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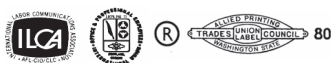
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# To restore their pension, Plasterers reduce benefits

By Don McIntosh

Ten years after system-wide bank fraud led to a market meltdown, the 2008 financial crisis is still claiming new victims. On Dec. 31, the Plasterers Local 82 Pension Plan finalized plans to cut benefits 22 to 31 percent for its roughly 250 current and future retirees — in order to prevent the pension plan itself from running out of money altogether in 2034.

“It was terrible to have to make that decision,” said Kent Sickles, who is the business manager of Portland-based Local 82 and a trustee on the plan. “A pension is a promise you make.”

But the alternative was even worse, Sickles said. At meetings attended by active and retired members and their spouses and children, Sickles laid out what would happen if the pension plan ran out of money: The federal pension insurer known as the Pension Benefit Guaranty Corporation (PBGC) would step in, but would pay just a small fraction of the promised benefits ... and that’s if the PBGC itself remains solvent. Currently the PBGC itself is projected to run out of funds by about 2024. To put that into real numbers, a retired plasterer currently getting a \$2,619 a month pension will get \$1,807 a



month after the cut; but without the cut, he would have gotten just \$965 a month from the PBGC 15 years from now.

The financial troubles of the Plasterers Local 82 Pension Plan didn’t stem from anything the plan’s union and employer trustees did wrong. As recently as 2008, the plan was considered 100 percent funded. [To be 100 percent funded means a trust has all the assets it needs to be able to

pay promised benefits in the future.] In fact, the plan’s investments had been doing so well that it was considered “over-funded” in the late 1990s. When pension plan liabilities are more than 100 percent funded, federal pension rules require them to increase the promised benefits, like subsidized early retirement. That’s what the Plasterers Local 82 Pension Plan did.

Then the 2008 crash came, and

Within the Operative Plasterers and Cement Masons International Association (OPCMIA), plasterers are masters of a variety of specialized trades. They install fireproofing in high-rises. They restore ornamental moldings in historic buildings. They apply interior finishes like Venetian plaster and plaster veneer, and stucco and other types of exterior cladding. It’s a good living: At Local 82, wages are \$35.79 an hour, and combine with health, vacation, and retirement benefits for a total package of \$52.37 an hour. But it’s also physically demanding work. After years of pressing their trowels against the wall, members are ready for a well-deserved retirement. That’s where the Plasterers Local 82 Pension Plan comes in. At a time when traditional pensions are becoming increasingly rare, Local 82’s pension — even with the newly approved cuts — remains a considerable benefit.

wiped out a third of the value of the plan’s assets. The plan’s funded percentage fell from 100 percent in 2008 to 68 percent in 2009. And that’s not all: The financial collapse also set off a recession, stopping construction projects cold. Plasterers were thrown out of work, and that meant their employers weren’t contributing as much to the pension plan just when the plan

Turn to Page 3

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