



Central Laborers' Pension Fund

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<http://www.central-laborers.com>

IMPORTANT NOTICE OF PLAN PROVISIONS

July 2018

Dear Participant:

This Summary of Material Modification (SMM) provides information regarding a benefit improvement for certain Participants who were classified as Deferred Vested Participants under the Central Laborers' Pension Fund ("Fund" or "Plan") Rehabilitation Plan (RP) adopted in 2012. For purposes of the RP, with respect to the pension earned as of February 29, 2012, a Deferred Vested Participant is a vested participant who was not an Active Employee. To be considered an Active Employee under the RP, a participant was required to fulfill the following service conditions:

- Work at least one Hour of Work in Covered Employment after September 30, 2011 and before March 1, 2012; or
- Work at least 200 Hours of Work in Covered Employment during the Plan Year ended September 30, 2011.

Covered Employment is employment for which your employer is obligated to contribute to the Fund on your behalf. The benefit improvement adopted by the Board of Trustees permits a participant who was classified as a Deferred Vested Participant under the RP to be considered an Active Employee only if certain specific eligibility criteria are met. This potential change in classification is important because an Active Employee may be

eligible for early retirement benefits (including, for example, a Service Pension, an Early Retirement Pension, or a Regular Pension). While a Deferred Vested Participant is eligible for a pension from the Plan, the participant is not eligible for such early retirement benefits. The specific eligibility criteria are listed in this SMM.

The Service Pension, Early Retirement Pension, and Regular Pension are subsidized by the Plan so the reduction for retirements prior to age 65 is lessened or eliminated.

To be eligible for the change in classification from a Deferred Vested Participant status to an Active Employee status, a participant must meet **all** of the criteria listed below, which will be confirmed by the Fund through the review of the participant's earnings information and/or other information reasonably required to confirm proof of employment during the participant's absence from Covered Employment.

1. The participant must have left Covered Employment to immediately begin working:
 - In a non-bargained position for an employer who has a bargaining relationship with the Union; or
 - In a position with a State, municipal, or public-sector employer who has a bargaining relationship with the Union; or
 - As an Illinois Department of Transportation day laborer, where employer contributions were not required to be made to the Pension Fund prior to January 1, 2009.
2. The participant later returns to Covered Employment with an Employer that did not elect or otherwise become subject to the Default Schedule or Alternate Schedule of the Pension Fund's Rehabilitation Plans and/or Funding Improvement Plans without any break in employment (immediately after the non-Covered Employment listed above).
3. The participant meets all of the other work/service eligibility criteria for one of the pension benefits provided under the Fund.
4. The participant is working in Covered Employment immediately prior to retirement.

If a participant leaves Covered Employment for any reason other than those listed above or did not meet all of the criteria listed above, then the participant will still be classified as a Deferred Vested Participant under the RP. Accordingly, the early retirement benefits described above are not available with respect to the pension earned as of February 29, 2012.



Examples of Situations that Meet and Do Not Meet the Criteria

Meets Criteria

- 1. A vested participant who left Covered Employment before the adoption of the RP to work as a non-bargained supervisor for an employer who has a bargaining relationship with the Union and later immediately returns to Covered Employment with an Employer who adopted the RP's Preferred Schedule.** This participant's service, both before and after the separation from Covered Employment, will be treated as if he were an Active Employee when the RP was adopted and may be eligible for early retirement benefits.
- 2. A vested participant who left Covered Employment before the adoption of the RP to work as a laborer for a city that has a bargaining relationship with the Union (but does not contribute to the Pension Fund) and later immediately returns to Covered Employment for an Employer who adopted the RP's Preferred Schedule.** This participant's service, both before and after the separation from Covered Employment, will be treated as if he had been an Active Employee when the RP was adopted and may be eligible for early retirement benefits.

Does NOT Meet Criteria

- 1. A vested participant who left Covered Employment before the adoption of the RP, works at a different career during the two Plan Years 2011 and 2012, and ultimately returns to Covered Employment prior to his retirement.** This participant will continue to be classified as a Deferred Vested Participant under the RP, for which a Deferred Pension will be payable at Normal Retirement Age (65). If this participant chooses to retire earlier than age 65, the amount will be actuarially reduced due to age. The pension earned after the participant returns to Covered Employment will be payable as a Deferred Pension, an Early Retirement Pension, or a Regular Pension, depending on the RP Schedule adopted by the employer, the individual's age when he/she last worked in Covered Employment and his/her age as of the pension starting date.
- 2. A vested participant who left Covered Employment before the adoption of the RP to work in a collectively-bargained position with another union with the same employer and later returns to Covered Employment prior to his retirement.** This participant will continue to be classified as a Deferred Vested Participant under the RP, for which a Deferred Pension will be payable at Normal Retirement Age. If this participant chooses to retire earlier than age 65, the amount will be actuarially reduced due to age. The pension earned after the participant returns to Covered Employment will be payable as a Deferred Pension, an Early Retirement Pension, or a Regular Pension, depending on the RP Schedule adopted by the employer, the individual's age when he/she last worked in Covered Employment and his/her age as of the pension starting date.

For more information about this notice or the Plan in general, please contact, in writing, the Plan's Executive Director, Mr. Dan Koeppel, at P.O. Box 1267, Jacksonville, Illinois, 62651-1267.

Sincerely,
Board of Trustees
Central Laborers' Pension Fund

This SMM provides only highlights of recent changes to the Central Laborers' Pension Fund. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plans, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.