work on and after May 1, 2003, is subject to the more than 40 hour rule.

The Trustees made this decision to comply with the recent IRS guidance.

If you have questions about the Plan's Suspension of Benefits provisions, please call the Fund Office.

Sincerely,

Board of Trustees,
Outstate Michigan Trowel Trades' Pension Fund