

## NOTICE OF A PROPOSED REDUCTION OF YOUR PENSION BENEFITS

On September 30, 2020, the Board of Trustees of the Arizona Bricklayers' Pension Trust Fund ("Plan") will submit an application to the U.S. Treasury Department for approval to reduce benefits under the Plan. This type of benefit reduction is allowed by the Federal law called the Multiemployer Pension Reform Act of 2014 (MPRA). If approved, the reductions would begin January 1, 2022.

On September 30, 2020, the Board of Trustees will also submit to the Pension Benefit Guarantee Corporation ("PBGC") an application requesting approval for a partition of the Arizona Bricklayers' Pension Trust, 51-6119487, Plan 001 ("Plan"). **You are receiving a separate "Notice of Application for Partition for Arizona Bricklayers' Pension Trust".**

You are getting this notice because you have a pension benefit under the Plan. **The end of this notice describes the proposed reduction of your monthly payments.**<sup>1</sup> This notice will also answer the following questions for you—

1. Why is the Board of Trustees proposing to reduce benefits?
2. What will happen if the Plan runs out of money?
3. How did the Board of Trustees decide whose benefits to reduce and by how much?
4. What are the proposed reductions in benefits?
5. What comes next?

### 1. Why is the Board of Trustees proposing to reduce benefits?

The Plan's actuary estimated that, unless benefits are reduced, the Plan will not have enough money to pay benefits in the plan year beginning January 1, 2035. This estimate is based on how much money the actuary expects the Plan to receive and to pay out each year. The Plan's actuary estimated that, with the reduction of benefits that the Board of Trustees has proposed, the plan should not run out of money.

### 2. What will happen if the Plan runs out of money?

If the Plan does not have enough money to pay benefits, then only the amount guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") will be paid. You can find the amount of your benefit that is guaranteed by PBGC at the end of this notice.

If the PBGC were to become insolvent, it would not be able to pay the guaranteed benefit. Whatever it could pay would be less than what the Pension Plan would pay if it were to become insolvent. Currently, the PBGC is projected to become insolvent in 2027.

### 3. How did the Board of Trustees decide whose benefits to reduce and by how much?

Under Federal law, the Board of Trustees must apply the following rules to the proposed reduction—

- The total reduction in everybody's benefits must be estimated to be large enough to keep the plan from running out of money but not larger than needed to do that.
- Your monthly benefit and the benefit of your beneficiary cannot be reduced below 110% of the amount guaranteed by PBGC.
- Disability benefits (as defined under the Plan) cannot be reduced.
- The benefits of people who are at least 80 years old on January 31, 2022 and their beneficiaries cannot be reduced.

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<sup>1</sup> A version of this notice that does not include the estimate of the effect on your benefit is being sent to unions that represent Plan participants and to all contributing employers.

- The benefits of people who are at least 75 years old on January 31, 2022, and their beneficiaries are partially protected, and the closer the person is to age 80 the less the benefits can be reduced.

#### **4. What are the proposed reductions in benefits?**

The Board of Trustees proposes a reduction for all participants to 110% of the amount guaranteed by the PBGC effective January 1, 2022.

This reduction will remain in effect indefinitely. Along with the partition, it will eliminate the projected insolvency and allow the Plan to pay all benefits indefinitely. Without the partition and this reduction, the Plan is projected to become insolvent in the plan year beginning January 1, 2035. Details of the partition will be provided under separate cover.

The reduction will apply to all participants, beneficiaries, and Alternate Payees under a Qualified Domestic Relations Order that are otherwise not exempt due to their age or disability status as described above. No person will have his/her benefit reduced below 110% of the PBGC guaranteed level. No person will have his/her benefit increased due to the reduction.

The following table counts the number of participants who fall into each benefit percent reduction range noted. Participants that are exempt from the suspension due to their age or disability status are included in the counts for the row entitled, “No reduction.”

<b>Percent Reduction in Benefit</b>	<b>Number of Participants That Fall Into This Range</b>
No reduction	170
0% to 9.99% reduction	296
10% to 19.99% reduction	154
20% to 29.99% reduction	27
30% to 39.99% reduction	15
40% to 49.99% reduction	18

The average percent reduction for the group of affected participants is 12.3%. 459 participants would receive full reduction to 110% of their PBGC guarantee benefit, 51 participants are between ages 75 and 79 and are partially exempt from this reduction, 118 participants who will be age 80 as of January 31, 2022 would not have their benefits reduced, 42 participants with disability-based benefits would not have their benefits reduced, and 10 participants already have their benefit below 110% of the PBGC guarantee and would not have their benefit reduced.

#### **5. What comes next?**

##### ***Approval or denial of the application by the Treasury Department***

The Treasury Department will review the application to see whether it meets all of the legal requirements under Federal law. If the application meets all of those requirements, the Treasury Department is required to approve the application. If the application does not meet the legal requirements, the Treasury Department will deny the application. The Treasury Department will have until May 13, 2021, to make a decision.

##### ***You can get information from the Treasury Department***

More information about the proposed benefit reductions and a copy of the application is available at

<https://home.treasury.gov/services/the-multiemployer-pension-reform-act-of-2014>.

The application will be available on that website within 30 days after the Treasury Department receives it. The application includes more information about the proposed reduction, including details about: 1) the Plan actuary's certification that the Plan will run out of money (that is, that the plan is in "critical and declining status"); and 2) the sensitivity of these estimates to the assumptions used.

The application describes the steps the Board of Trustees has already taken to keep the Plan from running out of money and why the Board of Trustees believes that a benefit reduction is the only remaining option to keep the plan from running out of money.

The Treasury Department website will also provide updated information on the application, such as whether the application has been updated or withdrawn.

For further information and assistance, you can also write to the Treasury Department at the following address:

Department of the Treasury  
Attn: MPRA Office, Room  
1001 1500 Pennsylvania  
Avenue, NW Washington, DC  
20220

### ***You can comment on the application to reduce benefits***

You can submit a comment on the application by going to [www.treasury.gov/mpra](http://www.treasury.gov/mpra). Comments may also be mailed to the Department of the Treasury, at the address listed above. All interested parties can make comments, and the comments will be publicly available.

### ***Retiree Representative***

If a plan has 10,000 or more participants, the Board of Trustees must select a retiree representative to advocate for the interests of retirees, beneficiaries, and deferred vested participants as part of this process. A plan is required to pay the reasonable expenses of the retiree representative.

The Board of Trustees is not required to select a retiree representative, because the Plan has fewer than 10,000 participants. The Board of Trustees has not chosen to select a retiree representative.

### ***Vote on the proposed benefit reduction***

If the application for the proposed reduction of benefits is approved by the Treasury Department, then you will have the opportunity to vote on the proposed reduction. Unless a majority of all participants and beneficiaries of the Plan vote to reject the reduction, the Treasury Department must allow the reduction of benefits to take effect. This means that not voting counts the same as a vote to approve the reduction.

You may contact PBGC's Participant and Plan Sponsor Advocate by mail at Pension Benefit Guaranty Corporation, Attn: Participant and Plan Sponsor Advocate, 1200 K St., NW, Washington DC 20005; by telephone at (202) 229-4448; or by e-mail at [advocate@PBGC.gov](mailto:advocate@PBGC.gov).

### ***Your right to see Plan documents***

You may want to review Plan documents to help you understand your rights and the proposed reduction to your benefits. The Plan administrator must respond to your request for the following documents within 30 days:

- The Plan document (including any amendments adopted to reflect an authorized reduction of benefits), trust agreement, and other documents governing the Plan (such as collective bargaining agreements).
- The Plan's most recent summary plan description (SPD or plan brochure) and any summary of material modifications.
- The Plan's Form 5500 annual reports, including audited financial statements, filed with the U.S. Department of Labor during the last six years.
- The annual funding notices furnished by the Plan during the last six years.
- Actuarial reports, including reports prepared in anticipation of the benefit reduction, furnished to the Plan within the last six years.
- The Plan's current rehabilitation plan, including contribution schedules and annual plan-sponsor determinations that all reasonable measures to avoid running out of money continue to be taken and that the Plan would run out of money if there were no benefit reductions.
- Any quarterly, semi-annual or annual financial reports prepared for the Plan by an investment manager, fiduciary or other advisor and furnished to the Plan within the last six years.

The Plan administrator may charge you the cost per page to the Plan for the most cost effective way of copying documents, but cannot charge more than 25 cents per page. The Plan's Form 5500 Annual Return/Report of Employee Benefit Plan is also available free of charge at [www.dol.gov/ebsa/5500main.html](http://www.dol.gov/ebsa/5500main.html). Some of the documents also may be available for examination, without charge, at the Plan administrator's office, your worksite or union hall.

#### ***Your right to challenge incorrect calculations***

If you think the Plan miscalculated the reduction to your benefits, then you have the right to submit a claim to the Plan to have the calculation corrected. The Plan's summary plan description ("SPD") tells you how to submit a claim. The SPD also describes your right to have a court review the Plan's final decision on your claim.

If you believe the information used to calculate your estimate at the end of this notice is wrong, please contact the Plan office at 2550 W. Union Hills Drive, Suite 290, Phoenix, AZ 85027; (602) 324-0545.

## Future Retiree

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

If you start receiving your benefit on *[date]* in the form of a single life annuity, your estimated monthly benefit without the proposed suspension would be *[#]*<sup>1</sup>. Under the proposed suspension terms, your monthly benefit in the same form would be reduced to *[#]*<sup>2</sup>.

The changes to your benefit are due to the following benefit suspension terms:

- ☐ Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- ☐ Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You will have *[#]* years of credited service<sup>1</sup> under the Plan as of January 1, 2022.
- You will be age *[#]* years and *[#]* months as of January 31, 2022.
- If you retire on *[date]*, your benefit will be increased by a late retirement factor of *[#]*<sup>3</sup>. This factor is not included in the calculation of your PBGC guaranteed benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if there are any changes to your work history, you end up retiring before or after *[date]*, you become disabled or pass away, or a Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be *[#]* per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup> If you worked at least 300 hours in the Fund during 2019, these calculations assume you will work 1,000 hours in 2020 and 2021. If you worked less than 300 hours during 2019, these calculations are based on your benefits earned as of January 1, 2020.

<sup>2</sup> These amounts will be different if you take your benefit in a different form. For example, if you are married and elect a benefit payable for your lifetime with the first 5 years guaranteed in the form of a 100% Husband and Wife pension, your reduced monthly benefit will be *[#]*. There are other forms of benefit available under the Plan as well. Please contact the Plan administrator for further information.

<sup>3</sup> The late retirement factor is greater than 1.00 if you are a terminated vested participant and will be over normal retirement age as of January 1, 2022.

## Future Retiree Missing DOB

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

If you start receiving your benefit on ~~date~~your normal retirement date in the form of a single life annuity, your estimated monthly benefit without the proposed suspension would be [#]<sup>1</sup>. Under the proposed suspension terms, your monthly benefit in the same form would be reduced to [#]<sup>2</sup>.

The changes to your benefit are due to the following benefit suspension terms:

- ☐ Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- ☐ Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You will have [#] years of credited service<sup>1</sup> under the Plan as of January 1, 2022.

If the proposed suspension is approved, the actual impact of the suspension may be different if there are any changes to your work history, you end up retiring before or after ~~date~~your normal retirement date, you become disabled or pass away, or a Qualified Domestic Relations Order is approved on your benefit. In addition, because the Fund does not have your date of birth on file, this estimate was prepared assuming that you will be under age 75 as of January 31, 2022. If you will be 75 years or older as of January 31, 2022, the estimate may change.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup> If you worked at least 300 hours in the Fund during 2019, these calculations assume you will work 1,000 hours in 2020 and 2021. If you worked less than 300 hours during 2019, these calculations are based on your benefits earned as of January 1, 2020.

<sup>2</sup> These amounts will be different if you take your benefit in a different form. For example, if you are married and elect a benefit payable ~~for your lifetime with the first 5 years guaranteed~~in the form of a 100% Husband and Wife pension, your reduced monthly benefit will be [#]. There are other forms of benefit available under the Plan as well. Please contact the Plan administrator for further information.

## Current Retiree Pop-Up - Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit would be reduced to [#] effective January 1, 2022.

Because you elected to receive your benefit in the form of a joint and survivor annuity with the pop-up feature, there are different amounts associated with your death and your spouse's death as summarized in the table below.

	While You Are Both Alive	Spouse Benefit If You Die	Your Pop-up Benefit <sup>1</sup>
Current Benefit:	[#]	[#]	[#]
Benefit under Proposed Reduction:	[#]	[#]	[#]
Amount Guaranteed by PBGC if Proposed Reduction Rejected:	[#]	[#]	[#]

The changes to your benefit are due to the following benefit suspension terms:

- ☐ Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- ☐ Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>2</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, if you pass away, or a Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC as shown on

<sup>1</sup>This is the amount payable to you if your spouse predeceases you.

<sup>2</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

### **Current Retiree Pop-Up - Impacted**

the third line of the table above. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.



## Current Retiree Single Life - Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit would be reduced to [#] effective January 1, 2022.

The changes to your benefit are due to the following benefit suspension terms:

- ☐ Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- ☐ Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, or a Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

## Current Retiree - Not Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit is not expected to change.

Your benefit is not expected to change due to the following benefit suspension terms:

- ☐ Your benefit is less than 110% of the PBGC guaranteed benefit. The proposed suspension, by law, cannot reduce your benefit further than this benefit level.
- ☐ You will be age 80 or older on January 31, 2020. Your benefit is fully protected.
- ☐ You are receiving a disability benefit. Your benefit is fully protected.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if the suspension date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, if you pass away, or a Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

**HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED**

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit is not expected to change.

Your benefit is not expected to change due to the following benefit suspension terms:

☒ [X] You are receiving a disability benefit. Your benefit is fully protected.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if the suspension date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, if you pass away, or a Qualified Domestic Relations Order is approved on your benefit.

**PBGC Guaranteed Benefits**

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

## HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit is not expected to change. However, the benefit your spouse would receive in the event of your death would be reduced from [#] to [#].

~~The changes to your benefit are due to the following benefit suspension terms:~~ Your benefit is not expected to change due to the following benefit suspension terms:

~~☐ Your benefit is less than 110% of the PBGC guaranteed benefit. The proposed suspension, by law, cannot reduce your benefit further than this benefit level.~~

~~☐ You will be age 80 or older on January 31, 2020. Your benefit is fully protected.~~

☒ You are receiving a disability benefit. Your benefit is fully protected; however the protection is not extended to the benefit your spouse would receive in the event of your death.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if the suspension date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, if you pass away, or a Qualified Domestic Relations Order is approved on your benefit.

### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

## Current QDRO Retiree And Disabled - Not Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit is not expected to change.

Your benefit is not expected to change due to the following benefit suspension terms:

- ☐ Your benefit is less than 110% of the PBGC guaranteed benefit. The proposed suspension, by law, cannot reduce your benefit further than this benefit level.
- ☐ You will be age 80 or older on January 31, 2020. Your benefit is fully protected.
- ☐ You are receiving a disability benefit. Your benefit is fully protected.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if the suspension date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022. This service has been adjusted for the terms of your Qualified Domestic Relations Order to calculate your PBGC guaranteed benefit.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, if you pass away, or a new or modified Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

## Current QDRO Retiree Pop-Up - Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit would be reduced to [#] effective January 1, 2022.

Because you elected to receive your benefit in the form of a joint and survivor annuity with the pop-up feature, there are different amounts associated with your death and your spouse's death as summarized in the table below.

	While You Are Both Alive	Spouse Benefit If You Die	Your Pop-up Benefit <sup>1</sup>
Current Benefit:	[#]	[#]	[#]
Benefit under Proposed Reduction:	[#]	[#]	[#]
Amount Guaranteed by PBGC if Proposed Reduction Rejected:	[#]	[#]	[#]

The changes to your benefit are due to the following benefit suspension terms:

- ☐ Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- ☐ Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022. This service has been adjusted for the terms of your Qualified Domestic Relations Order to calculate your PBGC guaranteed benefit.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>2</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, if you pass away, or a new or modified Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year

<sup>1</sup>This is the amount payable to you if your spouse predeceases you.

<sup>2</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.

### Current QDRO Retiree Pop-Up - Impacted

beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC as shown on the third line of the table above. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

## Current QDRO Retiree Single Life - Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit would be reduced to [#] effective January 1, 2022.

The changes to your benefit are due to the following benefit suspension terms:

- [ ] Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- [ ] Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You have [#] years of credited service under the Plan as of January 1, 2022. This service has been adjusted for the terms of your Qualified Domestic Relations Order to calculate your PBGC guaranteed benefit.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if you earn additional benefits after January 1, 2020, there are any changes to your work history, or a new or modified Qualified Domestic Relations Order is approved on your benefit.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you retired after normal retirement age.



## Current Beneficiary - Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit would be reduced to [#] effective January 1, 2022.

The changes to your benefit are due to the following benefit suspension terms:

- [ ] Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- [ ] Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- Your spouse had [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- Your spouse received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different than provided in this notice.

#### **PBGC Guaranteed Benefits**

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if your spouse retired after normal retirement age.

## Current Beneficiary - Not Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit is not expected to change.

Your benefit is not expected to change due to the following benefit suspension terms:

- ☐ Your benefit is less than 110% of the PBGC guaranteed benefit. The proposed suspension, by law, cannot reduce your benefit further than this benefit level.
- ☐ You will be age 80 or older on January 31, 2020. Your benefit is fully protected.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if the suspension date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- Your spouse had [#] years of credited service under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- Your spouse received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different than provided in this notice.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if your spouse retired after normal retirement age.

## Current Alternate Payee- Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit would be reduced to [#] effective January 1, 2022.

The changes to your benefit are due to the following benefit suspension terms:

- [ ] Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- [ ] Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- Your share of the participant's years of credited service under the Plan is [#] as of January 1, 2022. This amount has been pro-rated to account for the terms of your Qualified Domestic Relations Order.
- You will be age [#] years and [#] months as of January 31, 2022.
- You received a late retirement factor of [#]<sup>1</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different than provided in this notice.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>The late retirement factor is greater than 1.00 if you commenced benefits after normal retirement age.

## Current Alternate Payee - Not Impacted

### HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

Your current monthly benefit without the proposed suspension is [#]. Under the proposed suspension terms, your monthly benefit is not expected to change.

Your benefit is not expected to change due to the following benefit suspension terms:

- ☐ Your benefit is less than 110% of the PBGC guaranteed benefit. The proposed suspension, by law, cannot reduce your benefit further than this benefit level.
- ☐ You will be age 80 or older on January 31, 2020. Your benefit is fully protected.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if the suspension date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- Your share of your former spouse's years of credited service under the Plan is [#]<sup>1</sup> as of January 1, 2022. This amount has been pro-rated to account for the terms of your Qualified Domestic Relations Order.
- You will be age [#] years and [#] months<sup>2</sup> as of January 31, 2022.
- You received a late retirement factor of [#]<sup>3</sup>. This factor is not included in the calculation of your PBGC guarantee benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different than provided in this notice.

#### PBGC Guaranteed Benefits

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup>Former spouse's total years of service shown for shared payment QDROs.

<sup>2</sup>Former spouse's age shown for shared payment QDROs.

<sup>3</sup>The late retirement factor is greater than 1.00 if you commenced benefits after normal retirement age.

**HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED**

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

If you start receiving your benefit on [date] in the form of a single life annuity, your estimated monthly benefit without the proposed suspension would be [#]<sup>1</sup>. Under the proposed suspension terms, your monthly benefit in the same form would be reduced to [#]<sup>2</sup>.

The changes to your benefit are due to the following benefit suspension terms:

- ☐ Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- ☐ Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You will have [#] years of credited service<sup>1</sup> under the Plan as of January 1, 2022.
- You will be age [#] years and [#] months as of January 31, 2022.
- If you retire on [date], your benefit will be increased by a late retirement factor of [#]<sup>3</sup>. This factor is not included in the calculation of your PBGC guaranteed benefit.

If the proposed suspension is approved, the actual impact of the suspension may be different if there are any changes to your work history, you end up retiring before or after [date], you become disabled or pass away, or a Qualified Domestic Relations Order is approved on your benefit.

**PBGC Guaranteed Benefits**

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

<sup>1</sup> ~~If you worked at least 300 hours in the Fund during 2019, these calculations assume you will work 1,000 hours in 2020 and 2021. If you worked less than 300 hours during 2019, these calculations are based on your benefits earned as of January 1, 2020.~~

<sup>2</sup> These amounts will be different if you take your benefit in a different form. For example, if you are married and elect a benefit payable for your lifetime with the first 5 years guaranteed in the form of a 100% Husband and Wife pension, your reduced monthly benefit will be [#]. There are other forms of benefit available under the Plan as well. Please contact the Plan administrator for further information.

<sup>3</sup> The late retirement factor is greater than 1.00 if you are a terminated vested participant and will be over normal retirement age as of January 1, 2022.

## **HOW YOUR MONTHLY PAYMENTS WILL BE AFFECTED**

This estimate of the effect of the proposed reduction of benefits has been prepared for:

[NAME]

[Address Line 1]

[Address Line 2]

If you start receiving your benefit on *your normal retirement date* in the form of a single life annuity, your estimated monthly benefit without the proposed suspension would be [#]<sup>1</sup>. Under the proposed suspension terms, your monthly benefit in the same form would be reduced to [#]<sup>2</sup>.

The changes to your benefit are due to the following benefit suspension terms:

- [ ] Your benefit has been reduced to 110% of your PBGC guaranteed benefit.
- [ ] Your benefit is partially protected because you will be between ages 75 and 80 on January 31, 2022.

The proposed reduction is permanent.

This is an estimate of the effect of the proposed reduction on your benefit. It is not a final benefit calculation. The calculations are based on a suspension date of January 1, 2022. These benefit amounts may change if suspension effective date is after January 1, 2022.

This estimate is also based on the following information from Plan records:

- You will have [#] years of credited service<sup>1</sup> under the Plan as of January 1, 2022.

If the proposed suspension is approved, the actual impact of the suspension may be different if there are any changes to your work history, you end up retiring before or after *your normal retirement date*, you become disabled or pass away, or a Qualified Domestic Relations Order is approved on your benefit. In addition, because the Fund does not have your date of birth on file, this estimate was prepared assuming that you will be under age 75 as of January 31, 2022. If you will be 75 years or older as of January 31, 2022, the estimate may change.

### **PBGC Guaranteed Benefits**

Without the proposed suspension, the Plan is projected to become insolvent in the plan year beginning **January 1, 2035** and, at that time, would no longer be able to pay your benefit. If this happens, your monthly benefit would be reduced to the amount guaranteed by PBGC. The amount of your monthly benefit guaranteed by PBGC is estimated to be [#] per month. However, there is concern about the health of the PBGC. If the PBGC becomes insolvent, your benefit could be significantly less. The proposed reductions are projected to keep the Plan solvent indefinitely, so your benefit would no longer be expected to drop to the PBGC guarantee level.

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<sup>1</sup> These calculations assume you will work 1,000 hours in 2020 and 2021.

<sup>2</sup> These amounts will be different if you take your benefit in a different form. For example, if you are married and elect a benefit payable in the form of a 100% Husband and Wife pension, your reduced monthly benefit will be [#]. There are other forms of benefit available under the Plan as well. Please contact the Plan administrator for further information.

## Arizona Bricklayers

REPORTING GROUP ADDRESSES

FROM 1/1/2020 THRU 8/1/2020

FUND = Pension

ID	REPORTING GROUP NAME	CONTACT NAME	ADDRESS 1	ADDRESS 2	CITY	STATE
231390	BAC LOCAL 3		2601 E MONROE STREET	85034	PHOENIX	AZ
220210	GUY M NIELSON		474 TAFT AVENUE	P O BOX 2029	POCATELLO	ID
291650	HUFF AND SONS CONSTRUCTION	HEIDI	7807 E GREENWAY ROAD	SUITE 1	SCOTTSDALE	AZ
I3453	ICE AGREEMENT					
112090	J T THORPE AND SONS		1060 HENSLEY STREET		RICHMOND	CA
297292	KOCH KNIGHT		P O BOX 30070		EAST CANTON	OH
291817	M A G CONSTRUCTION		770 N MONTEREY STREET	SUITE B	GILBERT	AZ
296562	SEA ROSE CONSTRUCTION		17103 E CYPRUS POINT CT		FOUNTAIN HILLS	AZ

ZIP CODE
85034
83206
85260
94801
44730
85233
85268



## ARIZONA BRICKLAYERS' PENSION TRUST FUND

### VOTER'S GUIDE

Vote by \_\_\_\_\_, 2021

Cast your vote on the proposed benefit reduction by [deadline]:

Phone: Call X-XXX-XXXX to vote by phone.

Or

Online: Go to [www.XXXXXXX.com](http://www.XXXXXXX.com) to vote online.

The proposed benefit reduction will go into effect January 1, 2022, unless a majority of participants reject it. Not voting has the same effect as voting yes. This voter's guide provides information to help you make an informed decision on the proposed benefit reduction for the Arizona Bricklayers' Pension Trust Fund:

- About the Proposed Reduction
- Statement For the Reduction
- Statement Against the Reduction
- What's Next

Please read this guide and see the enclosed benefit estimate before you make your decision.

The vote is being run by a company selected by the Treasury Department to ensure the integrity of the voting process.

### **YOUR CHOICE:**

<b>Voting YES means:</b>	<b>Voting NO means:</b>
On January 1, 2022 monthly benefits for some members will be lowered	There will be no reduction on January 1, 2022 but the Plan may be on the path to running out of money in under 15 years (2035)
Members with disability-based benefits and those who are age 80 or older on January 31, 2022 will NOT have their monthly benefits lowered at all	When the Plan runs out of money benefits will be paid by the PBGC and will be much lower than benefits will be if the members vote "YES" on the proposed reduction
Some members who are between age 75 and 80 on January 31, 2022 will have a smaller portion of their benefits lowered	When the plan runs out of money benefits will drop for most participants. Others will not see a drop because their benefit is already lower than the PBGC's guaranteed amount
Review pages x – x for statements for and against the reduction	Review pages x – x for statements for and against the reduction

See the enclosed personalized benefit estimate for how your benefit would change under the proposed reduction or if the Plan ran out of money and benefits were paid by the PBGC.

### **How the Proposed Suspension Affects Different Groups of Participants**

The proposed benefit suspension will recalculate all accrued benefits and reduce all benefits to 110% of the PBGC amount that is guaranteed to each participant. No special groups of participants or beneficiaries will be treated differently other than as required by law so that:

- Disability based benefits will not be reduced;
- Participants or beneficiaries who are at least 80 years of age on January 31, 2022, will have no reductions; and
- Participants or beneficiaries who are between 75 and 80 years of age on January 31, 2022, will have a smaller benefit reduction.

This change is intended to prevent the Pension Fund from running out of money

### **About the Proposed Reduction**

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Unless rejected, effective January 1, 2022, there will be a reduction of benefits as described above.

#### **See the enclosed benefit estimate for your actual reduced benefit amount.**

There is no set date when the benefit reductions will end; they will remain in effect indefinitely. However, the benefit reductions will be in effect only until the Plan is no longer projected to run out of money without the reductions in place. We expect reduced benefits to be in place for a long time. For some, that means reduced benefits for the rest of their retirement. For others, there is at least a possibility that their benefit would come back up to the unreduced amount at some point in the future.

This proposed benefit reduction has been approved by the Secretary of Treasury, in consultation with the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of Labor.

See the enclosed benefit estimate for information about YOUR benefit and how much YOUR benefit will be if the reduction is approved.

### **What if we do nothing?**

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The Plan's actuary estimates that, unless benefits are reduced, the Plan will not have enough money to pay benefits in the year 2035. This estimate is based on how much

money the actuary expects the Plan to receive and to pay out each year. This estimate, which is based on several assumptions, will change every year based on actual investment returns, Plan contributions, and other experience. So, the actual date could be sooner or later than 2035.

If the Plan does not have enough money to pay benefits, then only the amount guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") will be paid. You can find the amount of your benefit that is guaranteed by the PBGC on the enclosed benefit estimate.

If the PBGC runs out of money, benefits will likely be quite a bit lower than the PBGC-guaranteed amount shown.

### **Effects of the proposed benefit reduction.**

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This reduction would take effect on January 1, 2022 and would apply to benefits earned through December 31, 2021.

The Plan's actuary has certified that, with the reduction of benefits that the Board of Trustees has proposed and in combination with the approved partition, the Plan should not run out of money. This expectation is based on a number of assumptions; if reality differs significantly from these assumptions, the reduction might not work as intended. However, we have used realistic assumptions to give the Plan the best chance of success.

### **Statement in Favor of the Reduction:**

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We, the Trustees of the Arizona Bricklayers' Pension Trust Fund, believe the Plan can be saved with this reduction. If we thought it was hopeless, we wouldn't be going through this process. Our goal is to keep paying as much as we can in benefits for many years to come.

Our options were to try to save the Plan or let it run out of money. As we looked at both options, it became clear that we need to try to save the Plan. The chart below shows why we want to save the Plan, and not let it run out of money.

<b>Try to Save the Plan</b>	<b>Let the Plan Run Out of Money</b>
The most prudent course of action is to do everything possible to keep the Plan from running out of money and to keep paying benefits from the Plan – even if that means paying them at a lower level.	If we let the Plan run out of money those receiving benefits now will continue to get their full amount – but only for a number of years. Everyone else would get lower benefits or, in the worst case, nothing. This hurts the active participants the most, and they are already earning a lower benefit than members did in the past.

	<p>There is concern about the financial health of the Pension Benefit Guaranty Corporation (PBGC) – the government corporation that insures pension plans. The PBGC itself may very well run out of money. In that case, it is likely that only a fraction of the PBGC’s “guaranteed” benefits would be paid to plans that run out of money.</p>
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<p>If we keep the Plan going, we have a better chance of maintaining a strong contribution base – increasing the likelihood of being able to pay benefits over a longer period of time.</p>	<p>If the Plan runs out of money and goes to the PBGC, no one will receive more than the PBGC guaranteed amount.</p>
<p>The Plan still has assets at this time. If benefits are lowered now we can use those assets to earn investment income. Investment income pays for benefits and will help us to restore the Plan.</p>	<p>Right now the Plan has almost \$25 million of assets. If we do nothing, the amount of money we have to invest will go down, we will get fewer dollars of investment earnings, and ultimately, the plan will run out of money.</p>
<p>Under this proposal, the reduction applies to benefits earned through December 31, 2021.</p>	<p>If the plan runs out of money, perhaps the hardest hit group would be current active participants, who have already made significant sacrifices.</p>
<p>The current level of benefits being earned by actives is already lower compared to the benefits of the past. We owe it to the current actives to do everything we can to make sure some of the money they are paying into the fund is left to pay their benefits in the future.</p>	<p>PBGC benefits would be lower than benefits under this proposed reduction. And if the PBGC runs out of money it is likely benefits would be even smaller.</p>
<p>For almost all participants, benefits under the proposed reduction are higher than what you would receive from the PBGC. See the enclosed benefit estimate for a comparison.</p>	<p>If the Plan goes to the PBGC, not only would benefits be lower than under the proposed reduction, but the decrease would be permanent.</p>
<p>Under the proposed reduction, the people who are least able to recover from a reduced retirement income, including disabled participants and those more than 80 years old are protected from any reduction.</p>	<p>If the Plan runs out of money, benefits will be cut across the board. No population of participants will be protected from reductions.</p>

**Statement Against the Reduction:**

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[to be completed]

**What Happens Next:**

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[Deadline]:	Last day to vote
[7 days after deadline]:	Results of the vote announced  The Trustees will mail an update with the results of the vote following the announcement
January 1, 2022:	Reduction takes effect, unless rejected