



Central Laborers' Pension Fund

P.O. Box 1267 • Jacksonville, Illinois 62651 • Phone 217/243-8521 • Fax 217/245-1293

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

March 29, 2011

Dear Participant:

The Central Laborers' Pension Fund provides an (optional) 75% and 100% **Pre-Retirement Surviving Spouse Pension** for **vested** participants who are age 30 and older (but not yet retired). If you choose this option and happen to die prior to retirement, the survivor benefit payable to your spouse would be either 75% or 100%, depending on your earlier election, in accordance with the provisions of Section 6.7 of the Pension Plan Rules, "Optional Pre-Retirement Surviving Spouse Pension".

Enclosed is an "Election of Optional Pre-Retirement Surviving Spouse Pension" form. Complete and return this form **only** if you wish to secure 75% or 100% pre-retirement surviving spouse coverage. If you do not return a completed form, the provisions of Section 6.6 of the Pension Plan Rules providing a 50% Pre-Retirement Surviving Spouse Pension would apply in the event of your death prior to retirement.

Coverage under the 75% or 100% option will begin on the first day of the calendar month following a period of thirty (30) days after the Fund Office receives your completed and notarized election form. Coverage will continue until you retire, unless you elect to cancel the coverage. You must contact the Fund Office if you wish to cancel your coverage; a cancellation form will be sent for your completion and return.

Please be aware that if you elect the 75% or 100% pre-retirement surviving spouse option, *all* of the monthly benefit payments you receive during your retirement will be reduced for this pre-retirement coverage, even though you may not die prior to retirement.

The pre-retirement surviving spouse option reduction factors are 0.25% per year for the 75% level and 0.50% per year for the 100% level (see enclosed examples).

If you elect coverage and are later divorced or your spouse dies, coverage will end (unless a Qualified Domestic Relations Order provides otherwise), but as stated above, ***all*** of the monthly benefits you receive during your retirement will be reduced for this pre-retirement coverage. If you subsequently remarry, the coverage will begin, and reductions taken again, beginning the first day of the month following a period of thirty (30) days after the Fund Office receives your completed and notarized election form following your remarriage (unless a QDRO provides otherwise).

It is important to remember that the Pre-Retirement Surviving Spouse Option and Husband-and-Wife Options at retirement are not related. For example, you may choose the 100% Pre-Retirement Surviving Spouse Option and live until retirement, at which time you may elect the 50%, 75% or 100% Husband-and-Wife Pension. Again, all of your monthly benefit payments would be reduced to provide the surviving spouse coverage both before and during retirement.

This benefit is offered as another way to provide improved financial security for spouses in the event of a participant's death. Should you have any questions, please contact the Fund's Pension Department at 800/252-6571, extension 5.

Sincerely,

BOARD OF TRUSTEES

Central Laborers' Pension Fund
Election of Optional Pre-Retirement Surviving Spouse Pension

75%

I hereby elect the 75% Optional Pre-Retirement Surviving Spouse Pension. I understand that my pension will be reduced .25% per year (1/48th of 1% for each month) that this option is in effect. Upon my death prior to retirement, my spouse will receive 75%, rather than 50%, of the Pre-Retirement Surviving Spouse benefit otherwise payable (after the applicable reduction for this form of payment described above). I understand that if I elect this option, all of my monthly pension payments during retirement will be reduced for this pre-retirement coverage, *even though I did not die prior to retirement.*

100%

I hereby elect the 100% Optional Pre-Retirement Surviving Spouse Pension. I understand that my pension will be reduced .50% per year (1/24th of 1% for each month) that this option is in effect. Upon my death prior to retirement, my spouse will receive 100%, rather than 50%, of the Pre-Retirement Surviving Spouse benefit otherwise payable (after the applicable reduction for this form of payment described above). I understand that if I elect this option, all of my monthly pension payments during retirement will be reduced for this pre-retirement coverage, *even though I did not die prior to retirement.*

After you attain age 30, this coverage will begin the first day of the month following a period of thirty (30) days after the Fund office receives your completed election form. If you are not vested when you reach age 30, the coverage will begin the first day of the month following a period of thirty (30) days after the Fund office receives your completed election form, after you attain a vested status. You can cancel the coverage at any time by completing a Cancellation of Pre-Retirement Surviving Spouse Pension Form.

If you should survive until your pension begins, at retirement (after all other options are selected) all of the monthly benefit payments you receive during your retirement will be reduced for this spousal pre-retirement coverage.

If you are divorced or your spouse dies, this optional coverage will terminate upon your divorce (unless a Qualified Domestic Relations Order provides otherwise) or your spouse's death. If you later remarry (unless a QDRO provides otherwise), you must again complete and return this form to the Fund Office with information regarding your new spouse.

This election shall supersede any prior elections of the Optional Pre-Retirement Surviving Spouse Pension. By signing this form the participant and spouse hereby consent to the form of payment checked above, acknowledge that future pension payments will be reduced and waive the 50% Pre-Retirement Surviving Spouse Pension.

Participant's Name

Social Security Number

Participant's Signature

Date

Spouse's Name

Social Security Number

Spouse's Signature

Date

I certify that the participant and spouse listed above appeared before me and that the signatures are the true signatures of the participant and spouse.

Notary Public

Date

(Seal)

Examples of 75% and 100% Pre-Retirement Surviving Spouse Coverage

A vested participant, age 45, elects 75% pre-retirement surviving spouse coverage; that individual lives to retire at age 60. His monthly pension benefit, before reductions for husband/wife, lump sum, level income or other options, is \$1,500/month. Because he elected the 75% pre-retirement coverage for a period of fifteen years, all of his monthly benefit payments would be reduced by 3.75% (\$56.25) for the pre-retirement coverage.

Another vested participant, age 53, elects the 100% pre-retirement surviving spouse coverage and lives to retirement at age 63. His monthly pension benefit, before reductions for husband/wife, lump sum or other options (and for comparison to the previous example), is also \$1,500/month. Because he elected the 100% pre-retirement coverage for a period of ten years, all of his monthly benefit payments would be reduced by 5% (\$75.00) for the pre-retirement coverage.