



BAC LOCAL 15 WELFARE AND PENSION FUNDS

March 2009

TO: ALL PARTICIPANTS OF THE BAC LOCAL UNION 15 PENSION FUND

RE: PENSION PLAN CHANGES FOR 2009

Section 204(h) of the Employee Retirement Income Security Act of 1974 and ERISA regulation Section 2520.104b-3 requires the Board of Trustees to notify you of certain changes in the Pension Plan Document.

The Board of Trustees took action to amend the Plan to lower the rate at which future benefits accrue under the pension plan from 2.7% of Employer contributions to 0.6% (the new rate will become effective April 1, 2009). Based on recent market conditions, the Trustees felt this change was necessary and prudent in order to maintain the long-term solvency of the Pension Trust Fund.

Decrease in Future Benefit Accrual Rate for Active Participants

If you are currently an Active Participant in the Plan, the formula used to determine your monthly accrued benefit under the Plan is the sum of the your Past Service Benefit, if any, and your Future Service Benefit, as follows:

A. Past Service Benefit:

Your Past Service Benefit is equal to \$5.00 multiplied by the number of Years of Past Service with which you are credited. Past Service Credit shall be subject to a maximum of 15 years. There is no minimum credit for Past Service.

B. Future Service Benefit:

If you retire on or after July 1, 2008, your Future Service Benefit shall be equal to the sum of:

- (1) **3.3%** of the total Employer contributions made on your behalf per year of Credited Future Service prior to April 1, 2007, plus
- (2) **3.1%** of the total Employer contributions made on your behalf per year of Credited Future Service on or after April 1, 2007 but prior to July 1, 2008.
- (3) **2.7%** of the total Employer contributions made on your behalf per year of Credited Future Service on or after July 1, 2008 but prior to April 1, 2009.

Effective for retirements on or after April 1, 2009, your monthly benefit, shall be the sum of your Past Service Benefit, if any, and your Future Service Benefit, as follows:

A. Past Service Benefit:

Your Past Service Benefit is equal to \$5.00 multiplied by the number of Years of Past Service with which you are credited. Past Service Credit shall be subject to a maximum of 15 years. There is no minimum credit for Past Service.

(OVER)

B. Future Service Benefit:

If you retire on or after April 1, 2009, your Future Service Benefit shall be equal to the sum of:

- (1) **3.3%** of the total Employer contributions made on your behalf per year of Credited Future Service prior to April 1, 2007, plus
- (2) **3.1%** of the total Employer contributions made on your behalf per year of Credited Future Service on or after April 1, 2007 but prior to July 1, 2008, plus
- (3) **2.7%** of the total Employer contributions made on your behalf per year of Credited Future Service on or after July 1, 2008 but prior to April 1, 2009, plus
- (4) **0.6%** of the total Employer contributions made on your behalf per year of Credited Future Service on or after April 1, 2009.

Important: This change does not affect any of the benefits that you will have earned under this Plan through March 31, 2009.

No Change for Retired and Deferred Vested Participants

Participants who retired, became disabled or terminated while vested under the Plan prior to April 1, 2009 and do not return to work under the Plan on or after April 1, 2009 will not be affected by this Plan change.

Example of How Benefit Change Affects Active Participants

The following example will illustrate how this change will affect the benefits that you will be earning under the Plan in the future. For this example, we will assume that you have earned \$2,000.00 in monthly pension benefits under the Plan through March 31, 2009 and are working an average of 100 hours a month (1,200 hours in each Plan year) at a pension contribution rate of \$3.00 per hour.

	Benefit BEFORE Change	Benefit AFTER Change
Benefit earned PRIOR to April 1, 2009	\$2,000.00	\$2,000.00
Benefit earned from April 1, 2009 to March 31, 2010	\$97.20 (1,200 hours x \$3.00 x .027)	\$21.60 (1,200 hours x \$3.00 x .006)
TOTAL Benefit earned through March 31, 2010	\$2,097.20	\$2,021.60

Retired and Deferred Vested Participants Returning to Work

Retired, disabled and deferred vested Participants who return to work on or after April 1, 2009, will have any additional benefits earned during the period of reemployment determined under the new formula (i.e. 0.6% of Employer contributions). Any questions regarding benefits to be earned during a period of reemployment should be directed to the Fund Office.

Please keep this Notice with your current Summary Plan Description for future reference. If you have questions after reading this Notice, please contact the Fund Office at (913) 236-5490.

Sincerely,
BOARD OF TRUSTEES