

MICHIGAN BAC FRINGE BENEFIT FUNDS

Michigan BAC Health Care Fund
Michigan BAC Pension Fund
Michigan BAC Apprenticeship & Training Fund

Managed for the Trustees' by:
TIC INTERNATIONAL CORPORATION

November 2003

IMPORTANT NOTICE

Re: Michigan BAC Pension Fund - Summary of Material Modifications

Dear Participants:

This letter explains an **IMPORTANT** change in the way your *FUTURE* pension benefits will be calculated. This change, *which is effective May 1, 2004*, is discussed in detail below.

Background

As you know, the investment markets have performed poorly for the last several years. This widespread slump in investment returns has adversely affected pension plans throughout the country. Although your Pension Fund is financially sound, and we employ expert money managers to monitor and invest the Pension Fund's assets, the generally dismal investment returns require us to change the way your *future* pension benefits will be calculated. This change, we are told by the Pension Fund's experts, will help your Pension Fund stay financially healthy even during these periods of unusually low market returns.

The Change in Future Pension Benefit Calculations

EFFECTIVE MAY 1, 2004, your *Future* Service Benefit Credit Accrual rate will be 2.6% of required employer contributions. (Currently, your Service Benefit Credit Accrual rate is 3.8% of the required employer contributions).

This change does **not** apply to any hours you've worked *prior to May 1, 2004*.

We regret the need to make this change. But, we've taken this action only after careful review, consideration and consultation with the Pension Fund's experts. It is necessary to preserve your Pension Fund's current sound financial status.

Sincerely,

The Board of Trustees of the
Michigan BAC Pension Fund

xc: BAC Local Unions and Chapters