

ROOFERS LOCAL 74/203 PENSION FUND

2800 Clinton Street
West Seneca, New York 14224
(716) 828-0488

Notice of Reduction in Benefits

May 6, 2010

The Board of Trustees of the **Roofers Local No. 74/203 Pension Fund** (the "Fund") sent you a notice on October 15, 2009, that the Fund's Pension Plan was certified by its actuary as being in "critical status" for the 2009 Plan Year (July 1, 2009 to June 30, 2010) under recent amendments to the Employee Retirement Income Security Act ("ERISA"), the federal law that governs pension plans like this one. As required by ERISA, the Board of Trustees has, with the advice and assistance of its actuary and attorneys, adopted a Rehabilitation Plan. The Rehabilitation Plan combines benefit reductions and contribution increases intended to get the Pension Plan out of critical status and financially healthy again within a 13-year rehabilitation period. Benefit reductions include permitted changes to "adjustable benefits" as defined in ERISA, a reduction to death benefits under the Plan, and a reduction in the accrual rate under the Plan.

The purpose of this communication is to give you the required 15 days' advance notice of the reduction in the future accrual rate under the Plan and the required 30 days' advance notice that Early Retirement Benefits under the Pension Plan will be reduced or eliminated as part of the Rehabilitation Plan.

Reduction of Early Retirement

The Plan has been amended effective as to retirements occurring on or after July 1, 2010, to provide that to be entitled to an unreduced Early Retirement Pension at the time of your termination of employment, you must have attained age 50 and the sum of your age and your Years of Continuous Service must equal at least 80.

Years of Continuous Service being consecutive Plan Years in which you have worked 500 or more Hours of Service. If you incur a three consecutive Plan Year period in which you worked less than 500 Hours of Service each of such Plan Years, you will lose your Years of Continuous Service. They may be reinstated if you are then re-employed and work five Years of Continuous Service.

If you meet the requirements for an Early Retirement Pension after you have terminated employment or retired, you may receive an Early Retirement Pension, but in this instance, your monthly benefit will be reduced by one half of one percent (.5%) for each month prior to Normal Retirement Age (age 65).

Information on Rights and Remedies

As a Participant, Retiree, Alternate Payee or Beneficiary in the Pension Plan of the Fund, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants and Beneficiaries are entitled to:

- (a) Examine, without charge, at the Fund Office and at other specified locations, such as certain worksites and local union halls, all Plan documents, including the Rehabilitation Plan and Schedules, all notices issued in connection with the Rehabilitation Plan, collective bargaining agreements and copies of documents filed by the Fund with the United States Department of Labor, such as detailed annual reports and Plan descriptions. The Fund will, however, charge a reasonable fee established by the Trustees for furnishing the copies.
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the Administrative Manager. The Fund will, however, charge a reasonable fee established by the Trustees for furnishing the copies.
- (c) Receive the Annual Funding Notice.
- (d) Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be supplied more than once a year. The Plan must provide the statement free of charge. The Plan mails such statements to all Participants on an annual basis.

For copies of documents, write to the Board of Trustees, Roofers Local No. 74/203 Pension Fund, 2800 Clinton Street, West Seneca, New York 14224.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your Employer, your local union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Trustees to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Trustees. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Trustees or the Fund Office. If you have any questions about this Notice or about your rights under ERISA, or if you need assistance in obtaining documents from the Trustees, you should contact the Employee Benefits Security Administration, U.S. Department of Labor, located at the New York Regional Office 3, Whitehall Street, Ste. 1200, New York, New York 10004, (212) 607-8600, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. The website address for the Employee Benefits Security Administration of the Department of Labor is <http://www.askebsa.dol.gov>.

This Notice is being provided to you in accordance with Section 432 of the Internal Revenue and Section 204(h) of ERISA and is provided to all effective Plan Participants, Alternate Payees, Employee Organizations, and Contributing Employers. This Notice also constitutes your Summary of Material Modifications as required by Section 104(b) of ERISA and should be kept with your copy of the Plan's Summary Plan Description and other important Plan documents.

Forms of Benefits

Effective as to retirements occurring on or after July 1, 2010, the normal form of benefit will be a Joint and 50% Survivor Annuity. This form of benefit will provide you a monthly benefit during your lifetime equal to the monthly benefit that you would receive under a life annuity form of benefit, and upon your death, your spouse will receive one-half of the monthly benefit you were receiving during your lifetime. The Joint and 100% Survivor Annuity form of benefit is still available, but this will be actuarially reduced to be equal in value to a life annuity form.

Death Benefit

Effective July 1, 2010, if you should die after having become vested under the Plan, your surviving spouse will receive a monthly death benefit equal to one-half of the amount which would have been payable to you during your lifetime if you had survived to the earliest retirement date under the Plan and began receiving the Joint and 50% Survivor Annuity.

Your surviving spouse will be entitled to this benefit at your Early Retirement Date, subject to any early retirement reduction that might apply.

Prior to this change, the pre-retirement death benefit was a monthly benefit equal to 100% of the amount you would have been entitled to during your lifetime if you had survived to your earliest retirement date under the Plan.

You must be married to your spouse for one full year upon your death to be entitled to this benefit.

Reduction in Benefit Accrual Rate

Effective as to Hours of Service worked on or after June 1, 2010, members of Local No. 74 will accrue a monthly benefit of \$40.40 for each 1000 Hours of Service worked in a Plan Year, and members of Local No. 203 will accrue a monthly benefit of \$32.40 for 1000 Hours of Service worked in a Plan Year. For Hours of Service between 750 and 2300 in a Plan Year, you will receive credit pro rata to 1000 Hours of Service in a Plan Year.

No benefit accrual will be provided for less than 750 Hours of Service in a Plan Year, nor in excess of 2300 in a Plan Year.

Prior to this change, you accrued a monthly benefit of one percent (1%) of contributions made on your behalf.