



## CEMENT MASONS AND PLASTERERS LOCAL 797 BENEFIT FUNDS

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**Re: State of Your Union Benefit Plans, 2016 and 2017 Year to Date**

Dear Pension and Health and Welfare Participants:

This is a summary of your union benefit plans, Pension and Health and Welfare, for 2016 and 2017 to March 31. Both the national and the Las Vegas economies continue to recover, but the recovery in the Las Vegas area is still slower than other parts of the country. Your Trustees have continued their efforts to closely monitor and carefully evaluate both the Pension and Health and Welfare Plans and make adjustments to them where necessary and prudent, including cutting costs.

**PENSION PLAN:** Your Union Pension Plan is a Defined Contribution plan also called a “DC Plan”. In this Plan, each participant has an individual account. Each month, the Employer you work for makes contributions for you to the Plan. Regularly, each account is adjusted for investment earnings and expenses. At retirement, you may receive your account balance, roll it over to another retirement account like an IRA, or purchase an annuity. You should know the Plan Rules to take maximum advantage of the Plan.

We again remind you that your Pension Plan is intended to supplement Social Security and private savings. It should not be a substitute for private savings. All of us hope to have a comfortable retirement. Private Savings, Social Security and your Union pension are all important parts of your retirement plan.

The assets of the Pension Plan are managed and invested by professional investment managers selected by the Board of Trustees, and overseen by an independent Investment Consulting firm. As of these dates your Pension Plan had the following assets: (i) December 31, 2015 - \$60,228,899; (ii) December 31, 2016 - \$60,603,212; and (iii) March 31, 2017 - \$63,010,889. The Plan's investments continue to be well diversified among different types of assets and are carefully monitored by the Trustees, the Investment Consultants and other plan professionals.

The Pension Plan's investment return net of expenses for 2016 was 8.1%. For 2017, through March 31, 2017, the net return is 4.5%.

**HEALTH and WELFARE PLAN:** Your Health and Welfare Plan continues to improve its financial status through moderate increases and contribution income from covered work, which pays for health and welfare benefits. The cost of the Plan for the last twelve-month period was \$885 per member per month, slightly higher than last year's cost. The Plan projects that it will break even on an operating basis in 2017 due to an increase in contribution income from increased work hours, offset by projected increases in benefit costs.

In 2016, work hours have increased 10% from 2015, which means the Plan income to pay benefits should increase as well. As a result, the Plan has experienced a moderate income gain and uses slightly less than its income to pay bills. So far, in 2017, work hours are up nearly 15%. We hope that continues.

The Trustees continue to monitor the financial stability of the Plan. If necessary, the Trustees will make further Plan changes to reduce spending. Changes may be necessary to preserve core medical benefits for the Participants. The Federal Health Care Reform law, which may be fundamentally amended and/or replaced in 2017, has steadily increased Plan costs and injected uncertainty into the future of health and welfare plans like ours.

During the last few years, the Plan has navigated difficult obstacles to maintain Plan benefits and decrease Plan costs. We expect that the next few years will also be challenging. With our consultants, the Trustees are evaluating your Health and Welfare and Pension Plans for necessary and prudent changes and adjustments.

As always, please feel free to give us your input, suggestions and comments.

Very truly yours,  
Board of Trustees