

# Building Your Tomorrow

Vol 18: No 1 Published Quarterly by the Trustees of the Building Trades United Pension Trust Fund 1st Quarter 2009

## Annual employment questionnaire

We will send our annual employment questionnaire to certain retirees shortly before or on April 1. The annual employment questionnaire is sent to Retirees under the age of 71. It is **not** sent to beneficiaries (widows or other survivors), disabled workers, retirees over age 71, or Alternate Payees (those receiving pensions as a result of a divorce or child support order). Those who DO receive the questionnaire must complete and return it promptly, because their May 1 benefit will not be sent until the questionnaire is completed and returned.

If you receive the questionnaire, and if your benefits are paid by direct deposit into your bank account, please note you must return the questionnaire **BEFORE APRIL 15** in order to receive your direct deposit on May 1. If you return the questionnaire after April 15 but before May 1, your benefit payment will be mailed to you in the form of a check on May 1.

## Worried about retirement? Come to one of our Retirement Seminars

**T**he Pension Fund offers two distinct retirement seminars to help workers prepare for retirement. One is designed for those 35 to 50 years of age, and lasts two and a half hours. The other is offered on two consecutive Saturdays, and is targeted to those age 50 and older who have not yet retired. This seminar is more comprehensive.

### Age 35 to 50: "Foundations For Your Future"

To help make sure you are financially prepared for retirement, attend the retirement planning seminar for Participants 35 to 50 years of age at the Pension Fund office on February 12 from 6:00 p.m. to 8:30 p.m. Snacks are provided. Invitations are being mailed in early January.

This seminar does NOT specifically address your pension or health benefits; its focus is on financial planning. No products are promoted or sold. The present-

er is a fee-based financial planner hired by the Pension Fund to help educate its Participants with this seminar.

### Age 50 and over, not retired: "Building Your Tomorrow"

For those 50 and over, a seminar is scheduled for March 28 and April 4, from 8:30 a.m. to 4:00 p.m. each day. The two-day seminar provides information on Social Security, financial planning, social issues, and your retirement benefits from the Building Trades Pension Fund. Because of the variety of health plans covering building trades members, specific health insurance information is **not** provided at this seminar.

Lunch and snacks are provided at no charge at the two-day seminar.

Invitations for the two-day seminar will be mailed in mid-February. Because of limited space, we ask that you do not attend if you have attended in the past.

## Notice

This newsletter contains important information regarding a recent Plan Amendment on page 2. After reviewing, place this inside your Summary Plan Description, as this publication also serves as a formal NOTICE OF PLAN CHANGES.

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# New benefit option available: 75% Joint and Survivor

**P**articipants applying for retirement benefits have several benefit payment options to choose from. Beginning January 1, 2009, the Pension Fund is offering married Participants an additional option, as required by the federal Pension Protection Act of 2006. This new option is the 75% Joint and Survivor option.

This option allows Retirees to receive a reduced monthly benefit for their lifetime. If the Retiree dies first, the Retiree's spouse is then entitled to receive three-fourths (75%) of the Retiree's reduced monthly benefit as long as the spouse lives.

If the spouse dies before the Retiree, the Retiree's benefit remains at the reduced level for as long as the Retiree lives.

This option works the same way as the Automatic Joint and Survivor benefit, which the Pension Fund has offered since the 1960's. However, under the Automatic Joint and Survivor form, which is paid automatically unless both the Retiree and the Retiree's spouse waive it in writing, the Retiree's benefit is not reduced by quite as much, and the surviving spouse then receives two-thirds (66.67%) of the Retiree's reduced benefit.

The 75% Joint and Survivor option is also available to married Participants applying for Total and Permanent Disability Benefits, and married Participants over age 55 applying for 24-Month Disability Benefits. The 75% Joint and Survivor option is not available for benefits payable under the former Kenosha Local #237 Pension Plan and the former Racine Construction Industry Pension Plan. Different options are available under these Plans.

Participants near retirement age may contact the Pension Fund office for a benefit illustration. The illustration describes all the options available upon retirement and includes dollar figures for each option based on each Participant's current situation.

Refer to the Pension Fund's 2006 Summary Plan Description (SPD) for an explanation of the different options available at retirement. The benefit options are listed at the end of each pension benefit section (Normal Retirement, Early Retirement, Deferred Vested, and Disability Benefits), and explained on pages 118-121.

Pension Fund staff is prohibited by law from giving advice on what benefit option to choose. Participants should consider contacting a personal financial planner if advice is needed.

## ***Building Your Tomorrow***

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the Trustees of the  
Building Trades United Pension  
Trust Fund

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This newsletter is intended for your general information and not as a complete description of the Fund's legal documents. The Trust Agreement and Pension Plan document are the only instruments governing the legal rights, privileges and obligations under the Fund.

Michael Gantert  
***Fund Director***

Lois Mathis-Gleason  
***Editor***

Ramona Garrity  
***Assistant Editor***

We welcome any comments or suggestions you may have for future issues of ***Building Your Tomorrow***.

Due to limited newsletter space, it is important that you are also familiar with your Summary Plan Description (SPD). It contains detailed information about all areas of the Pension Plan. The most recent SPD was mailed in October 2006. If you would like an additional copy of the SPD, feel free to contact us at  
(262) 784-7880  
or toll free at  
(800) 433-8570.

**Our office hours are Monday through Friday, 8 a.m. to 5 p.m.**

website address:

**[www.thepensionfund.com](http://www.thepensionfund.com)**

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# Summary Annual Report

*This is a summary of the annual report for the Building Trades United Pension Trust Fund (EIN 51-6049409) for the year ending May 31, 2008. The annual report has been filed with the Internal Revenue Service, as required under the Employee Retirement Income Security Act of 1974 (ERISA).*

## Basic Financial Statement

Benefits under the Plan are provided by the Trust Fund. Plan expenses were \$101,021,950. These expenses included \$8,099,595 in administrative expenses and \$92,922,355 in benefits paid to participants and beneficiaries. A total of 28,636 persons were participants in, or beneficiaries of the Plan at the end of the Plan Year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan assets, after subtracting liabilities of the Plan, was \$1,440,058,068 as of May 31, 2008, compared to \$1,441,026,068 as of June 1, 2007. During the Plan Year, the Plan experienced a decrease in net assets of \$968,000. This decrease included unrealized appreciation and depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of assets at the beginning of the year or the cost of assets acquired during the year. The Plan had total income of \$88,110,425, including Employer contributions of \$103,590,832, gains of \$1,309,998 from the sale of assets, and earnings from investments of (\$16,790,405).

## Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

## Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on written request. The following items are included in that report:

1. an accountant's report;
2. assets held for investment;
3. transactions in excess of 5% of Plan assets;
4. actuarial information regarding the funding of the Plan.

To obtain a copy of the full annual report, or any part thereof, write the office of the Board of Trustees of the Building Trades United Pension Trust Fund, who is the Plan Administrator, P.O. Box 530, 500 Elm Grove Road, Room 300, Elm Grove, Wisconsin 53122 (telephone number 262/784-7880).

You also have the right to receive from the Plan Administrator, on written request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. These portions are also furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, 500 Elm Grove Road, Room 300, Elm Grove, Wisconsin, or at any Employer or Union location where there are at least 50 participants covered under the Plan; and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N5507, Pension and Welfare Benefit Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

## PLAN ADMINISTRATOR:

Board of Trustees  
Building Trades United Pension Trust Fund  
P.O. Box 530  
500 Elm Grove Road, Room 300  
Elm Grove, Wisconsin 53122  
(262) 784-7880 or (800) 433-8570  
[www.thepensionfund.com](http://www.thepensionfund.com)

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# Annual Funding Notice

*This notice, which federal law requires all multi-employer plans to send annually, includes important information about the funding level of the Building Trades United Pension Trust Fund, Plan Number 001 and EIN 51-6049409 (Plan). This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning June 1, 2007, and ending May 31, 2008 (Plan Year).*

## Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 65.83%.\* In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefit payments from the fund increase or decline.

## Plan's Financial Information

The market value of the Plan's assets as of June 1, 2007, was \$1,439,607,097. The total amount of benefit payments for the Plan Year was \$93,213,842. The ratio of assets to benefit payments is 15.44 to 1. This ratio suggests that the Plan's assets could provide for approximately 15.44 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

## Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether,

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# Annual Funding Notice *(continued from page 4)*

and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

## **Benefit Payments Guaranteed by the PBGC**

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ( $.75 \times \$33$ ), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or  $\$200/10$ ). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ( $.75 \times \$9$ ), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

In calculating a person's monthly payment, the PBGC will disregard any benefit increases that

were made under the plan within 60 months before the earlier of the plan's termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

## **Where to Get More Information**

For more information about this notice, you may contact Michael Gantert, Fund Director, Building Trades United Pension Trust Fund, 500 Elm Grove Road, Suite 300, Elm Grove, Wisconsin 53122, or call 262-784-7880, or call toll-free at 1-800-433-8570. For more information about the PBGC and multiemployer benefit guarantees, go to the PBGC's web site, [www.pbgc.gov](http://www.pbgc.gov), or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

## **\* Additional Explanation**

This year's funding ratio of 65.83% is based on a 5.81% interest rate as required by current Federal regulations. If the Plan's funding status were instead based on recently adopted Federal regulations which in effect provide for the use of our Plan's current interest rate of 7.5% for accrued liability, the funding ratio would be 87.99% which is well above the appropriate funding requirements as established by the Government. By law, the 7.5% interest assumption calculation becomes effective for our Plan Year beginning June 1, 2008.

# Planning to Retire?



If you would like to receive your first benefit payment:	you must receive a Benefit Illustration Sheet between:	and return your completed Application for Benefits and all necessary supporting documents no later than:
April 1, 2009	January 2, 2009 & February 27, 2009	February 27, 2009
May 1, 2009	February 2, 2009 & March 31, 2009	March 31, 2009
June 1, 2009	March 2, 2009 & April 30, 2009	April 30, 2009
July 1, 2009	April 1, 2009 & May 29, 2009	May 29, 2009

**☞ The Pension Fund Office will be closed for the holiday on Friday, April 10, 2009**

ADDRESS SERVICE REQUESTED

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