

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

January 2009

To: **ALL PLAN PARTICIPANTS AND ALTERNATE PAYEES OF THE
MICHIGAN BAC HEALTH CARE FUND AND
MICHIGAN BAC PENSION FUND**

Dear Plan Participant:

We have attached the following Important Notices and Annual Reports for your review. These Notices and Reports are required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- Important Notice regarding Health Care Benefits Page 2
- Notice of Privacy Practices Page 3
- Summary of Material Modifications for the Health Care Fund Page 4
- 2008 Summary Annual Report for the Health Care Fund Pages 5- 6
- Medicare Part D – Prescription Drug Coverage Pages 7- 8
- Women's Health and Cancer Rights Page 9
- Summary of Material Modifications for the Pension Fund Pages 10-12
- Annual Funding Notice Pages 13-15
- 2008 Summary Annual Report for the Pension Fund Pages 16-17
- Notice to Plan Participants approaching Normal Retirement Age Page 18
- Notice of Suspension of Benefits Provisions to Retired Participants Page 19

If you have any questions, please contact your Local Union office or the Fund Office.

Sincerely,

Board of Trustees
Michigan BAC Health Care Fund
Michigan BAC Pension Fund

IMPORTANT NOTICE REGARDING HEALTH CARE BENEFITS

TO: All Eligible Participants of the Michigan BAC Health Care Fund

RE: **MICHIGAN BAC HEALTH CARE FUND – ELIGIBILITY MODIFICATIONS**

Dear Plan Participant:

As a reminder, the Michigan BAC Health Care Fund ***does not provide for any coverage for Motor Vehicle related accidents or incidents.*** The Fund totally and completely excludes coverage for any claim arising out of an auto or other vehicular related accident or incident. “Vehicle” includes all usual forms of transportation on public highways such as vans, pickup trucks, motorcycles, etc.

To make certain that you have health care coverage if you have a vehicular accident/incident, you should check with your automobile insurance agent and/or insurance carrier to make sure that you are covered under your automobile policy “first and completely” for any claim arising out of a vehicular related accident or incident. You should make it perfectly clear to your agent or carrier that the Fund excludes such coverage from its Schedule of Benefits thus it is imperative that your policy has the proper coverage to protect you and your dependents.

If you have any questions regarding these changes, please do not hesitate to contact the Fund Office.

Sincerely,

Board of Trustees
Michigan BAC Health Care Fund

To: All Eligible Participants of the Michigan BAC Health Care Fund

Re: **NOTICE OF PRIVACY PRACTICES**

Dear Participant:

Please be advised that this Notice is intended to confirm that the Michigan BAC Health Care Fund is compliant with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations. The law refers to the nonpublic information of the employee and their dependents (if applicable), with regard to your group health plan benefits, and can only be disclosed by the Fund and its vendors, and your health care provider/s, for payment of claims, treatment of your illness, and for health care operations including administration of your health benefits, as permitted by law and defined in the HIPAA regulations.

For a complete copy of the Fund's Notice of Privacy Policy, please call or write the Fund Office at the address or telephone number listed on this notice.

If you have any questions regarding this information, please contact the Fund Office.

Sincerely,

Board of Trustees
Michigan BAC Health Care Fund

TO: PLAN PARTICIPANTS OF THE MICHIGAN BAC HEALTH CARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Plan Participant:

This Notice, known as a Summary of Material Modifications (“SMM”), describes changes in the Fund’s Plan adopted by the Trustees since the Summary Plan Description (“SPD”) was printed. It is an amendment to the SPD that you received previously. You should keep this SMM with the SPD for future reference.

The Board of Trustees as of the Date of this newsletter is as follows:

Union Trustees:

Nelson McMath, *Chairman*
BAC Local No. 9
3321 Remy Drive
Lansing, MI 48906

James Bitzer
BAC Local No. 9
3321 Remy Drive
Lansing, MI 48906

Greg Lobodzinski
BAC Local No. 9
1300 W. Thomas Street
Bay City, MI 48706

Daryl Nichols
BAC Local No. 6
1404 Industrial Park Road Suite 2
Saline, MI 48176

Management Trustees:

Andy Bracy, *Secretary*
Bracy & Jahr, Inc.
825 Quincy Grange
Quincy, MI 49082

Don Bovre
AGC of Michigan
2323 North Larch, PO Box 27005
Lansing, MI 48906

Duane Bremer
3129 E. Monroe Road
Midland, MI 48642

Andy Hofstra
Hofstra Masonry, Inc.
6420 Lake Harbor
Muskegon, MI 49442

Kyle Loehonic
Davenport Masonry Company
1445 Edgar Road
Holt, MI 48842

TO: PLAN PARTICIPANTS OF MICHIGAN BAC HEALTH CARE FUND

RE: **SUMMARY ANNUAL REPORT FOR PLAN YEAR ENDED APRIL 30, 2008**

Dear Plan Participant:

This is a summary of the Annual Report for the Michigan BAC Health Care Fund, Employer Number 38-6098425, Plan No. 501, for the period of May 1, 2007 through April 30, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay certain medical, surgical and other health care claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The Plan has a contract with Blue Cross Blue Shield of Michigan to pay certain claims incurred under the terms of the Plan. The total premiums paid for the Plan Year ending April 30, 2008 were \$301,955.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan was \$6,161,543 as of April 30, 2008, compared to \$6,421,734 as of May 1, 2007. During the Plan Year, the Plan experienced a decrease in its Net Assets of \$(260,191). This decrease includes 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 the Assets at the beginning of the Year or the cost of Assets acquired during the Year. During the current Plan Year, the Plan had Total Income of \$10,366,721, including Employer contributions of \$7,758,336, Employee contributions of \$2,085,256, realized gains of \$849 from the sale of assets, earnings from Investments of \$293,686, and other income of \$228,594.

Plan Expenses were \$10,626,912. These Expenses included \$776,905 (see Schedule A) in administrative expenses and \$9,850,007 in benefits paid to Participants and Beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

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

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of Plan Assets;
5. Insurance information, including sales commissions paid by insurance carriers; and
6. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan BAC Health Care Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, or at toll free (800) 531-2244 or (517) 321-7502. The charge to cover copying costs will be \$4.50 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on 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 Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan BAC Health Care Fund, 6525 Centurion Drive, Lansing, MI 48917-9275), at any other location where the Report is available for examination 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: U.S. Department of Labor, Employee Benefits Security Administration, Public Disclosure Room, 200 Constitution Avenue, N.W., Room N-1513, Washington, DC 20210.

Sincerely,

Board of Trustees
Michigan BAC Health Care Fund

SCHEDULE A: Administrative Expenses

Contract fee (Blue Cross)	\$545,279	Trustee and fiduciary liability	
Administrative manager's fee*	71,100	Insurance and bonding	5,169
Collection fees	43,092	Postage	5,139
Lockbox and bank service charges	19,216	Investment expense	5,000
Payroll audit fees	16,174	Consulting expense-Rx auditors	4,160
Audit fee	13,150	Summary annual report	2,643
Printing and miscellaneous	12,384	Contract monitoring fee	1,950
Trustee meeting and conference		Participant notices	1,890
expense	12,003	Other	<u>425</u>
Actuarial fee	12,000		
Legal fees	6,131	Total	\$776,905

* Includes rent, equipment, regular postage, staffing, computer services, etc.

IMPORTANT INFORMATION

**Special Notice Concerning You and the PLAN
And
The New Medicare Part D Prescription Drug Coverage**

**TO: ALL MEDICARE ELIGIBLE PARTICIPANTS OF THE
MICHIGAN BAC HEALTH CARE FUND**

RE: MEDICARE PART D – PRESCRIPTION DRUG COVERAGE

Dear Participant:

We, the Trustees of the Michigan BAC Health Care Fund (“Plan”), are writing to inform you of IMPORTANT INFORMATION about how the new Medicare Part D Prescription Drug Benefit affects you and your Plan. You may have already heard about the new Part D prescription drug benefit available from Medicare which began on January 1, 2006 and you may even have received information from Medicare about this benefit. However, you have probably not heard about the subsidy option available to retiree health plans like yours that offer a prescription drug benefit. This subsidy is designed to help retiree health plans cover the increasing costs of providing prescription drug coverage to their participants and beneficiaries.

Because the current prescription drug benefit offered to you through the Michigan BAC Health Care Fund is as good as or better than that available under a Medicare prescription drug plan, the Trustees have decided to continue the current prescription drug coverage for retirees and apply for the subsidy.

IN ORDER FOR YOUR PLAN TO RECEIVE THE MEDICARE PART D SUBSIDY -

DO NOT ENROLL IN A MEDICARE PRESCRIPTION DRUG PLAN

In addition to informing you about the subsidy, this letter is your Certificate of Creditable Coverage required under Medicare Part D. The prescription drug coverage under your retiree plan is considered “creditable” since it is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Under the new Medicare Part D law, as long as the prescription drug coverage you have under the Plan is as good as or better than that available under a Medicare prescription drug plan you will not be penalized with higher premium costs if you later decide to enroll in a Medicare prescription drug plan, unless you allow a 63-day or more gap between coverage under this Plan and Medicare Part D.

People covered under Medicare can enroll in a Medicare prescription drug plan from November 15 through December 31 of each year. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later, generally with no premium penalty, if you so desire. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st.

63-Day Rule

You should also know that if you drop or lose your coverage with the Plan and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. For example, if after December 31, 2009, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after December 31, 2009 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. ***This will not apply to you if you maintain your coverage under the Michigan BAC Health Care Fund.***

For More Information

Contact the Fund Office at: (800) 531-2244 for further information if you have any questions. You may also find information about your retiree prescription drug coverage in your Summary Plan Description.

NOTE: You may receive this Creditable Coverage Notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if your retiree drug coverage changes. You also may request a copy of this Notice from the Fund Office if you lose or misplace this copy.

In the event you would like more detailed information about Medicare plans that offer prescription drug coverage, you can look in the "*Medicare & You 2006*" handbook, which was available beginning in October 2006. You should get a copy of that handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from the Medicare website at www.medicare.gov or your State Health Insurance Assistance Program (see your copy of the "*Medicare & You*" handbook for their telephone number), or by calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov

Sincerely,

Michigan BAC Health Care Fund
Board of Trustees

**SAVE THIS NOTICE AS IT IS YOUR MEDICARE PART D
CERTIFICATE OF CREDITABLE COVERAGE**

TO: PLAN PARTICIPANTS OF THE MICHIGAN BAC HEALTH CARE FUND

RE: **WOMEN'S HEALTH AND CANCER RIGHTS**

Dear Plan Participant:

The Trustees of your Health and Welfare Fund are issuing this annual notice in compliance with the Women's Health and Cancer Rights Act of 1998. Your Health Care Plan already provides the benefits required by this law. You have a right to this notice, and the Trustees are providing the notice for your information so that you may be assured that you are treated in accordance with Federal Law if the need arises.

The Federal Law requires that all health care plans that provide medical and surgical benefits for mastectomies provide participants and beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed.**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy including lymph edemas; in a manner determined in consultation with the attending physician and the patient. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage.**

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymphedemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Fund Office.

Sincerely,

Board of Trustees
Michigan BAC Health Care Fund

December 2008

IMPORTANT NOTICE

RE: MICHIGAN BAC PENSION FUND – **Summary of Material Modifications**

Dear Participants:

This letter explains an **IMPORTANT** change in the way *FUTURE* hourly pension contributions are apportioned. This change is effective **January 1, 2009**. The specifics of this change and the important reasons for it are discussed below.

FUTURE PENSION CONTRIBUTIONS – January 1, 2009

Effective January 1, 2009, fifty-five cents (\$.55) per hour of the current hourly pension contribution rate will be credited *generally* to the Michigan BAC Pension Fund, *not* to each participant on whose behalf the hourly contribution was made. This fifty-five cents (\$.55) per hour will *not* be considered in calculating your Accrued Benefits. Currently, the entire hourly pension contribution is credited to you and, if you are vested, is considered when calculating your Accrued Benefit.

(This change is applicable *only* to hourly pension contribution rates that are greater than \$1.00 per hour.)

WHY THIS CHANGE IS NECESSARY

This change, which was adopted only after a thorough review, is absolutely necessary. Why? There are several reasons for this change. They including the following:

- All investment markets have generally performed poorly for some time and in recent months, even prudent, traditional investments have performed below their historical trends and expectations;
- There has been a significant drop in the number of work hours and active employees' and
- There has been a significant drop in the actuary's projections for future hours worked.

Your Pension Fund employs expert money managers to invest and monitor the Fund's assets. These experts have generally performed well even in difficult market conditions. But, as you must know, market returns have been modest to poor for the last several years. This broad, poor performance adversely impacts the Pension Fund's ability to pay promised benefits.

Beyond the poor investment market returns, work has been slow for some time. This has resulted in fewer work hours. And, fewer work hours means fewer hourly pension contributions. This too has adversely impacted the Pension Fund because it relies heavily upon the contractually-required employers' hourly contributions. Moreover, the projections of the Pension Fund's actuary do not currently anticipate an immediate increase in the number of hours that will be worked.

We've made this change, which is simply unavoidable, only after careful review and consultation with the Pension Fund's experts. It is necessary to prudently administer the Pension Fund.

Finally, given the extraordinarily difficult times, we will soon announce additional changes to the Pension Fund. These changes too are necessary to prudently administer and manage the Pension Fund.

Sincerely,
Board of Trustees of the
Michigan BAC Pension Fund

xc: BAC Local Unions and Chapters

TO: PLAN PARTICIPANTS OF THE MICHIGAN BAC PENSION FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Plan Participant:

This Notice, known as a Summary of Material Modifications (“SMM”), describes changes in the Fund’s Plan adopted by the Trustees since the Summary Plan Description (“SPD”) was published. It is an amendment to the SPD that you received previously. You should keep this SMM with the SPD for future reference.

- For purposes of vesting and eligibility for Early or Unreduced Early Retirement Benefits, Contiguous Service Credit will be recognized for employment in the Skilled Trades Departments of Universities located within the state of Michigan.
- Effective May 1, 2006, the Plan was amended to provide that the Future Service Benefit Credit Accrual rate would be 2.0% of required employer contributions. Prior to May 1, 2006, the Future Service Benefit Credit Accrual rate was 2.6% of required employer contributions during the period May 1, 2004 through April 30, 2006 and 3.8% of required employer contributions prior to May 1, 2004.
- Effective May 1, 2004, the Plan was amended to provide that the Future Service Benefit Credit Accrual rate would be 2.6% of required employer contributions. Prior to May 1, 2004, the Future Service Benefit Credit Accrual rate was 3.8% of the required employer contributions.

The Board of Trustees as of the date of this newsletter is as follows:

Management Trustees:

Edgar Boettcher, III, Chairman
Edgar Boettcher Mason Cont.
3803 North Euclid
Bay City, MI 48706

Union Trustees:

Nelson McMath, *Secretary*
BAC Local No. 9
3321 Remy Drive
Lansing, MI 48906

Don Bovre
AGC of Michigan
2323 North Larch
P.O. Box 27005
Lansing, MI 48906

James Bitzer
BAC Local No. 9
3321 Remy Drive
Lansing, MI 48906

Lauren Bracy
Bracy & Jahr, Inc.
825 Quincy Grange
Quincy, MI 49082

Greg Lobodzinski
BAC Local No. 9
1300 W. Thomas Street, Suite C
Bay City, MI 48706

Bart Carrigan
AGC of Michigan
2323 North Larch Street
Lansing, MI 48906

Michael Lynch
BAC Local No 9
1300 W. Thomas Street, Suite C
Bay City, MI 48706

Paul Koch
Koch Masonry, Inc.
1745 Baker Road
Dexter, MI 48130

Daryl Nichols
BAC Local No. 9
1404 Industrial Park Road
Saline, MI 48176

Kyle Lochonic
Davenport Masonry Company
1445 Edgar Road
P O Box 188
Holt, MI 48842

ANNUAL FUNDING NOTICE FOR MICHIGAN BAC PENSION PLAN

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the Michigan BAC Pension Plan, Plan #001 and EIN 38-2895943 (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 May 1, 2007, and ending April 30, 2008 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 61%. 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 benefits payments from the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of May 1, 2007, was \$111,495,299. The total amount of benefit payments for the Plan Year was \$6,149,658. The ratio of assets to benefit payments is 18.13. This ratio suggests that the Plan's assets could provide for approximately 18.13 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, 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 ($\35.75×10).

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 ($\17.75×10).

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 TIC International Corporation at 6525 Centurion Drive, Lansing, Michigan, 48917-9275 or by telephone at (517) 321-7502. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's web site, 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

Frequently Asked Questions:

Q1 Why did I receive this notice?

A1 New government rules require the Pension Fund to issue this notice. The content and wording have been mandated by the government. All multiemployer pension funds are now required to issue similar notices annually.

Q2 The notice says the "funded current liability percentage" for the Plan Year was 61%. What does this mean?

A2 The calculation required by this notice compares the cost of providing promised benefits versus the current value of the assets held by the Pension Fund. This figure, called the "funded current liability percentage," assumes the Fund's investments will have a rate of return similar to that of bonds. As of May 1, 2007, that yield was 5.80%.

Because the Fund holds a mix of stocks and bonds, it has historically generated investment returns in excess of 5.80%. For its own long-term planning purposes, the Fund assumes annual investment returns of 7.50%. Using an investment return assumption of 7.50%, the funded percentage is 80%.

Q3 The notice says, "This ratio suggests that the Plan's assets could provide for approximately 18.13 years of benefit payments..." Does this mean the Fund will run out of money in 18.13 years?

A3 No. The calculation required for the notice does not recognize future contributions or investment income. The Trustees intend that the Fund continue indefinitely.

TO: PLAN PARTICIPANTS OF THE MICHIGAN BAC PENSION FUND

RE: **SUMMARY ANNUAL REPORT FOR THE PLAN YEAR
ENDED APRIL 30, 2008**

Dear Plan Participant:

This is a summary of the Annual Report for the Michigan BAC Pension Fund, Employer Number 38-2895943, Plan No. 001, for the period of May 1, 2007 through April 30, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided through a Trust Fund. Plan Expenses were \$7,225,933. These Expenses included \$1,076,275 in Administrative Expenses (see Schedule A) and \$6,149,658 in benefits paid to Participants and Beneficiaries. A total of 3,642 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 \$108,396,082 as of April 30, 2008, compared to \$111,495,299 as of May 1, 2007. During the Plan Year, the Plan experienced a decrease in its Net Assets of \$(3,099,217). This decrease includes unrealized appreciation and depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the Year and the value of the Assets at the beginning of the Year or the cost of Assets acquired during the Year. During the current Plan Year, the Plan had Total Income of \$4,126,716, including Employer contributions of \$5,896,813, realized losses of \$(3,310,402) from the sale of assets, earnings on Investments of \$1,387,719 and other income of \$152,586.

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 a right to receive a copy of the full annual report or any part thereof, on request. The items listed below are included in that report.

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan Assets;
5. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates; and
6. Actuarial information regarding the funding of the Plan.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan BAC Pension Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, or at toll free (800) 531-2244 or (517) 321-7502. The charge to cover copying costs will be \$10.25 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on 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 Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan BAC Pension Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275), at any other location where the Report is available for examination 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: U.S. Department of Labor, Employee Benefits Security Administration, Public Disclosure Room, 200 Constitution Avenue, N.W., Room N-1513, Washington, DC 20210.

Sincerely,

Board of Trustees
Michigan BAC Pension Fund

Schedule A: Administrative Expenses

Investment expenses	\$701,321	Payroll Audit fees	\$ 16,174
Administrative manager's fee*	127,260	Audit fee	14,900
Collection fees	43,092	Trustee meeting expense	13,794
Legal fees	30,850	Printing and miscellaneous	12,697
Actuarial fees	26,600	Trustee and fiduciary liability	
Other	21,328	Insurance and bonding	12,153
Premiums paid PBGC	19,856	Postage	9,001
Lockbox and bank service charges	18,496	Conference expenses	<u>8,753</u>
		Total	\$1,076,275

*Includes rent, equipment, staffing, postage, computer services, etc.

**NOTICE TO ALL MICHIGAN BAC PENSION
PLAN PARTICIPANTS APPROACHING
THE NORMAL RETIREMENT AGE**

This notice applies only to Plan Participants who do **NOT** elect to retire at the Normal Retirement Age and who choose to continue working at the Trade. "Normal Retirement Age" under the Pension Plan is age 65. Please note that Unreduced Early Retirement Benefits may be paid at earlier ages but for this provision, "Normal Retirement Age" is age 65. If you continue to work after reaching the Normal Retirement Age, your Pension Plan's Suspension of Benefits Provision will be applied even though you have not actually retired.

Under the Suspension of Benefits Provision, no benefits are payable for any month in which you work 40 hours or more in the same industry, same trade or craft, and within the State of Michigan. This suspension is applicable until the April 1st following the calendar year in which you reach age 70 1/2. Thereafter, you may both work and receive your monthly pension.

If you continue to work after reaching the Normal Retirement Age but work less than 40 hours per month or do not work at all, no pension benefits will be paid during such months. However, when you do retire, you may be entitled to additional benefits for those months between your Normal Retirement Age and your actual date of retirement if you did not work at least 40 hours in the same industry, same trade or craft and within the State of Michigan.

Be assured that application of the Suspension of Benefits Provision while you are working after reaching the Normal Retirement Age will in no way affect your current vesting or benefit accrual status under the Plan. When a Participant who continues to work after his Normal Retirement Age decides to actually retire, his normal retirement benefit will be determined in accordance with the regular Plan Provisions. Such Provisions give credit for work performed under the Plan prior to actual retirement if the requirement of a minimum 400 Hours of Work in a Plan Year is met.

If you disagree with how the Suspension of Benefits Provision is being applied to your particular case, you have the right to appeal to the Board of Trustees. The Appeal Procedure is set forth on page S-31 of the Summary Plan Description.

If you have any questions about how the Suspension of Benefits Provision will be applied to your employment situation, be sure to contact the Pension Department at the Fund Office before continuing to work beyond the Normal Retirement Age.

**NOTICE TO ALL MICHIGAN BAC RETIRED PARTICIPANTS
OF THE
"RETURN TO WORK" PROVISIONS**

This is a reminder of the provisions of the Pension Plan governing Suspension of Pension Benefits for returning to work at the Bricklayers and Allied Craftsmen's Trade as required under Federal Law. Under these provisions, Pension Benefits being paid to Retired Participants may be suspended only if **ALL** of the following conditions are met:

1. A retiree is working **40 or more** hours during any given month (or during the payroll periods falling within that month); and
2. The work is in the same industry as the type of business activity engaged in by employers who contribute to the Plan even though his employer may not be a contributing employer (e.g. non-union); and
3. The work is at the same trade or craft in which the Retiree was working when he earned benefits under the Plan. (Self-employed work as well as supervisory or managerial work can be considered as a return to work so long as the Retiree is using the same skill or skills he acquired while he worked under a union collective bargaining agreement); and
4. The work is performed within the *State of Michigan*.

This suspension is applicable until the April 1st following the calendar year in which you reach age 70 1/2. Thereafter, you may both work and receive your monthly pension.

Under the provisions of the Plan, *every retiree is required* to notify the Pension Department at the Fund Office *immediately* if he returns to work in any capacity regardless of whether he returns to work for a non-contributing (e.g. non-union) employer or in a **self-employed** capacity. Failure to notify the Pension Department in a timely manner of a return to work may subject the Retiree to possible suspension of his current and/or future Pension Benefits from the Pension Fund.