Retirement Benefits under the Central Laborers’ Pension Fund for New Entrants (“New Entrant Plan”)
Dear New Entrant:

Helping you build a financially secure retirement is an ongoing concern of the Board of Trustees of the Central Laborers’ Pension Fund (the “Plan”).

Because your pension benefits are a potentially significant part of your retirement income, it is important that you and your family understand the Plan’s benefits. This booklet introduces and briefly describes your retirement benefits under the Plan provisions applicable to individuals who first commence work covered by the Plan on or after January 1, 2009 (the “New Entrant Plan”). It describes your eligibility to participate, how you earn a pension, when you become eligible to receive a pension, how your pension is calculated, and the forms of payment for receiving your benefit. The booklet does not provide complete details about how the Plan works, nor does it cover all the Plan’s provisions including:

- When you must begin receiving a pension;
- How you apply for a pension, how your pension application is processed and what to do if your application is denied;
- How and when your pension benefit may be rolled over into another eligible retirement plan;
- Special taxation rules for non-spouse beneficiaries;
- How death benefits will be paid out if you do not have a designated beneficiary at the time of your death;
- What happens if you return to work after beginning retirement benefits;
- Your legal rights under the Employee Retirement Income Security Act of 1974 (ERISA);
- How your benefits are insured by the Pension Benefit Guaranty Corporation (PBGC);
- What happens if the Fund receives a Qualified Domestic Relations Order (QDRO) relating to your pension benefit; and
- Other Plan administration information.

These and other details about the New Entrant Plan can be found in the Summary Plan Description (SPD) you will receive in addition to this booklet.

Please read this booklet and share it with your family; keep it in a safe place for future reference. Knowing how your benefits accumulate and what your responsibilities are can help you plan for your future.

We will keep you advised of any changes in Plan benefits or procedures. If you have any questions, please contact the Fund Office.

Sincerely,
The Board of Trustees
### Becoming a Participant

If your first hour of covered employment, or your first hour of covered employment following a permanent break-in-service with Central Laborers’ Pension Plan, occurred on or after January 1, 2009, you may be eligible to participate in the New Entrant Plan.

You become a Participant in the New Entrant Plan on the earliest October 1 or April 1 following:

- A 12-consecutive-month period, beginning with the date you first complete an hour of work in covered employment, in which you complete at least 1,000 hours of work in covered employment; or
- Any 12-consecutive-month period thereafter in which you complete at least 1,000 hours of work in covered employment; or
- Your completion of at least 5,000 hours of work in covered employment, provided you do not incur a break in service.

### Earning a Pension Plan Benefit

#### Employer Contributions

- For each hour you work in covered employment, your employer is required to make a contribution to the pension fund on your behalf. Your hourly contribution rate is determined by a collective bargaining agreement, or other written agreement, and may change from time to time.

#### Vesting Service

- Generally, you earn one year of vesting service for each Plan year (October 1 through September 30) in which you complete at least 1,000 hours of work in covered employment.
- You become vested once you complete five years of vesting service.

### Receiving a Pension Benefit

The following types of pension are available when you retire:

- **A regular pension** at age 65 if you have five or more years of vesting service.
- **An early retirement pension** as early as age 58 if you have five or more years of vesting service.
- **A deferred pension** if you leave covered employment before age 58 and have five or more years of vesting service. The deferred pension is payable at age 65 or as early as age 58.
- **A reciprocal pension** if you have worked in employment that required contributions to other Laborers’ pension funds and a reciprocal agreement is in place.
- **A disability pension** at any age, if you suffer a total and permanent disability after earning at least five years of vesting service and worked at least 250 hours in covered employment in the Plan year in which you suffered a total and permanent disability or in either of the two preceding Plan years.

### Forms of Pension Benefit Payments

The following forms of payment are available:

- Life only pension
- 50%, 75% and 100% husband-and-wife pension (if you are married)
- Benefit cashout

If you are not married, your pension is generally paid as a life only pension. If you are married, your pension is generally paid as a 50% husband-and-wife pension. You may also choose one of the other payment options available under the New Entrant Plan, with your spouse’s consent.

### Survivor Benefits

If you die **before** your pension payments begin, the following benefits may be available to your spouse or beneficiary:

- Pre-retirement surviving spouse pension; or
- Pre-retirement death benefit, paid in a lump sum.

If you die **after** your pension payments begin, the benefit your spouse or beneficiary will receive will depend on the type of pension you were receiving at the time of your death.

### Occupational Disability Benefit

An **occupational disability benefit** is available at any age, if you suffer an occupational disability because of bodily injury or disease, have at least five years of vesting service, and worked at least 250 hours in covered employment in the Plan year in which you suffered an occupational disability or in either of the two preceding Plan years.
PLANNING FOR YOUR FINANCIAL FUTURE

Preparing for your retirement should begin early in your career to provide you with enough time to prepare for a financially comfortable retirement. Your income during retirement generally comes from three sources:

1. Social Security;
2. Retirement benefits such as the Central Laborers’ New Entrant Plan; and
3. Personal savings.

During the course of your working career, you fund your Social Security and Medicare benefits through Federal Insurance Contribution Act (FICA) and Medicare taxes, which are deducted from your paycheck. At the same time, your employers contribute to the Social Security Administration (FICA) and Medicare on your behalf.

Once you reach Social Security normal retirement age, you may begin receiving your full Social Security benefits. You may instead take a reduced Social Security benefit as early as age 62.

Social Security alone will not provide enough income to live on during your retirement years. At full Social Security age, a retiree with annual earnings of $35,000 could expect Social Security to replace approximately 33% of pre-retirement income. To reach the recommended 70% to 80% income replacement levels, retirement benefits and personal savings will need to make up the difference.

The New Entrant Plan will provide the second component of retirement income. Each year you work under covered employment, you will build your pension benefit, increasing the amount of money you will receive from the Plan at retirement. The Fund Office will send you an annual pension statement that will tell you what your Plan benefits would be at age 65 based on the contributions made to the Plan to date.

Personal savings is the final component of retirement income. As you plan for retirement, you want to estimate what your monthly expenses and income from all sources will be. Your annual pension statement from this Plan—along with your annual Social Security statements—will be instrumental in helping you get a full picture of the retirement income you expect to be receiving. If your income from the New Entrant Plan and Social Security does not equal the estimated monthly expenses needed to maintain your lifestyle during your retirement years, you will need to make up the difference with your own personal savings. You may want to talk with a professional financial planner for ideas on ways to save money.

Most financial experts believe you need to have at least 70% to 80% of your pre-retirement income to maintain your lifestyle during retirement. The actual amount you need will depend on your personal situation and the expenses you will incur in retirement.

Social Security Benefits Estimate

You will receive an estimate of your Social Security benefits from the Social Security Administration each year. You should check the record of your earnings to be sure it is correct so that you receive the correct Social Security benefits in the future.

Social Security Normal Retirement Age

Normal retirement age (or full Social Security age) is the age at which you can collect full retirement benefits from Social Security without any reduction for early retirement. The chart below shows the current Social Security normal retirement ages.

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Normal Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937 or earlier</td>
<td>65</td>
</tr>
<tr>
<td>1938</td>
<td>65 and 2 months</td>
</tr>
<tr>
<td>1939</td>
<td>65 and 4 months</td>
</tr>
<tr>
<td>1940</td>
<td>65 and 6 months</td>
</tr>
<tr>
<td>1941</td>
<td>65 and 8 months</td>
</tr>
<tr>
<td>1942</td>
<td>65 and 10 months</td>
</tr>
<tr>
<td>1943 – 1954</td>
<td>66</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 and 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 and 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 and 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 months</td>
</tr>
<tr>
<td>1960 and later</td>
<td>67</td>
</tr>
</tbody>
</table>
EARNING A PENSION PLAN BENEFIT

The Central Laborers’ New Entrant Plan is designed to provide you with monthly income for life once you retire. In general, the longer you work in covered employment, the greater your retirement benefit.

This section will explain how you become eligible for the Plan, how you earn your pension benefit and what happens if you leave covered employment before retirement.

Becoming a Participant

If your first hour of covered employment, or your first hour of covered employment following a prior permanent break-in-service, occurred on or after January 1, 2009, you may be eligible to become a Participant in the New Entrant Plan.

You become a Participant in the Plan on the earliest October 1 or April 1 following:

• A 12-consecutive-month period, beginning with the date you first complete an hour of work in covered employment, in which you complete at least 1,000 hours of work in covered employment; or

• Any 12-consecutive-month period thereafter in which you complete at least 1,000 hours of work in covered employment; or

• Your completion of at least 5,000 hours of work in covered employment, provided you do not incur a break in service.

For example, if you began working in covered employment on January 15, 2009, you would become a participant in the Plan on April 1, 2010 if you worked at least 1,000 hours from January 15, 2009 through January 14, 2010.

You are automatically enrolled in the Plan once you become a Participant; there are no enrollment forms to complete. However, it is important that you keep the Fund Office informed of your current mailing address at all times so that you will receive information regarding your benefits.

To continue participation in the Plan after you become a Participant, you must have at least 200 hours of work in covered employment during each Plan year until you become vested as explained below and on the following page.

Vesting Service

Vesting service determines your eligibility for a pension. You earn vesting service for hours of work in covered employment during a Plan year based on the following chart:

<table>
<thead>
<tr>
<th>Hours of Work</th>
<th>Years of Vesting Service Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 199</td>
<td>0.0</td>
</tr>
<tr>
<td>200 to 299</td>
<td>0.2</td>
</tr>
<tr>
<td>300 to 399</td>
<td>0.3</td>
</tr>
<tr>
<td>400 to 499</td>
<td>0.4</td>
</tr>
<tr>
<td>500 to 599</td>
<td>0.5</td>
</tr>
<tr>
<td>600 to 699</td>
<td>0.6</td>
</tr>
<tr>
<td>700 to 799</td>
<td>0.7</td>
</tr>
<tr>
<td>800 to 899</td>
<td>0.8</td>
</tr>
<tr>
<td>900 to 999</td>
<td>0.9</td>
</tr>
<tr>
<td>1,000 or more</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Covered Employment

Employment for which your employer is required to make contributions to the Pension Fund on your behalf under a collective bargaining agreement (or other written agreement).

The Plan Year

October 1 through September 30
You can earn a maximum of one year of vesting service in any Plan year.

After you become a Participant, you become vested for a pension benefit once you have earned five years of vesting service. Once you are vested, you have earned a nonforfeitable right to a pension from the New Entrant Plan—even if you leave covered employment before retirement.

**Employer Contributions**

Employer contributions are the basis for determining your eligibility for retirement benefits as well as the amount. In general, the more hours you work, the greater your benefit.

For each hour you work in covered employment, your employer is required to make a contribution to the Pension Fund on your behalf. Your hourly contribution rate is determined by a collective bargaining agreement and may change from time to time. You may also be awarded hours of work in other situations, including disability, military leave or maternity/paternity leave. Contact the Fund Office if you have questions about your hourly contribution rate or hours of work.

You will receive an estimate of your pension benefits from the Central Laborers’ Pension Fund each year in the form of an annual pension statement. You should compare the Fund’s record of hours received on your behalf with your payroll stubs to be sure the hours are correctly reported. If there is a difference between the Fund’s records and your payroll stubs, please contact the Fund Office.

**Leaving Work**

Once you are vested for a pension benefit, you have a nonforfeitable right to that benefit. However, if your employment is interrupted before you are vested, you may lose the years of vesting service you have earned, and you must again satisfy the New Entrant Plan’s initial requirements for participation if you later return to covered employment.

How your benefit is affected by leaving covered employment depends on the length of your absence.

**One-Year Break in Service**

You incur a one-year break in service in any Plan year in which you do not have at least 200 hours of work in covered employment. If you return to covered employment and complete 200 hours of work in a Plan year before a permanent break in service would occur, as explained below, you are eligible to continue participating in the Plan immediately, and your accrued benefit and your years of vesting service earned before the break are restored.

**Permanent Break in Service**

You incur a permanent break in service when you have five or more consecutive one-year breaks in service. In general, if you do not have five years of vesting service, and you incur a permanent break in service, you are no longer a Participant in the Plan and you forfeit your accrued benefit as well as your years of vesting service.

If you leave covered employment after you are vested in the New Entrant Plan, you will continue to have a right to a pension and the amount of your accrued benefit will remain unchanged as of the date you left covered employment.

**Collective Bargaining Agreement**

The written agreement which requires contributions by the employer to the Central Laborers’ Pension Fund on an employee’s behalf for each hour of work in covered employment. Terms of the collective bargaining agreement determine the amount of the hourly contributions that will be paid by the employer.

**Exceptions to Break in Service Rules**

You may not incur a one-year break in service if you have fewer than 200 hours of work in covered employment in a Plan year due to disability, military service, or maternity or paternity leave. Please notify the Fund Office in any of these events.
RECEIVING A PENSION BENEFIT

The New Entrant Plan offers five types of retirement pensions:

- Regular;
- Early Retirement;
- Deferred;
- Reciprocal; and
- Disability

The monthly pension benefit you receive may be adjusted, depending on the form of payment you elect and your age when you choose to begin receiving payment of your benefits.

**Regular Pension**

You are eligible for a regular pension if you:

- Retire from covered employment at age 65 or older; and
- Have at least five years of vesting service.

The amount of your pension is based on the total contributions made on your behalf throughout your working years by your contributing employers. Your monthly pension is calculated by multiplying total contributions required to be made on your behalf by contributing employers by 0.675%.

**REGULAR PENSION EXAMPLE**

Gary retires at age 65. Throughout his years of covered employment, contributing employers have made contributions of $160,000 on his behalf. Gary’s monthly pension benefit would be $1,080 ($160,000 x .00675).

The actual dollar amount Gary will receive each month will depend on whether he is married and the payment option he elects. See *Forms of Pension Benefit Payment* beginning on page 8 for more details.

**Early Retirement Pension**

The New Entrant Plan offers you the ability to begin receiving your pension payments earlier than age 65 through an early retirement pension. You are eligible for an early retirement pension if you:

- Leave covered employment at age 58 or older; and
- Have earned at least five years of vesting service.

An early retirement pension is calculated like a regular pension then reduced to reflect that you will be receiving a monthly benefit for a longer period of time. Your regular pension is reduced for each full month that payments begin before age 65.

**Full-Year Early Retirement Reduction Factors**

Examples of the percent of regular pension payable as an early retirement pension include:

<table>
<thead>
<tr>
<th>Age</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>47.56%</td>
</tr>
<tr>
<td>59</td>
<td>52.51%</td>
</tr>
<tr>
<td>60</td>
<td>58.10%</td>
</tr>
<tr>
<td>61</td>
<td>64.43%</td>
</tr>
<tr>
<td>62</td>
<td>71.62%</td>
</tr>
<tr>
<td>63</td>
<td>79.82%</td>
</tr>
<tr>
<td>64</td>
<td>89.21%</td>
</tr>
</tbody>
</table>

The reduction factors listed above are for Participants who are the exact age listed (for example, age 58 and 0 months). The factors are different for every month you retire before age 65. Contact the Fund Office or visit the Fund’s website (www.central-laborers.com) for a complete listing of the monthly early retirement reduction factors.
EARLY RETIREMENT PENSION EXAMPLE

Dave retires one year before his 65th birthday. Because he will be age 64 when he begins early retirement, his regular pension will be reduced to 89.21% (see Full-Year Early Retirement Reduction Factors on the previous page) to account for the extra year he will be receiving pension benefits. Throughout his years of covered employment, Dave’s contributing employers have made contributions of $140,000 on his behalf. Dave’s monthly early retirement pension is determined as follows:

- First, calculate the monthly regular pension $140,000 x .00675 $945.00
- Then, reduce the monthly regular pension to $945 x .8921 $843.03

As a result, Dave could receive an early retirement pension of $843.03 per month. The actual dollar amount he will receive each month will also depend on whether he is married and the payment option he elects. See Forms of Pension Benefit Payment beginning on page 8 for more details.

Deferred Pension

You can receive a deferred pension if you leave covered employment before attaining age 58 after having earned at least five years of vesting service. A deferred pension is calculated like a regular pension then reduced to reflect the fact that you have not continued working in covered employment during your career.

You are eligible to receive a deferred pension as early as age 58. If you elect to receive your deferred pension before age 65, your monthly benefit will be decreased by applying early retirement reduction factors.

DEFERRED PENSION EXAMPLE

Joan stops working when she is age 40 after 10 years in covered employment during which her employers contribute $40,000 on her behalf to the Pension Fund. If she elected to receive a deferred pension at age 65, her benefit would be $270 per month ($40,000 x 0.00675), which is the total contributing employers’ contributions multiplied by 0.675%.

Joan may elect to begin receiving her deferred pension as early as age 58, as discussed above. If she makes this election, her $270 per month deferred pension would be reduced by an early retirement reduction factor based on how many months before age 65 she elects to begin receiving benefits. The actual dollar amount Joan will receive each month will also depend on whether she is married and the payment option she elects. See Forms of Pension Benefit Payment beginning on page 8 for more details.

Reciprocal Pension

From time to time, you may work for an employer required to make contributions on your behalf to a different Laborers’ or other crafts’ pension fund. As a result, when you decide to retire, you may find that your years of employment are divided among various employers, making you ineligible for a pension from any one plan or eligible for a lesser benefit.

For this reason, the Central Laborers’ Pension Fund has reciprocal agreements with certain other pension funds. These agreements allow the Fund to recognize any service you earned with these other laborers’ funds in connection with your service earned under the New Entrant Plan. How this works depends on the type of agreement the Central Laborers’ Pension Fund has with the reciprocal fund.

Contact the Fund Office to see if you are eligible for a reciprocal pension and how this may affect your pension.
Disability Pension

If you become disabled and cannot work, you may be eligible for a disability pension at any age, provided you:

• are totally and permanently disabled (according to the Plan’s definition);
• have at least five years of vesting service before you suffer a total and permanent disability; and
• have at least 250 hours of work in covered employment in the Plan year in which you suffer a total and permanent disability or in either of the two preceding Plan years.

A disability pension is calculated like a regular pension, based on the pension benefit you earned as of the date you suffer a total and permanent disability.

**DISABILITY PENSION EXAMPLE**

Adam suffers a total and permanent disability when he is age 50, after 20 years in covered employment. Throughout his employment, Adam’s employers contribute $80,000 on his behalf to the Pension Fund. He would receive a disability pension benefit of $540 per month ($80,000 x .00675), which equals the total contributing employers’ contributions multiplied by 0.675%.

The actual dollar amount Adam will receive each month will also depend on whether he is married and the payment option he elects. See *Forms of Pension Benefit Payment* beginning on page 8 for more details.

Occupational Disability Benefit

The occupational disability benefit is not a pension; it is a temporary monthly disability benefit payable if you suffer an occupational disability as a result of a bodily injury or disease. This benefit is payable until you recover, retire, or die. You are eligible for an occupational disability benefit if you:

• are occupationally disabled (according to the Plan’s definition);
• have at least five years of vesting service before you suffer an occupational disability;
• have at least 250 hours of work in covered employment in the Plan year in which you suffer an occupational disability or in either of the two preceding Plan years; and
• were working as a laborer or in another building trades craft, as defined by the Plan, at the time you suffer an occupational disability.

The occupational disability benefit is 50% of your regular pension amount, based on the pension benefit you earned as of the date you suffer an occupational disability. The occupational disability benefit is not a part of your accrued pension. It will not affect the monthly amount of your (or your survivor’s) benefit when you retire or die.

If you receive an occupational disability benefit, you will be required to apply for a pension when you become eligible. This benefit will end once you begin receiving a pension.

**OCCUPATIONAL DISABILITY BENEFIT EXAMPLE**

Greg suffers an occupational disability when he is age 50, after 20 years in covered employment during which his employers contribute $80,000 on his behalf to the Pension Fund. He would receive an occupational disability benefit of $270 per month ($80,000 x .00675 x .50), which equals 50% of the contributing employers’ contributions multiplied by 0.675%. At age 58, Greg elects to receive an early retirement pension, so the occupational disability benefit payments would terminate as of the date his early retirement pension payments begin.

The occupational disability benefit is calculated as if you retired and received payment as a life only pension.
FORMS OF PENSION BENEFIT PAYMENT

When you apply for your pension, the Fund Office will provide you with a written notice detailing the different ways in which you may receive your pension and the amount you will receive under each payment option.

In general, the New Entrant Plan pays pension benefits in the form of a life only pension to vested Participants who are not married and a 50% husband-and-wife pension to vested Participants who are married. As explained below, optional forms are also available. Once you begin receiving payment of your pension benefit, however, you cannot elect a new form of payment.

Life Only Pension

The life only pension pays you a monthly benefit for your lifetime. When you die, no further payments are made to anyone unless you die before you receive an amount equal to your pre-retirement death benefit (see page 9). This is the normal form of payment if you are not married. If you are married and wish to receive your benefit as a life only pension, you must obtain your spouse’s written, notarized consent to such an election.

50% Husband-and-Wife Pension

This option, available only if you are married, pays you a reduced monthly benefit for your lifetime and, if you die first, pays 50% of your monthly benefit to your qualified spouse for his or her lifetime. The benefit is reduced because it will be paid over two lifetimes—yours and your spouse’s. This is the normal form of benefit payment if you are married. If your spouse dies before you do, your monthly pension benefit will increase to the life only pension amount you would have received at your retirement.

75% Husband-and-Wife Pension and 100% Husband-and-Wife Pension

If you are married and want to provide a larger benefit for your spouse in the event of your death, you may choose either the 75% or 100% husband-and-wife pension. These options are available to married Plan Participants and pay a reduced monthly benefit for your lifetime. When you die, your spouse will receive 75% or 100% of your benefit—depending on the option you chose at retirement—for his or her lifetime. If your spouse dies before you, your monthly pension will increase to the life only pension amount you would have received at retirement. You may elect only one of these options if you reject the 50% husband-and-wife pension. Your spouse must consent to the rejection of the 50% husband-and-wife pension and your subsequent election of one of these options.

Benefit Cashout

If the actuarial present value of your accrued pension at retirement is:

- $1,000 or less, you will receive payment automatically in a lump sum;
- In excess of $1,000 but less than $10,000, you may choose to receive payment as a lump sum.

You may elect direct payment of your lump sum to you or to have the payment rolled over into an eligible retirement plan.

Actuarial Present Value

The total value of a benefit on a specific date based on the monthly pension benefit earned under the Plan. It is calculated using actuarial factors—including interest rates and life expectancy tables—provided by the Plan’s actuary.
SURVIVOR BENEFITS

The New Entrant Plan provides protection for your loved ones in the event of your death. The type and amount of benefit paid to your surviving spouse or beneficiary is based on when you die—either before or after retirement—and your marital status at the time of your death.

If You Die Before You Retire

If you are vested and die before you retire, the survivor benefit paid depends on your marital status and your age when you die.

Surviving Spouse Benefits

If you are married, your qualified spouse may be eligible for one of the following survivor benefits if you die before retirement and are married at the time of your death. Generally, benefits can begin the first day of the month following the month in which you die.

Pre-Retirement Surviving Spouse Pension (50% Husband-and-Wife)

If you are vested at the time of your death, your surviving spouse's benefit is calculated as a 50% husband-and-wife pension. The benefit depends on your age at the time of death:

- If you die after age 58, the benefit is based on your accrued benefit as if you had retired on the day before your death. If you die before age 65, the benefit will be reduced for early retirement.
- If you die before age 58, the benefit is based on your accrued benefit as if you had retired on the last day of the month in which you would have turned age 58 and then died. The benefit will be reduced for early retirement.

Optional Pre-Retirement Surviving Spouse Pension (75% or 100% Husband-and-Wife)

If you are married, vested and at least age 30, you may purchase enhanced benefit protection for your spouse by electing coverage under the 75% or 100% husband-and-wife pension before you retire.

If you die before you retire and this option is in place, your surviving spouse will receive a pre-retirement surviving spouse pension calculated as a 75% or 100% husband-and-wife pension (depending on the option you elect).

The cost of this enhanced coverage is paid at the time you or your surviving spouse begins receiving benefits. All monthly benefits paid are reduced for the period of time that the option was in effect before you retired or died. For more information about how to elect this increased survivor benefit protection, contact the Fund Office.

Pre-Retirement Death Benefit

This benefit is for non-married Participants or married Participants in the case where the spouse does not qualify for the pre-retirement surviving spouse pension because you are not vested at the time of your death. If you die and you have earned at least one year of vesting service without incurring a break-in-service, your beneficiary may receive a pre-retirement death benefit. The amount of the benefit will be equivalent to the value of the employer contributions required to be made on your behalf, up to a maximum determined by the most recent 10 Plan years of contributions. Your beneficiary will receive the benefit in a lump sum.

If You Die After You Retire

If you are married and are receiving a 50%, 75%, or 100% husband-and-wife pension at the time of your death, your qualified spouse will continue to receive benefits based on your payment election.

If you were not married or were married but your qualified spouse had died before you, your beneficiary may be eligible to receive a post-retirement death benefit. The amount is the difference between any pre-retirement death benefit you earned (see previous section) less any benefits paid to you and your spouse, if applicable.
Central Laborers' Pension Fund

P.O. Box 1267 • Jacksonville, Illinois 62651 • Phone 217/243-8521 • Fax 217/245-1293
http://www.central-laborers.com

Important News Regarding Your Pension Plan

December 2009

Dear Active Participant:

As Trustees of the Central Laborers' Pension Plan (the "Plan"), we are committed to ensuring that the Pension Fund remains financially secure and positioned to meet all current and future pension obligations. As we have previously communicated, the Plan continues to face challenges resulting from last year's financial market collapse and its uneven recovery to date. After careful planning and consideration, we have decided that changes are needed to improve the Plan's long-term financial stability.

This letter provides details about the Plan changes and how they may affect your benefits. Please keep in mind that the benefits you have already earned will not be reduced or eliminated as the result of these changes; the following changes will only affect the benefits you earn on and after the 2010 anniversary date of the collective bargaining agreement ("CBA") or other agreement under which you work. Generally, an agreement's anniversary date is the date that the annual wage and benefit increases negotiated by the applicable Union and the Employer or Employer Association take effect.

**Changes Effective as of the 2010 Anniversary Date of CBAs and Other Agreements**

The Plan will change as follows:

- **The hourly pension contribution rates will increase by at least 10% for all Highway, Building, and similar area wide or multiemployer CBAs.**

- **The increase will be allocated by the Plan as a "supplemental" contribution and will not result in any additional benefit accrual.**

- **A minimum 10% increase in the prior year's hourly contribution rate will also be required on 2011, 2012 and 2013 anniversary dates of all Highway, Building, and similar area wide and multiemployer CBAs.**

If the Trustees should determine that further increases or modifications are needed, you will be notified.

As described in the Summer 2009 issue of *Illinois Laborer*, effective October 1, 2009, the Plan uses a formula to calculate your pension benefit. The formula multiplies your applicable employer contributions for work after that date by the appropriate "multiplier" to determine your monthly benefit. Commencing October 1, 2009, 100% of your applicable employer contributions have been counted towards the "multiplier." As explained in this notice, that will change with the 2010 contract anniversary dates.

The 10% increase in your hourly pension contribution rate will not be used to calculate your pension benefit; instead, it will be added to the Plan reserves to fund investment losses. However, if the hourly contribution rate increases by more than 10%, the amount in excess of 10% will be subject to the multiplier.

For example, if your employer contributes $3.00 per hour worked on your behalf, effective with your CBA anniversary date the amount would increase by 10% to $3.30. The $.30 will be considered a supplemental contribution and will not be subject to the multiplier when determining your monthly pension benefit when you retire.
If the CBA or other agreement under which you work is not a Highway, Building, or similar area wide or multiemployer CBA, then the 10% hourly pension contribution rate increase is not mandatory. However, effective with the 2010 anniversary date (as well as the anniversary dates for 2011, 2012, and 2013), it is mandatory that 10% of your hourly pension contribution rate be allocated as a supplemental contribution and 90% be allocated toward your pension benefit accrual. As a result, if the hourly pension contribution rate does not increase by at least 10%, then the hourly contribution rate in effect as of the CBA’s (or other agreement’s) anniversary date will effectively be reduced by 10%. The 10% reduction will be considered a supplemental contribution, which will not be subject to the multiplier and will not be used in calculating your accrued pension benefit when you retire. The remaining 90% of your hourly pension contribution rate, however, will subject to be the multiplier.

For example, if your employer contributes $3.00 per hour worked on your behalf and does not increase its hourly contribution rate by the specified 10%, then only $2.70 of your employer’s hourly contributions will be subject to the multiplier and used to calculate your monthly pension benefit when you retire. The $0.30 will be considered a supplemental contribution and will not be subject to the multiplier when determining your monthly pension benefit when you retire.

A Final Note

The Trustees’ goal is and has been to provide you with a pension benefit for your years of service. The changes explained here are intended to help keep the Plan financially viable and positioned to meet your future financial needs. For further details about the Plan, refer to your SPD or the Fund’s website at www.central-laborers.com. After reviewing this announcement carefully, share it with your spouse, and keep it with your SPD in a safe place for future reference. Please contact the Fund Office if you have questions or need more information.

Sincerely,

The Board of Trustees

This announcement contains only highlights of recent changes to the Central Laborers’ Pension Plan. 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 Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.
CENTRAL LABORERS’ PENSION FUND
PLAN MODIFICATIONS

IMPORTANT INFORMATION THAT COULD AFFECT YOUR PENSION BENEFITS

Some definitions related to spouse or spousal benefits under the Plan have changed. These changes are effective June 26, 2013, and not before that date.

Definition of Spouse
The definition of Spouse has been modified, effective June 26, 2013, to the following:
Your Spouse is the person to whom you are lawfully married under any state law or the law of a foreign jurisdiction, which includes same-sex marriages, even if you are living in a state that does not recognize same-sex marriages. The Plan does not recognize domestic partners, civil union partners, or any other such arrangement that does not constitute marriage.

Change in Terms
Based on the change to the definition of Spouse, the terms “Husband and Wife Option” and “Husband and Wife Pension” have been replaced by “Joint and Survivor Spousal Option” and “Joint and Survivor Spousal Pension” in the Plan.

Conclusion
See your Summary Plan Description (SPD) for additional information about the Plan. Share this announcement with your family and keep it with your SPD for easy reference.

If you have any questions about these changes or Plan provisions in general, please call the Fund Office.

This announcement 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 Plan, the Plan document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.