

Roofers Local 149 Joint Funds

Security Benefit Trust Fund - Pension Fund - Vacation-Holiday Fund

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May 17, 2005

NOTICE TO ROOFERS LOCAL 149 PENSION PLAN DETROIT PARTICIPANTS REGARDING PLAN CHANGES EFFECTIVE JUNE 1, 2005

The Trustees of the Roofers Local 149 Pension Fund (the "Fund") are pleased to announce an increase in the pension benefit accrual rate. This rate increase, explained below, was effective retroactive to June 1, 2004.

Further, in light of the Trustees commitment to assuring the security of your pension benefits, it has become necessary to make other plan changes, outlined below. These changes are effective June 1, 2005.

Increase in Benefit Accrual Rate

The benefit accrual rate increased from \$13.05 to \$13.15 per 100 hours worked as of June 1, 2004.

Increase in Number of Hours of Contributions Needed to Earn a Year of Credited Service

As you are aware, your entitlement to a pension benefit is based upon years of Credited Service. Currently, 120 hours of contributions per Plan Year (June 1 – May 31) are necessary for you to earn one year of Credited Service. Effective June 1, 2005, 500 hours of contributions per Plan Year will be needed to earn one year of Credited Service.

This change only affects the hours needed to earn years of Credited Service for vesting purposes (for example, you need 5 years of Credited Service to receive a normal pension benefit). This change does not affect the calculation of your benefit amount. Thus, you will still receive credit towards your benefit accrual (i.e. amount of benefit) when you earn 120 hours or more of contributions per Plan Year.

Increase in Number of Hours of Service Needed to Become a Participant

Currently, an individual officially becomes a participant in the Fund on the first day that an Employer is required to make contributions to the Fund on his behalf. Effective June 1, 2005, an individual will officially become a participant in the Fund the earlier of (a) the first day of the first Plan Year beginning after the date he has earned one year of Credited Service, or (b) the date six months after he has earned one year of Credited Service.

Of course, all hours earned to become a participant are counted towards an individual's benefit accrual (i.e. amount of benefit).

Changes to Eligibility Requirements for Normal Pension Benefits

Currently, a participant can retire with a normal (i.e. unreduced) pension benefit at age 60 if he has 5 years of Credited Service. To receive a normal pension benefit based upon benefits which accrue on or after June 1, 2005, a participant must be age 65 with at least 5 years of Credited Service.

After the amendment, a participant can still choose to retire age 60 if he has 5 years of Credited Service, but he will only be entitled to receive the portion of his benefit which accrued before June 1, 2005, and he will have to wait until age 65 to receive the portion of his benefit which accrued after May 31, 2005. For example:

Participant A, who is single, retires on June 1, 2006, at age 60 with 5 years of Credited Service. His normal pension benefit is \$500 per month, \$400 of which was earned before June 1, 2005, and \$100 of which was earned after June 1, 2005. On June 1, 2006, he can receive \$400 per month and when he reaches age 65 his benefit will be increased to \$500 per month. (Prior to the amendment, he would have received \$500 per month as of June 1, 2006.)

Please note that the plan provisions have not been changed regarding eligibility for an unreduced early retirement benefits. Currently, the plan provides that an unreduced early retirement benefit is available for those who are: (1) age 60 with 10 years of Credited Service, (2) age 55 with 30 years of Credited Service, or (3) who meet the Rule of 88, which is age plus years of Credited Service are equal to or greater than 88.

If you have any questions regarding these changes, please call the Fund Office (248) 645-6411.

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