



## CALIFORNIA FIELD IRONWORKERS TRUST FUNDS

Pension Trust • Welfare Plan • Vacation Trust  
 Apprenticeship Training & Journeyman  
 Retraining Fund • Annuity Trust

### ANNUAL FUNDING NOTICE

For California Ironworkers Field Pension Trust

2010 Plan Year

#### Introduction

This notice includes important funding information about your pension plan, the California Ironworkers Field Pension Trust (“the Trust”). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning June 1, 2010 and ending May 31, 2011 (referred to hereafter as “Plan Year”).

Federal law requires that the information provided in this notice be given to all participants in multiemployer pension plans. **Your pension plan, the California Ironworkers Field Pension Trust, is not in reorganization status, is not insolvent, and payments are not being made by the PBGC.**

#### Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Trust’s assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Trust’s funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	<b>2010</b>	<b>2009</b>	<b>2008</b>
Valuation Date	June 1, 2010	June 1, 2009	June 1, 2008
Funded Percentage	73.7%	70.8%	81.3%
Value of Assets	\$1,628,098,403	\$1,517,175,846	\$1,651,471,322
Value of Liabilities	\$2,209,035,264	\$2,141,970,566	\$2,031,510,146

#### Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan’s funded status as of a given point in time. However, because market values can fluctuate daily based on factors such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of May 31, 2011, the fair market value of the Trust’s assets was estimated to be \$1,497,012,700. As of May 31, 2010, the fair market value of the Trust’s assets was \$1,356,748,669. As of May 31, 2009, the fair market value of the Trust’s assets was \$1,264,313,205.

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### **Participant Information**

The total number of participants in the plan as of the Trust's valuation date was 19,274. Of this number, 8,340 were active participants, 7,466 were retired or separated from service and receiving benefits, and 3,468 were retired or separated from service and entitled to future benefits.

### **Funding & Investment Policies**

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The Trust is funded by contributions made by employers pursuant to the terms of collective bargaining agreements with the union that represents the participants in the plan. Additional funding is anticipated from the investment of plan assets. The Trust may also be funded by payments of withdrawal liability from employers if there are partial or complete withdrawals.

Once money is contributed to the Trust, the money is invested by Trust officials called fiduciaries. Specific investments are made in accordance with the Trust's Investment Policy. Generally speaking, an Investment Policy is a written statement that provides the fiduciaries who are responsible for Trust investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Trust is to invest Trust assets over a diverse spectrum of asset classes including: U.S. equities, international equities, fixed income, absolute return, real return, and real estate. The Trustees engage the investment services of Investment Managers (who are fiduciaries of the Trust) and Investment Companies. The Trustees also engage an Investment Consultant as a fiduciary to educate the Trustees and to advise the Trustees with respect to the Trust's investment policy, appropriate asset classes, asset allocation, manager structure, Investment Manager selection and retention, commingled fund selection (including mutual funds). The Investment Consultant also monitors investment performance and the allocation of Trust assets.

In accordance with the Trust's investment policy, the Trust's assets were allocated among the following categories of investments, as of the end of the Plan Year. Note that this asset allocation is based on calculations of fair market values of Plan assets as of May 31, 2011 which are preliminary and which are subject to change upon completion of the audited financial statements. These allocations are percentages of total assets:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Interest-bearing cash	<u>0.08%</u>
2. U.S. Government securities	<u>5.28%</u>
3. Corporate debt instruments (other than employer securities):	
Preferred	<u>0.00%</u>
All other	<u>5.27%</u>
4. Corporate stocks (other than employer securities):	
Preferred	<u>0.21%</u>
Common	<u>36.69%</u>
5. Partnership/joint venture interests	<u>0.50%</u>

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6.	Real estate (other than employer real property)	<u>5.35%</u>
7.	Loans (other than to participants)	<u>0.00%</u>
8.	Participant loans	<u>0.00%</u>
9.	Value of interest in common/collective trusts	<u>7.16%</u>
10.	Value of interest in pooled separate accounts	<u>0.00%</u>
11.	Value of interest in master trust investment accounts	<u>0.00%</u>
12.	Value of interest in 103-12 investment entities	<u>8.48%</u>
13.	Value of interest in registered investment companies (e.g., mutual funds)	<u>22.42%</u>
14.	Value of funds held in insurance co. general account (unallocated contracts)	<u>0.00%</u>
15.	Employer-related investments:	
	Employer Securities	<u>0.00%</u>
	Employer real property	<u>0.00%</u>
16.	Buildings and other property used in plan operation	<u>0.00%</u>
17.	Other	<u>8.56%</u>

For information about the Trust's investment in the following types of investments as described in the chart above – common/collective trusts and 103-12 investment entities – contact the Trust Fund Office by phone at (626) 792-7337 or by mail at California Ironworkers Field Trust Funds, 131 North El Molino Avenue, Suite 330, Pasadena, California 91101-1878.

### **Critical or Endangered Status**

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

As of June 1, 2011, the Trust's actuary has estimated that the Trust's funding percentage was projected to be 77.8%, placing the Trust in endangered status for the 2011 Plan Year. A separate notice will detail the Trust's 2011 endangered status certification. The plan was also certified to be in endangered status for the 2010 Plan Year. The Trust was not in endangered or critical status during the 2009 Plan Year because the Trustees elected, pursuant to the Worker, Retiree, and Employer Relief Act of 2008, to "freeze" the Trust's funded status at its 2008 level.

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### **Right to Request a Copy of the Annual Report**

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. Or you may obtain a copy of the Trust's annual report by making a written request to the plan administrator.

### **Summary of Rules Governing Plans in Reorganization and 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 a 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 ( $\$35.75 \times 10$ ).

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*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 x \$9), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 (\$17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. 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 (or benefits that were in effect for less than 60 months at the time of 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 the Trust Fund Office by phone at (626) 792-7337 or by mail at California Ironworkers Field Trust Funds, 131 North El Molino Avenue, Suite 330, Pasadena, California 91101-1878. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 95-6042866. For more information about the PBGC and benefit guarantees, go to PBGC's website, [www.pbgc.gov](http://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).