December 9, 2013

Dear Participant:

Given the current economic situation, we want to share some important information with you related to the effects of the recession on our Pension Plan.

Two years ago, the Central Laborers’ Pension Plan entered the Red Zone, as defined by the Pension Protection Act of 2006 (“PPA”), which was enacted to stabilize the financial condition of pension plans. PPA requires multiemployer pension plans like ours to have their financial status certified each year. Depending on the status, the plans are assigned a Zone category:

- **Green Zone** pension plans are considered to be in good financial health
- **Yellow Zone** pension plans are considered to be in endangered status
- **Red Zone** pension plans are considered to be in critical status.

Trustees of plans in the Yellow or Red Zones are required to take corrective action to restore the financial health of the plan. In 2011, when we entered the Red Zone, we implemented a number of changes in an effort to put our Plan back on the right financial track while minimizing the disruption to participants and their families.

Unfortunately, the economy has not rebounded the way that we had hoped. The reduction of construction work has led to a sharp decline in hours worked by our participants.

As a result of this setback and pursuant to the requirements of PPA, the Trustees reviewed options with the Plan’s consultants and advisors, and revised the Rehabilitation Plan. The revised Rehabilitation Plan includes certain benefit reductions and contribution increases that are designed to strengthen our Pension Plan for the long-term. As we know all too well, it is impossible to predict the future. It is our hope, however, that these changes will have their intended impact and that no further changes will be required. We remain, as always, committed to protecting the long-term financial stability of the Plan.

The attached information contains a detailed explanation of the changes and examples to help you understand the changes and how they may affect you and your pension benefits. Please take some time to review the attached notices. After reviewing this information carefully, share it with your spouse, and keep it in a safe place for future reference. Please contact the Fund Office if you have questions or require additional information.

Sincerely,

**Board of Trustees**
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 NOTICES ARE ATTACHED  
THAT AFFECT YOUR PENSION BENEFITS  

December 9, 2013

Dear Participant:

In compliance with the Pension Protection Act of 2006 (“PPA”), the Board of Trustees of the Central Laborers’ Pension Fund (“Fund”) adopted a Rehabilitation Plan January 16, 2012. Since then, updated funding projections incorporating new actuarial assumptions as well as updated liabilities and assets demonstrated that the original Rehabilitation Plan would no longer meet the PPA’s requirements. Accordingly, on November 4, 2013, the Trustees adopted an updated Rehabilitation Plan as detailed below.

This communication serves to inform you that the Fund has adopted an updated Rehabilitation Plan (“Rehabilitation Plan”), and to further inform you of the benefit changes that are mandated by the Rehabilitation Plan. Accordingly, a copy of the Fund’s Rehabilitation Plan adopted by the Fund’s Board of Trustees and a notice of benefit changes required by PPA is attached herein.

Rehabilitation Plan. The Rehabilitation Plan that is attached describes important changes to the Fund’s plan of benefits and the future contributions required to be made to the Fund. How you are specifically affected by the changes in the Rehabilitation Plan depends upon what action is taken by the bargaining parties (that is, your employer (or employers) and your union). Note, although the Rehabilitation Plan includes important information regarding your benefits, the Rehabilitation Plan requires no action from participants or beneficiaries.

Notice of Reduction in Adjustable Benefits. The Notice of Reduction in Adjustable Benefits (“Notice”) that is attached describes benefit reductions to “adjustable benefits” and “non-protected benefits” that are mandated by the Rehabilitation Plan. In addition, the Notice provides examples of how the benefit reductions may affect your benefits. This Notice likewise does not require action from participants and beneficiaries.

Please review the attached notices, as they contain important information regarding the changes to the Fund’s plan of benefits. If you have any questions, please contact Mr. Dan Koeppel, in writing, at P.O. Box 1267, Jacksonville, Illinois 62651-1267.

Sincerely,

Board of Trustees
I. **Introduction**

Section 305 of the Employee Retirement Income Security Act (‘‘ERISA’’) and Section 432 of the Internal Revenue Code (the ‘‘Code’’) require the trustees of a multiemployer pension fund that has been certified by the fund’s actuary as being in ‘‘critical status’’ (also known as the ‘‘Red Zone’’) pursuant to the Pension Protection Act of 2006 (‘‘PPA’’) to develop a Rehabilitation Plan that is intended to restore the fund’s financial health by the end of the Rehabilitation Period. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions.

On December 29, 2011, the Central Laborers’ Pension Fund (‘‘Fund’’) was certified by its actuary to be in critical status for the plan year beginning October 1, 2011. On January 16, 2012, the Trustees adopted the required rehabilitation plan. Since then, updated funding projections incorporating new actuarial assumptions as well as updated liabilities and assets demonstrated that the original Rehabilitation Plan would no longer meet the PPA’s requirements. Accordingly, on November 4, 2013, the Trustees adopted the updated Rehabilitation Plan as detailed below.

This revised Rehabilitation Plan:

1. specifies the Rehabilitation Period and date of expected emergence from the Red Zone;
2. includes several optional Schedules of contributions and benefit changes (a “Preferred Schedule”, an “Alternate Schedule” and a “Default Schedule”) that will be provided to the bargaining parties and will become applicable to participants pursuant to Collective Bargaining Agreements (“CBAs”) or Participation Agreements (“PAs”) between local unions and contributing employers under which they work;
3. describes the benefit changes to Active Employees, Deferred Vested Participants and Inactive Non-Vested Employees;
4. provides annual standards for meeting the requirements of the Rehabilitation Plan and describes how the Rehabilitation Plan will be updated from time to time; and
5. describes the circumstances under which the Default Schedule will be automatically implemented.

II. **Rehabilitation Period and Expected Emergence Date**

Even though the benefit changes described in the Preferred Schedule and in the Default Schedule of the initial Rehabilitation Plan became effective March 1, 2012, the Fund’s Rehabilitation Period does not begin until January 1, 2015. PPA provides a 10-year Rehabilitation Period for the Fund to emerge from critical status, and the Fund is expected to emerge from critical status by January 1, 2025.
III. Rehabilitation Plan and Other Remedies

A. Elimination of Certain Optional Forms of Payment while the Fund is in the Red Zone

While the Fund is in the Red Zone, the PPA prohibits payment of benefits in the form of a monthly benefit that is greater than a participant’s accrued monthly benefit. The Lump Sum Option and Level Income Option are optional forms of benefit payment that were previously offered by the Fund that fall into this category. Therefore, as long as the Fund remains in the Red Zone, these optional forms of payment cannot be offered or paid. Given the Fund’s Red Zone certification on December 29, 2011, participants retiring with a pension starting date after January 1, 2012, are not eligible to receive a Lump Sum Option or a Level Income Option. The elimination of these optional forms of benefit payments while the Fund is in the Red Zone is independent of and in addition to the benefit changes described in the Preferred Schedule, Alternate Schedule and Default Schedule included in this Rehabilitation Plan.

B. Reduction in Pension Multiplier

Regardless of which Schedule has been adopted by the bargaining parties, the pension multiplier for contributions required to be made on a participant’s behalf for hours worked in Covered Employment on and after February 1, 2014, will be reduced from 0.675% to 0.3375% for New Entrants (as defined in the Fund’s Restated Plan Rules and Regulations) and from 1.35% to 0.675% for all other participants.

However, if the Employer subsequently adopts the Default Schedule included in this updated Rehabilitation Plan or such Default Schedule is subsequently automatically applied to the Employer, the pension multiplier applicable to the employees of such Employer will increase from .3375% to 0.675% for New Entrants and from 0.675% to 1.00% for all other participants. The increase in the pension multiplier set forth herein shall become effective on the date the Default Schedule becomes applicable to the employer.

C. Changes for Active Employees

For purposes of this Rehabilitation Plan, an “Active Employee” is defined as an employee who is neither a Deferred Vested Participant nor an Inactive Non-Vested Employee, and who works at least one Hour of Work in Covered Employment after September 30, 2011, or worked at least 200 Hours of Work in Covered Employment during the Plan year ended September 30, 2011. Attachment A describes the Preferred Schedule, Attachment B describes the Alternate Schedule and Attachment C describes the Default Schedule. An Active Employee whose Employer adopts one of the Schedules of this Rehabilitation Plan, or an Active Employee whose Employer is subject to the automatic implementation of the Default Schedule, shall have his/her benefits determined based on the applicable Schedule.

As noted below, these Schedules may be revised in future years if the Trustees determine that such revision is necessary to meet the Fund’s financial goals according to law.
I. **Active Employee Changes Employers**

In the case of an Active Employee who works for more than one Employer during the period beginning October 1, 2010, and ending February 29, 2012, or changes employment from one Employer to another Employer after February 29, 2012, and the Employers elect different schedules, the Active Employee’s benefits will be determined as follows:

- The benefit that the Active Employee accrued as of February 29, 2012, will be treated in accordance with the Preferred Schedule, if during the period beginning October 1, 2010, and ending February 29, 2012, the total hours he/she worked with Employers who elected the Preferred Schedule are equal to or greater than the total hours he/she worked with Employers who elected the Default Schedule. Otherwise, his/her accrued benefit as of February 29, 2012, will be treated in accordance with the Default Schedule;\(^1\)

- Subject to the Transition Rules stated herein, the benefits that the Active Employee accrues on or after March 1, 2012, while employed by any Employer will be treated in accordance with the Schedule applicable to that Employer; and

- If, on or after March 1, 2012, an Active Employee works outside the jurisdiction of the Fund and contributions are remitted to the Fund pursuant to a reciprocal agreement or similar “money follows the man” agreement, the benefits accrued will be determined under the Schedule adopted by the Active Employee’s home local union and employer association governing the same type of work performed by him/her outside such jurisdiction.

II. **Employer Changes Schedules**

In the event that an Employer changes from a Preferred Schedule to a Default Schedule or to an Alternate Schedule, the Board of Trustees may, in its sole discretion, either (1) permit the transition as long as such transition does not negatively affect the financial integrity of the Fund, (2) design and prescribe a specific schedule for that Employer (which may include a reduction or termination of pension benefits of any of the Employer’s employees whose pension starting date is after January 17, 2012 [i.e., the date of the original Rehabilitation Plan]), or (3) reject future participation in the Fund. However, an employer may change from the initial Preferred Schedule to an amended or updated Preferred Schedule.

\(^1\) The Transition Rules for Updated Schedules set forth in Section VIII, Subsection E, provide that the original Rehabilitation Plan’s Schedules are superseded, in part, by the Schedules attached hereto for participants with a pension starting date on or after February 1, 2014. Accordingly, the benefits to which a participant is entitled will be determined by the applicable Schedule of the original Rehabilitation Plan to the extent that such Schedule has not been amended and superseded by the Schedules incorporated under this Rehabilitation Plan.
D. Changes for Deferred Vested Participants and Inactive Non-Vested Employees

For purposes of this Rehabilitation Plan, a Deferred Vested Participant is a vested Participant who has not commenced receipt of monthly pension payments, has not worked at least one Hour of Work in Covered Employment after September 30, 2011, and before March 1, 2012, and has not worked at least 200 Hours of Work in Covered Employment during the Plan year ended September 30, 2011. For purposes of this Rehabilitation Plan, an Inactive Non-Vested Employee is a non-vested employee who has not commenced receipt of monthly pension payments, has not worked at least one Hour of Work in Covered Employment after September 30, 2011, and before March 1, 2012, and has not worked at least 200 Hours of Work in Covered Employment during the Plan year ended September 30, 2011.

Deferred Vested Participants who have commenced receipt of monthly pension payments before February 1, 2014 will continue to receive benefits according to the plan provisions applicable to them on the date of their actual retirement.

All Deferred Vested Participants, who have not commenced receipt of monthly pension payments before February 1, 2014, will have their accrued benefit modified as described in the attached Default Schedule. A Deferred Vested Participant or an Inactive Non-Vested Employee who returns to Covered Employment and becomes vested will have his/her accrued benefit as of February 29, 2012, determined under the Default Schedule, and any benefits accrued after his/her return to Covered Employment will be determined based on the Schedule applicable to the Employer by whom he/she is re-employed.

The above benefit changes are effective for Deferred Vested Participants and Inactive Non-Vested Employees with pension starting dates that are on or after the later of (1) March 1, 2012, or (2) 30 days after the date the notice described in Code Section 432(e)(8)(C) is provided.

E. Changes for Pensioners

Nothing in this Rehabilitation Plan will affect the benefits of a participant who has a pension starting date from this Fund before January 17, 2012.

In the event a participant who was eligible to retire and submitted a completed retirement application with a pension starting date before February 1, 2012, but his/her payment did not begin until after that date, the participant’s retirement benefit shall not be affected by the original Rehabilitation Plan or this Rehabilitation Plan.

If a participant who is eligible to retire submits a completed retirement application and has a pension starting date on or after February 1, 2012, and before February 1, 2014, the participant’s retirement benefit will be subject to the original Rehabilitation Plan and its applicable schedules. As stated more specifically in this Rehabilitation Plan, a participant who has a pension starting date on or after February 1, 2014, will be subject to this Rehabilitation Plan and its Schedules (including the pension benefit reductions and/or eliminations stated therein).
In the case of an Active Employee who retires from Covered Employment and whose pension starting date is on or after February 1, 2014, but before a Default, Preferred or Alternate Schedule becomes applicable to the Employer by whom he/she was last employed, his/her pension will initially be determined in accordance with the benefits in place immediately prior to the adoption of this Rehabilitation Plan. Once a Schedule of this Rehabilitation Plan becomes applicable (by agreement or automatic implementation) to the Employer by whom he/she was last employed, his/her pension will be adjusted, recalculated and/or terminated to reflect the terms of the applicable Schedule of this Rehabilitation Plan.

In the case of a pensioner who retires, but suspends his/her pension and returns to Covered Employment, the pension that he/she was receiving will not be affected by the Schedule applicable to the Employer by which he/she becomes re-employed as long as such retirement was bona fide. However, any benefits that he/she earns during his/her re-employment will be based on the Schedule applicable to the Employer by whom he/she becomes re-employed and, in accordance with existing Fund rules, the pension he/she earns after his/her re-employment will be actuarially offset by the pension he/she already received.

F. Changes for Beneficiaries and Alternate Payees under a “QDRO”

The benefits of a beneficiary (for example, a surviving spouse) will be determined on the same basis as those of a participant under this Rehabilitation Plan.

The benefits of any “alternate payee” under a Qualified Domestic Relations Order (“QDRO”) will be determined on the same basis as those of the participant subject to the QDRO. If the benefits of the participant are affected by the Preferred Schedule, the Alternate Schedule, or the Default Schedule, the benefits of the alternate payee will be likewise affected. If the QDRO has specific provisions regarding changes in benefits under any Rehabilitation Plan, the benefit of the participant will be adjusted accordingly so the total actuarial value of the benefits payable to the participant and alternate payee is the same as that payable to the participant under the Rehabilitation Plan had such QDRO not been in existence.

IV. Delayed Implementation of Updated Schedules

A. Delay of Any Schedule Past February 1, 2014, But On or Before the 2014 Anniversary Date of the CBA or PA

The pension benefit changes set forth in this Rehabilitation Plan (and its Schedules), which include the termination and/or reduction of certain benefits and modified eligibility criteria for certain benefits, are effective February 1, 2014. Accordingly, the benefits received by a participant who retires with a pension starting date on and after February 1, 2014, based upon the eligibility criteria for pension benefits and the types of pension benefits under one of the Schedules to the original Rehabilitation Plan, will be terminated or, if applicable, adjusted to the amount that the participant would have received had the bargaining parties adopted one of this Rehabilitation Plan’s
Schedules on or before February 1, 2014. Any benefit payments to a participant which were made in excess of what would have been paid had the Schedule been adopted on February 1, 2014, will either be (i) recouped from the participant by means of an actuarial reduction in future payments as long as the participant is then eligible for a pension benefit and the participant elects to continue receipt of the reduced pension benefit amount instead of electing to permit his current pension benefits to terminate at that time, or, alternatively, (ii) the participant’s benefits may be terminated if the participant would not have been eligible to receive a pension (and any overpayment would be recouped by means of an actuarial reduction in future payments when the Participant actually becomes eligible for, and begins receiving, pension benefits).

A participant who may be affected by the delayed implementation of a Schedule to this Rehabilitation Plan will be notified when he/she retires that his/her benefits are subject to reduction and/or termination.

B. **Delayed Implementation of Any Schedule Beyond the 2014 Anniversary Date of the CBA or PA**

The pension benefit changes set forth in this Rehabilitation Plan (and its Schedules), which include the termination and/or reduction of certain benefits and modified eligibility criteria for certain benefits, are effective February 1, 2014. Accordingly, if the bargaining parties associated with a CBA or PA that is in effect on January 1, 2014, and which does not expire until on or after January 1, 2015, do not reopen the CBA or PA and adopt one of the Schedules contained in this Rehabilitation Plan by February 1, 2014, then the following will apply:\(^2\):

1. The participants covered by the CBA or PA will continue to receive the benefits specified in the Schedule adopted by the bargaining parties through the duration of the CBA or PA, and the employer must continue to remit the contribution rate increases required by and specified in the applicable Schedule through the duration of the CBA or PA.

2. At the expiration, extension or renewal of the CBA or PA, the benefits of a participant

   (i) who is covered by the CBA or PA, and

   (ii) who has a pension starting date between February 1, 2014, and the date of expiration, extension date, or renewal date of the CBA or PA,

\(^2\) A CBA or PA that has a January 1, 2014 anniversary date must adopt one of the Schedules attached to this Rehabilitation Plan and must begin remitting the required contribution rate increase required by such adopted Schedule on or before February 1, 2014, to avoid the benefit reductions and actuarially increased contribution rate increases that result from a delayed implementation of a Schedule beyond the 2014 anniversary date of the CBA or PA.
will be terminated or, if applicable, adjusted to the amount that the participant would have received had the bargaining parties adopted one of this Rehabilitation Plan’s Schedules on or before February 1, 2014. Any benefit payments to a participant which were made in excess of what would have been paid had the Schedule been adopted by February 1, 2014, will either be (i) recouped from the participant by means of an actuarial reduction in future payments as long as the participant is then eligible for a pension benefit and the participant elects to continue receipt of the reduced pension benefit amount instead of electing to permit his pension benefits to terminate at that time, or, alternatively, (ii) the Participant’s benefits may be terminated if the Participant would not have been eligible to receive a pension (and any overpayment would be recouped by means of an actuarial reduction in future payments when the Participant actually becomes eligible for, and begins receiving, pension benefits).

3. The contribution rate increases that will be imposed after the date of expiration, extension date, or renewal date of the CBA or PA will be actuarially increased in each future year to adjust for the fact that the contribution increase did not go into effect in 2014. If the bargaining parties fail to pay the actuarially increased contribution rates at the expiration, extension, or renewal of the CBA or PA, then the Board of Trustees may, in its sole discretion, either (1) if the Preferred Schedule was elected, permit the transition to the Default Schedule or Alternate Schedule as long as such transition does not negatively affect the financial integrity of the Fund, (2) design and prescribe a specific schedule for that Employer, or (3) reject future participation in the Fund.

A participant who may be affected by the delayed implementation of a Schedule to this Rehabilitation Plan will be notified when he/she retires that his/her benefits are subject to reduction and/or termination.

C. Transition Rule for Delayed Implementation of Schedules for Participants Working under Multiple CBAs.

A participant, who performs hours worked in Covered Employment for employers under multiple CBAs, shall be deemed to be subject to and covered by the Schedule adopted by the last employer for whom the participant worked in Covered Employment between the time period of March 1, 2012 and January 31, 2014, for purposes of determining the implementation and effective date of the termination and/or reduction of, and modified eligibility criteria for, certain benefits under the Schedules to this Rehabilitation Plan.

V. Automatic Implementation of Default Schedule

If a CBA or PA providing for contributions to the Fund that was in effect on December 29, 2011, expires, and after receiving the Schedules included in this Plan, the bargaining parties fail to adopt a new CBA or PA with contribution rates equal to or greater than the rates required under one of the Schedules, the Default Schedule will be automatically implemented, and the benefits adjusted accordingly effective 180 days after the date on which the CBA or PA
expires. An employer surcharge, as described in the Notice of Plan Status previously sent to all Interested Parties, will be applied in that event, as well.

If the bargaining parties to a CBA or PA initially adopted one of the Schedules contained in the initial Rehabilitation Plan but fail to adopt one of the Schedules of this Rehabilitation Plan within 180 days after the expiration, termination or extension of a CBA or PA which incorporated a Schedule of the initial Rehabilitation Plan, then the Board of Trustees may, in their sole discretion, either (1) automatically apply the Alternate Schedule or Default Schedule to the CBA or PA as long as such application does not negatively affect the financial integrity of the Fund, (2) design and prescribe a specific schedule for that Employer (which may include a reduction or termination of pension benefits of any of the Employer’s employees whose pension starting date is after January 17, 2012), or (3) reject future participation in the Fund.

VI. **Annual Standards for Meeting the Rehabilitation Plan Requirements**

Based on reasonable actuarial assumptions, the Fund is expected to emerge from the Red Zone on January 1, 2025. The Trustees recognize the possibility that actual experience could be less favorable than those assumptions, and acknowledge the need to review the Rehabilitation Plan on an annual basis and revise it, if necessary. The projected Funding Standard Account “credit balance/(funding deficiency)” shown on the following chart indicates the level the Fund has to maintain each year in order to emerge from the Red Zone by the end of the Rehabilitation Period if (a) Fund assets would earn, on a market value basis, a return equal to the funding interest assumption used in the most recent actuarial valuation for the subsequent Plan years, and (b) other experience comports with actuarial assumptions used in the most recent actuarial valuation.

<table>
<thead>
<tr>
<th>Determination for Plan Year Beginning January 1</th>
<th>Credit Balance/(Funding Deficiency) as of End of Prior Plan Year to be No Less Than the Following (in $ Millions)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015*</td>
<td>-$122</td>
</tr>
<tr>
<td>2016</td>
<td>-153</td>
</tr>
<tr>
<td>2017</td>
<td>-178</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
<td>-198</td>
</tr>
<tr>
<td>2020</td>
<td>-193</td>
</tr>
<tr>
<td>2021</td>
<td>-179</td>
</tr>
<tr>
<td>2022</td>
<td>-154</td>
</tr>
<tr>
<td>2023</td>
<td>-123</td>
</tr>
<tr>
<td>2024</td>
<td>-89</td>
</tr>
</tbody>
</table>
**First year of the Rehabilitation Period.**

**The credit balances outlined above do not reflect the 5-year amortization extension under Code Section 431(d).** Attachment D is a graphic presentation of the foregoing annual standards.

### VII. Annual Updating of Rehabilitation Plan

Each year the Fund’s actuary will review and certify the status of the Fund and, starting with the beginning of the Rehabilitation Period, determine whether the Fund is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. If the Trustees determine it to be necessary, in light of then-current information, the Rehabilitation Plan will be revised and updated and/or new schedules will be established which may prescribe additional benefit reductions and/or higher contribution rates. In that event, notice of such revisions, updates or new schedules will be sent to Fund participants and bargaining parties.

### VIII. Other Issues

A. **Effective Date.** Benefit changes pursuant to the Preferred Schedule, the Alternate Schedule and the Default Schedule will become effective pursuant to the terms of this Rehabilitation Plan as soon as legally permissible after the Rehabilitation Plan is adopted.

B. **Duration of Schedule.** Notwithstanding subsequent changes in benefit and contribution schedules, a Schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a CBA or PA shall remain in effect for the duration of that CBA or PA. However, a CBA or PA that is renewed or extended while the Fund remains in critical status will need to include terms consistent with one of the Schedules in effect at the time of the renewal or extension.

C. **Expiration of CBAs or PAs.** Since CBAs or PAs have a duration shorter than 10 years, it is required that future renewals of CBAs or PAs will be consistent with the then-applicable Preferred Schedule, Alternate Schedule or Default Schedule. The Trustees may adjust these schedules at any time during the Rehabilitation Period.

D. **Updated Schedules Supersede Prior Schedules.** Except as specifically stated in this Rehabilitation Plan or in the Schedules incorporated hereby, the updated Schedules attached to this updated Rehabilitation Plan shall supersede the Schedules attached to the original Rehabilitation Plan adopted on January 16, 2012.

E. **Transition Rules for Updated Schedules.** The following transition rules apply to Active Employees who retire on and after February 1, 2014, who work in Covered Employment under multiple Preferred and/or Default Schedules of the original Rehabilitation Plan adopted in January 16, 2012, and this Rehabilitation Plan:
1. Preferred Schedule. If the Preferred Schedule of this updated Rehabilitation Plan is adopted by the bargaining parties of a CBA or PA, then such Preferred Schedule shall govern and supersede the eligibility criteria for pension benefits and the types of pension benefits provided by the Fund to which a participant would have been otherwise entitled for any benefits that are deemed covered by the Preferred Schedule of the original Rehabilitation Plan. The eligibility criteria for pension benefits and the types of pension benefits specified in the original Rehabilitation Plan’s Preferred Schedule apply only to those participants who have a pension starting date before February 1, 2014, for any benefits that are deemed covered by a Preferred Schedule. Notwithstanding the foregoing, the pension multiplier and the amount of hourly contribution subject to the pension multiplier shall be determined by each Preferred Schedule in effect when the participant performed each Hour of Work in Covered Employment.

2. Default or Alternate Schedule. If the Default or Alternate Schedule of this updated Rehabilitation Plan is adopted by the bargaining parties of a CBA or PA or otherwise becomes applicable to the bargaining parties of a CBA or PA, then such Default or Alternate Schedule shall govern and supersede the eligibility criteria for pension benefits and the types of pension benefits provided by the Fund to which a participant would have been otherwise entitled for any benefits that are deemed covered by the Default Schedule of the original Rehabilitation Plan. The eligibility criteria for pension benefits and the type of pension benefits specified in the original Rehabilitation Plan’s Default Schedule apply only to those participants who have a pension starting date before February 1, 2014, for any benefits that are deemed covered by the Default Schedule of the original Rehabilitation Plan. Notwithstanding the foregoing, the pension multiplier and the amount of hourly contribution subject to the pension multiplier shall be determined by each Default or Alternate Schedule in effect when the participant performed each Hour of Work in Covered Employment.

F. Determination of Employer Status under Rehabilitation Plan:

1. For Hours Worked by Employees prior to March 1, 2012. An employer, who had an obligation to remit contributions to the Fund based upon an area-wide multiple employer collective bargaining agreement, that failed to execute a Preferred Schedule after receipt of the Fund’s original Rehabilitation Plan but who actually remitted contributions to the Fund between October 1, 2010 and February 29, 2012, at the contribution rates required by the Fund’s Funding Improvement Plan or by the Preferred Schedule of the Rehabilitation Plan shall be considered to have adopted the Preferred Schedule solely for purposes of classifying a participant’s accrued benefit as of February 29, 2012, as either subject to the Preferred Schedule or Default Schedule; provided however, (1)
the Local Union and/or District Council which is the counterparty to the area-wide multiple employer collective bargaining agreement must demonstrate to the Fund that it has exhausted efforts to obtain an executed schedule from the employer before the Fund deems the employer to have adopted the Preferred Schedule, and (2) the employer/contractor association that is counterparty to the area-wide multiple employer collective bargaining agreement must have adopted and executed the Preferred Schedule. Notwithstanding the foregoing, in no event shall an employer be considered to have adopted the Preferred Schedule if the Fund is aware that the employer intended to adopt the Default Schedule or if the employer is paying the surcharge mandated by PPA.

2. For Hours Worked by Employees on and after March 1, 2012. An employer, who has an obligation to remit contributions to the Fund based upon an area-wide multiple employer collective bargaining agreement, that fails to execute a Preferred Schedule after receipt of the Fund’s Rehabilitation Plan but who actually remits contributions to the Fund on and after March 1, 2012, at the contribution rates required by the Fund’s Funding Improvement Plan or by the Preferred Schedule of the Rehabilitation Plan shall be considered to have adopted the Preferred Schedule solely for purposes of classifying the hours worked by its employees as either subject to the Preferred Schedule or Default Schedule; provided however, (1) the Local Union and/or District Council which is the counterparty to the area-wide multiple employer collective bargaining agreement must demonstrate to the Fund that it has exhausted efforts to obtain an executed schedule from the employer before the hours worked by the affected employees are considered to be subject to the Preferred Schedule, and (2) the employer/contractor association that is counterparty to the area-wide multiple employer collective bargaining agreement must have adopted and executed the Preferred Schedule. Notwithstanding the foregoing, in no event shall an employer be considered to have adopted the Preferred Schedule if the Fund is aware that the employer intended to adopt the Default Schedule or if the employer is paying the surcharge mandated by PPA.

IX. Amendment of the Rehabilitation Plan

The Trustees have the right to amend this Rehabilitation Plan at any time. In addition, the Trustees may also amend the Rehabilitation Plan to address issues or circumstances not addressed herein.

X. Bona fide Retirement

In order for a participant to begin receiving retirement benefits, the Internal Revenue Service requires the participant to “retire” within the meaning of the Internal Revenue Code. In order to comply with the Internal Revenue Code and maintain its tax exempt status under 401(a) of the Internal Revenue Code, the Fund shall require a participant to certify on his/her retirement application that his/her retirement is bona fide. Additionally, the Fund may condition receipt of pension benefits upon the participant demonstrating a bona fide retirement.
XI. Adoption of the Rehabilitation Plan

The Board of Trustees hereby adopts this revised Rehabilitation Plan for the Central Laborers’ Pension Fund on the 4th day of November, 2013.

__________________________  ______________________________
John F. Penn                James P. Bruner
Chairman                    Secretary
Affected Participants

The changes described in this Preferred Schedule apply to Active Employees of Employers agreeing to increase their future contribution rates according to the schedule described below:

Applicability

The eligibility terms and benefit modifications of this Schedule shall supersede the eligibility terms and benefit modifications of the Preferred Schedule of the original Rehabilitation Plan for all accrued pension benefits subject to the Preferred Schedule of the original Rehabilitation Plan which were earned by participants who do not have a pension starting date before February 1, 2014, and whose benefits are deemed covered by this Preferred Schedule. Notwithstanding the foregoing, the pension multiplier and the amount of hourly contribution subject to the pension multiplier shall be determined by each Preferred Schedule in effect when the participant performed each Hour of Work in Covered Employment.

Benefit Changes

Unless otherwise specified, the benefit changes listed below are effective for participants with pension starting dates beginning with the later of (1) March 1, 2012, or (2) 30 days after the date the notice described in Code Section 432(e)(8)(C) is provided.

1. Service Pension

   a. For participants with pension starting dates on or before January 31, 2014:

      i. For participants who have earned 25 or more pension credits as of February 29, 2012:

         The current eligibility criteria for a Service Pension are unchanged. (See Section 3.4 of the Fund’s Restated Plan Rules and Regulations.)

      ii. For participants who have earned less than 25 pension credits as of February 29, 2012:

         The minimum age for Service Pension is increased to age 55. Otherwise, the current eligibility criteria for a Service Pension are unchanged. (See Section 3.4 of the Fund’s Restated Plan Rules and Regulations.)

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3 The Service Pension is not an available benefit under the Fund’s New Entrant Plan.
b. For participants with pension starting dates on or after February 1, 2014:

All of the requirements stated in Section 3.4 of the Fund’s Restated Plan Rules and Regulations related to eligibility for a Service Pension at age 53 or earlier (including age 55 as noted in Rehabilitation Plan Preferred Schedule adopted January 16, 2012) are changed to or are otherwise increased to age 58, i.e., the minimum age for a Service Pension is increased to 58. The eligibility requirements for Pension benefits earned prior to October 1, 1999, are the same as the Pension benefits earned on or after October 1, 1999.

2. Temporary Supplemental Benefit

The Temporary Supplemental Benefit is eliminated. Participants who initially commence receipt of a Regular, Early Retirement, or Service Pension or begin receiving a Disability Pension or Occupational Disability Benefit on or after February 1, 2014, are no longer eligible for the Temporary Supplemental Benefit stated in Section 3.6 of the Fund’s Restated Plan Rules and Regulations.

3. Death Benefit

The amount of the Death Benefit stated in Section 6.5 of the Fund’s Restated Plan Rules and Regulations will be reduced by 50% for participants who have not retired before February 1, 2014.

4. Contribution Rate Subject to the Applicable Pension Multiplier

The amount of the hourly contribution rate for all Hours of Work in Covered Employment earned on or after the 2014 (and subsequent years) anniversary dates of all CBAs and PAs which are subject to the applicable pension multiplier will decrease as outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Additional Decrease in Amount of Hourly Contribution Subject to Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5%</td>
</tr>
<tr>
<td>2015</td>
<td>5%</td>
</tr>
<tr>
<td>2016</td>
<td>10%</td>
</tr>
<tr>
<td>2017</td>
<td>10%</td>
</tr>
<tr>
<td>2018</td>
<td>5%</td>
</tr>
<tr>
<td>2019</td>
<td>5%</td>
</tr>
<tr>
<td>2020</td>
<td>5%</td>
</tr>
<tr>
<td>2021</td>
<td>5%</td>
</tr>
</tbody>
</table>
Central Laborers’ Pension Fund
Rehabilitation Plan (Revised as of February 1, 2014)
Attachment A
Preferred Schedule
Page 3

**Contribution Rate Increases**

Contributing Employers covered by this Preferred Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

a. 10% compounded annually, on each contract anniversary date during the years 2014 through 2017; and

b. 5% compounded annually, on each contract anniversary date during the years 2018 through 2021.

Contributing Employers covered by this Preferred Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in critical status. Any excess increase in the contribution rate will be subject to benefit accrual.

**Combination of (1) Decrease in Contribution Rate Subject to Multiplier and (2) Contribution Rate Increases**

The chart below illustrates both the decrease in the amount of the hourly contribution rate subject to the applicable pension multiplier and the required contribution rate increases. In 2014 and 2015, the reduction in the amount of contribution subject to the applicable pension multiplier is 5% while the required contribution increase is 10%. Beginning in 2016 and thereafter, the reduction in the amount of contribution subject to the multiplier is the same as the contribution rate increase.

<table>
<thead>
<tr>
<th>Year</th>
<th>Decrease in Amount of Hourly Contribution Subject to Multiplier</th>
<th>Contribution Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>2015</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>2016</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2017</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2018</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>2019</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>2020</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>2021</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Future Revisions**

The Trustees are required by ERISA and the Code to review the progress of their Rehabilitation Plan each year and to update and revise the Rehabilitation Plan and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).
Central Laborers’ Pension Fund
Rehabilitation Plan (Revised as of February 1, 2014)
Attachment B
Alternate Schedule
Page 1

CENTRAL LABORERS’ PENSION FUND
REHABILITATION PLAN
ATTACHMENT B
ALTERNATE SCHEDULE

Affected Participants

The changes described in this Alternate Schedule apply to Active Employees of Employers who elect this Schedule and decide not to increase their future contribution rates as described in the Preferred or Default Schedules.

Applicability

The eligibility terms and benefit modifications of this Schedule shall supersede the eligibility terms and benefit modifications of the Default Schedule of the original Rehabilitation Plan for all accrued pension benefits subject to the Default Schedule of the original Rehabilitation Plan which were earned by participants who do not have a pension starting date before February 1, 2014, and whose benefits earned after February 1, 2014, are deemed covered by this Alternate Schedule. Notwithstanding the foregoing, the pension multiplier and the amount of hourly contribution subject to the pension multiplier shall be determined by each Schedule in effect when the participant performed each Hour of Work in Covered Employment.

See, “Employer Changes Schedules” section in the Rehabilitation Plan for rules governing an employer changing from a Preferred Schedule to an Alternate Schedule.

Benefit Changes

Unless otherwise specified, all of the benefit changes listed below are effective for participants with pension starting dates beginning with the later of (1) March 1, 2012 or (2) 30 days after the date the notice described in Internal Revenue Code (“Code”) Section 432(e)(8)(C) is provided.

1. Service Pension

Participants subject to this Alternate Schedule will not be eligible for a Service Pension as described in Section 3.4 of the Fund’s Restated Plan Rules and Regulations. For all participants retiring before their Normal Retirement Age with pension starting dates on or after the effective date of this change, their monthly benefits will be subject to applicable Deferred Pension reductions, depending on the age at which they separate from Covered Employment and the age at which they commence receipt of pension payments.
2. Early Retirement Pension

Effective February 1, 2014, participants subject to this Alternate Schedule will not be eligible for an Early Retirement Pension. Participants who leave Covered Employment after age 53 (58 for New Entrants) after earning at least five years of Vesting Service are only eligible for the Deferred Pension, which may commence after attaining age 53 (or 58 for New Entrants) or any time before reaching the Fund’s Normal Retirement Age.

3. Disability Benefits

Participants subject to this Alternate Schedule will not be eligible for a Disability Pension or an Occupational Disability Benefit. No Disability Pension or Occupational Disability Benefit will be awarded if an application is made on or after February 1, 2014, regardless of the date the disability was incurred.

4. Temporary Supplemental Benefit

The Temporary Supplemental Benefit is eliminated. Participants subject to this Alternate Schedule who initially retire on or after February 1, 2014, are no longer eligible for the Temporary Supplemental Benefit stated in Section 3.6 of the Fund’s Restated Plan Rules and Regulations.

5. Death Benefit

The amount of the Death Benefit stated in Section 6.5 of the Fund’s Restated Plan Rules and Regulations will be reduced by 50% for participants who have not retired before February 1, 2014.

6. Contribution Rate Subject to the Applicable Pension Multiplier

In accordance with this Alternate Schedule, on or after the 2014 anniversary date of all CBAs and PAs, there shall be no decrease in the amount of the Contribution Rate subject to the applicable Pension multiplier.

Contribution Changes

Contributing Employers covered by this Alternate Schedule are required to contribute at a rate no less than the contribution rate in effect immediately preceding the date they transitioned to the Alternate Schedule, for each Hour of Work in Covered Employment under the Fund during the Rehabilitation Period.

Any Contributing Employers covered by this Alternate Schedule may elect to increase its pension contribution rate while the Fund is in critical status. Any contribution increases in excess of the rate in effect immediately preceding the date they transitioned to the Alternate Schedule will be subject to benefit accrual.
Future Revisions

The Trustees are required by ERISA and the Code to review the progress of their Rehabilitation Plan each year and to update and revise the Rehabilitation Plan and schedules, if necessary. However, any change(s) made to this Alternate Schedule will apply only to those CBAs and PAs that are adopted, renewed or extended on or after the date of such change(s).
Affected Participants

The changes described in this Default Schedule apply to all Deferred Vested Participants and Inactive Non-Vested Employees who have not retired on or before January 31, 2014, and Active Employees of Employers acceding to increase their future contribution rates according to the schedule described below (by agreement or automatic imposition as required by law).

Applicability

The eligibility terms and benefit modifications of this Schedule shall supersede the eligibility terms and benefit modifications of the Default Schedule of the original Rehabilitation Plan for all accrued pension benefits subject to the Default Schedule of the original Rehabilitation Plan which were earned by participants who do not have a pension starting date before February 1, 2014, and whose benefits are deemed covered by this Default Schedule. Notwithstanding the foregoing, the pension multiplier and the amount of hourly contribution subject to the pension multiplier shall be determined by each Default Schedule in effect when the participant performed each Hour of Work in Covered Employment.

See, “Employer Changes Schedules” section in the Rehabilitation Plan for rules governing an employer changing from a Preferred Schedule to a Default Schedule.

Benefit Changes

All of the benefit changes listed below are effective for participants with pension starting dates beginning with the later of (1) March 1, 2012, or (2) 30 days after the date the notice described in Internal Revenue Code (“Code”) Section 432(e)(8)(C) is provided.

1. Service Pension

Participants subject to this Default Schedule will not be eligible for a Service Pension as described in Section 3.4 of the Fund’s Restated Plan Rules and Regulations. For all participants retiring before their Normal Retirement Age with pension starting dates on or after the effective date of this change, their monthly benefits will be subject to applicable Deferred Pension reductions, depending on the age at which they separate from Covered Employment and the age at which they commence receipt of pension payments.
2. Early Retirement Pension

Effective February 1, 2014, participants subject to this Default Schedule will not be eligible for an Early Retirement Pension. Participants who leave Covered Employment after age 53 (58 for New Entrants) after earning at least five years of Vesting Service are only eligible for the Deferred Pension, which may commence after attaining age 53 (58 for New Entrants) or any time before reaching the Fund’s Normal Retirement Age.

3. Disability Benefits

Participants subject to this Default Schedule will not be eligible for a Disability Pension or an Occupational Disability Benefit. No Disability Pension or Occupational Disability Benefit will be awarded if an application is made on or after March 1, 2012, regardless of the date the disability was incurred.

4. Temporary Supplemental Benefit

The Temporary Supplemental Benefit is eliminated. Participants subject to this Default Schedule initially who retire on or after February 1, 2014, are no longer eligible for the Temporary Supplemental Benefit stated in Section 3.6 of the Fund’s Restated Plan Rules and Regulations.

5. Death Benefit

The amount of the Death Benefit stated in Section 6.5 of the Fund’s Restated Plan Rules and Regulations will be reduced by 50% for participants who have not retired before February 1, 2014.

6. Pension Multiplier

The pension multiplier for contributions required to be made on a participant’s behalf for hours worked in Covered Employment that are subject to this schedule shall be 0.675% for New Entrants (as defined in the Fund’s Restated Plan Rules and Regulations) and shall be 1.0% for all other participants.

7. Contribution Rate Subject to the Applicable Pension Multiplier

The amount of the hourly contribution rate for all Hours of Work in Covered Employment earned on or after the 2014 (and subsequent years) anniversary dates of all CBAs and PAs which are subject to the applicable pension multiplier will decrease as outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Additional Decrease in Amount of Hourly Contribution Subject to Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5%</td>
</tr>
</tbody>
</table>
In accordance with this Default Schedule, on or after the 2015 anniversary date of all CBAs and PAs, there shall be no further decrease in the amount of the Contribution Rate subject to the applicable pension multiplier.

**Contribution Changes**

Contributing Employers covered by this Default Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by 5% on the contract anniversary date during 2014.

Contributing Employers covered by this Default Schedule may elect to increase their contribution rate by an amount more than the above while the Fund is in critical status. Any excess increase in the contribution rate will be subject to benefit accrual.

**Future Revisions**

The Trustees are required by ERISA and the Code to review the progress of their Rehabilitation Plan each year and to update and revise the Rehabilitation Plan and schedules, if necessary. However, any change(s) made to this Default Schedule will apply only to those CBAs and PAs that are adopted, renewed, or extended on or after the date of such change(s).
ATTACHMENT D

Annual Standards of the Central Laborers’ Pension Fund’s Rehabilitation Plan
(as Revised for the 2014 Plan Year)
Rehabilitation Plan: Attachment E

AGREEMENT ADOPTING PREFERRED SCHEDULE

ADDENDUM TO COLLECTIVE BARGAINING AGREEMENT

Recitals

WHEREAS, the undersigned Union and Employer Association (or Employer, if applicable) are parties to a collective bargaining agreement that provides for contributions to the Central Laborers’ Pension Fund (“Pension Fund”); and

WHEREAS, on November 4, 2013, the Pension Fund’s Board of Trustees has adopted an updated Rehabilitation Plan (“Rehabilitation Plan”) to improve the Pension Fund’s funding status over a period of years as required by the Pension Protection Act of 2006 (“PPA”); and

WHEREAS, the updated Rehabilitation Plan includes revised Schedules which are effective February 1, 2014; and

WHEREAS, a copy of the updated Rehabilitation Plan has been provided to the Union, the Employer Association, and the Employer; and

WHEREAS, the updated Rehabilitation Plan, in accordance with PPA, requires the bargaining parties (i.e., the Union and the Employer Association, or Employer, if applicable) to every collective bargaining agreement providing for contributions to the Pension Fund to adopt one of the Schedules included in the updated Rehabilitation Plan; and

WHEREAS, the Union and the Employer Association (or Employer, if applicable) have agreed to adopt the Preferred Schedule of the updated Rehabilitation Plan and hereby seek to memorialize that agreement;

NOW THEREFORE, the Union and the Employer Association (or Employer, if applicable) hereby agree as follows:

1. The recitals stated above are incorporated by reference and are deemed to be a part of this Addendum.

2. The current contribution rate to the Pension Fund shall be increased by ten percent (10%) effective on the anniversary date of the collective bargaining agreement immediately following the adoption of this Schedule. In the event that the 2014 anniversary date of the collective bargaining agreement predates the adoption of this Schedule for calendar year 2014, then the 10% increase must be effective on or before February 1, 2014. For all years after 2014, the contribution rate shall be increased on each subsequent anniversary date according to the schedule delineated in the Preferred Schedule (Attachment A to the Rehabilitation Plan).

3. The benefit changes, i.e., the reduction of certain adjustable benefits, described in the Preferred Schedule (Attachment A to the Rehabilitation Plan) are incorporated herein as if fully set forth in this Addendum. The benefit changes are effective on the date specified in the Rehabilitation Plan and...
the **Preferred Schedule**.

4. This Addendum shall be considered part of the collective bargaining agreement between the Union and the Employer Association (or Employer, if applicable).

5. The provisions of this Addendum shall supersede any inconsistent provision of the collective bargaining agreement. The terms of the Rehabilitation Plan and the **Preferred Schedule** of the Rehabilitation Plan shall supersede any inconsistent provisions of this collective bargaining agreement, the original Rehabilitation Plan (adopted January 16, 2012) and the schedules of the original Rehabilitation Plan.

6. The Rehabilitation Plan and the **Preferred Schedule** are deemed to be part of this Addendum and are incorporated hereby as if fully set forth herein.

7. As set forth in the Rehabilitation Plan and as contemplated and allowed by the provisions of the PPA, the Pension Fund’s Board of Trustees has the discretionary authority to amend the Rehabilitation Plan, including its Schedules, and amend the Pension Fund’s plan of benefits set forth in the Pension Fund’s governing documents.

8. This Addendum shall be effective this ______ day of ____________________, 20____.

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**IF THIS ADDENDUM IS RECEIVED BY THE PENSION FUND AFTER FEBRUARY 1, 2014, THEN AFFECTED EMPLOYEE’S PENSION BENEFITS WILL BE SUBJECT TO RETROACTIVE ADJUSTMENTS IN ACCORDANCE WITH THE REHABILITATION PLAN’S RULES GOVERNING DELAYED IMPLEMENTATION OF UPDATED SCHEDULES.**

---

To acknowledge their agreement and acceptance of the **Preferred Schedule** of the Central Laborers’ Pension Fund’s Rehabilitation Plan through the adoption of this Addendum, the Union and the Employer Association (or Employer, if applicable) have caused their authorized representatives to place their signatures below:

**FOR THE EMPLOYER**

Signature: ___________________________________________________________

Name of Employer: _____________________________________________________

Position: ___________________________ Date: ___________________________

---

**FOR THE UNION**

Signature: ___________________________________________________________

Name of Union: _______________________________________________________

Position: ___________________________ Date: ___________________________
Rehabilitation Plan: Attachment F

AGREEMENT ADOPTING ALTERNATE SCHEDULE

ADDENDUM TO COLLECTIVE BARGAINING AGREEMENT

Recitals

WHEREAS, the undersigned Union and Employer Association (or Employer, if applicable) are parties to a collective bargaining agreement that provides for contributions to the Central Laborers’ Pension Fund (“Pension Fund”); and

WHEREAS, on November 4, 2013, the Pension Fund’s Board of Trustees has adopted an updated Rehabilitation Plan (“Rehabilitation Plan”) to improve the Pension Fund’s funding status over a period of years as required by the Pension Protection Act of 2006 (“PPA”); and

WHEREAS, the updated Rehabilitation Plan includes revised Schedules which are effective February 1, 2014; and

WHEREAS, a copy of the updated Rehabilitation Plan has been provided to the Union, the Employer Association, and the Employer; and

WHEREAS, the updated Rehabilitation Plan, in accordance with PPA, requires the bargaining parties (i.e., the Union and the Employer Association, or Employer, if applicable) to every collective bargaining agreement providing for contributions to the Pension Fund to adopt one of the Schedules included in the updated Rehabilitation Plan; and

WHEREAS, the Union and the Employer Association (or Employer, if applicable) have agreed to adopt the Alternate Schedule of the updated Rehabilitation Plan and hereby seek to memorialize that agreement;

NOW THEREFORE, the Union and the Employer Association (or Employer, if applicable) hereby agree as follows:

1. The recitals stated above are incorporated by reference and are deemed to be a part of this Addendum.

2. The Employer shall remit the contribution rate to the Pension Fund that was in effect on the date preceding the adoption of this schedule throughout the duration of the collective bargaining agreement; provided, however, such contribution rate must be the highest contribution rate in effect since the Board of Trustees adopted the original Rehabilitation Plan on January 16, 2012. The bargaining parties may elect to increase the contribution rate on the annual anniversary date of the collective bargaining agreement.

3. The benefit changes, i.e., the reduction of certain adjustable benefits, described in the Alternate Schedule (Attachment B to the Rehabilitation Plan) are incorporated herein as if fully set forth in this Addendum. The benefit changes are effective on the date specified in the Rehabilitation Plan and the Alternate Schedule.
4. This Addendum shall be considered part of the collective bargaining agreement between the Union and the Employer Association (or Employer, if applicable).

5. The provisions of this Addendum shall supersede any inconsistent provision of the collective bargaining agreement. The terms of the Rehabilitation Plan and the **Alternate Schedule** of the Rehabilitation Plan shall supersede any inconsistent provisions of this collective bargaining agreement, the original Rehabilitation Plan (adopted January 16, 2012) and the schedules of the original Rehabilitation Plan.

6. The Rehabilitation Plan and the **Alternate Schedule** are deemed to be part of this Addendum and are incorporated hereby as if fully set forth herein.

7. As set forth in the Rehabilitation Plan and as contemplated and allowed by the provisions of the PPA, the Pension Fund’s Board of Trustees has the discretionary authority to amend the Rehabilitation Plan, including its Schedules, and amend the Pension Fund’s plan of benefits set forth in the Pension Fund’s governing documents.

8. This Addendum shall be effective this _______ day of _____________, 20____.

IF THIS ADDENDUM IS RECEIVED BY THE PENSION FUND AFTER FEBRUARY 1, 2014, THEN AFFECTED EMPLOYEE’S PENSION BENEFITS WILL BE SUBJECT TO RETROACTIVE ADJUSTMENTS IN ACCORDANCE WITH THE REHABILITATION PLAN’S RULES GOVERNING DELAYED IMPLEMENTATION OF UPDATED SCHEDULES.

To acknowledge their agreement and acceptance of the **Alternate Schedule** of the Central Laborers’ Pension Fund’s Rehabilitation Plan through the adoption of this Addendum, the Union and the Employer Association (or Employer, if applicable) have caused their authorized representatives to place their signatures below:

**FOR THE EMPLOYER**

Signature: __________________________________________________________

Name of Employer: __________________________________________________

Position: ___________________ Date: ______________________________

**FOR THE UNION**

Signature: __________________________________________________________

Name of Union: _____________________________________________________

Position: ___________________ Date: __________ _________________________
Rehabilitation Plan: Attachment G

AGREEMENT ADOPTING DEFAULT SCHEDULE

ADDENDUM TO COLLECTIVE BARGAINING AGREEMENT

Recitals

WHEREAS, the undersigned Union and Employer Association (or Employer, if applicable) are parties to a collective bargaining agreement that provides for contributions to the Central Laborers’ Pension Fund (“Pension Fund”); and

WHEREAS, on November 4, 2013, the Pension Fund’s Board of Trustees has adopted an updated Rehabilitation Plan (“Rehabilitation Plan”) to improve the Pension Fund’s funding status over a period of years as required by the Pension Protection Act of 2006 (“PPA”); and

WHEREAS, the updated Rehabilitation Plan includes revised Schedules which are effective February 1, 2014; and

WHEREAS, a copy of the updated Rehabilitation Plan has been provided to the Union, the Employer Association, and the Employer; and

WHEREAS, the updated Rehabilitation Plan, in accordance with PPA, requires the bargaining parties (i.e., the Union and the Employer Association, or Employer, if applicable) to every collective bargaining agreement providing for contributions to the Pension Fund to adopt one of the Schedules included in the updated Rehabilitation Plan; and

WHEREAS, the Union and the Employer Association (or Employer, if applicable) have agreed to adopt the Default Schedule of the updated Rehabilitation Plan and hereby seek to memorialize that agreement;

NOW THEREFORE, the Union and the Employer Association (or Employer, if applicable) hereby agree as follows:

1. The recitals stated above are incorporated by reference and are deemed to be a part of this Addendum.

2. The current contribution rate to the Pension Fund shall be increased by five percent (5%) effective on the anniversary date of the collective bargaining agreement immediately following the adoption of this Schedule. In the event that the 2014 anniversary date of the collective bargaining agreement predates the adoption of this Schedule for calendar year 2014, then the 5% increase must be effective on or before February 1, 2014. The employer shall continue to remit this contribution rate throughout the duration of the collective bargaining agreement. However, the bargaining parties may elect to increase the contribution rate on the annual anniversary date of the collective bargaining agreement.

3. The benefit changes, i.e., the reduction of certain adjustable benefits, described in the Default Schedule (Attachment C to the Rehabilitation Plan) are incorporated herein as if fully set forth in this Addendum. The benefit changes are effective on the date specified in the Rehabilitation Plan and the
Default Schedule.

4. This Addendum shall be considered part of the collective bargaining agreement between the Union and the Employer Association (or Employer, if applicable).

5. The provisions of this Addendum shall supersede any inconsistent provision of the collective bargaining agreement. The terms of the Rehabilitation Plan and the Default Schedule of the Rehabilitation Plan shall supersede any inconsistent provisions of this collective bargaining agreement, the original Rehabilitation Plan (adopted January 16, 2012) and the schedules of the original Rehabilitation Plan.

6. The Rehabilitation Plan and the Default Schedule are deemed to be part of this Addendum and are incorporated hereby as if fully set forth herein.

7. As set forth in the Rehabilitation Plan and as contemplated and allowed by the provisions of the PPA, the Pension Fund’s Board of Trustees has the discretionary authority to amend the Rehabilitation Plan, including its Schedules, and amend the Pension Fund’s plan of benefits set forth in the Pension Fund’s governing documents.

8. This Addendum shall be effective this ______ day of ______________, 20__.

IF THIS ADDENDUM IS RECEIVED BY THE PENSION FUND AFTER FEBRUARY 1, 2014, THEN AFFECTED EMPLOYEE’S PENSION BENEFITS WILL BE SUBJECT TO RETROACTIVE ADJUSTMENTS IN ACCORDANCE WITH THE REHABILITATION PLAN’S RULES GOVERNING DELAYED IMPLEMENTATION OF UPDATED SCHEDULES.

To acknowledge their agreement and acceptance of the Default Schedule of the Central Laborers’ Pension Fund’s Rehabilitation Plan through the adoption of this Addendum, the Union and the Employer Association (or Employer, if applicable) have caused their authorized representatives to place their signatures below:

FOR THE EMPLOYER

Signature: __________________________________________

Name of Employer: __________________________________

Position: ________________________ Date: ______________

FOR THE UNION

Signature: __________________________________________

Name of Union:____________________________________

Position: ________________________ Date: ______________
NOTICE OF REDUCTION IN ADJUSTABLE BENEFITS UNDER THE REHABILITATION PLAN OF THE CENTRAL LABORERS’ PENSION FUND

November 4, 2013
(for Rehabilitation Plan Schedules Adopted Effective February 1, 2014)

Dear Plan Participants, Beneficiaries, Contributing Employers and Local Unions:

As indicated in the April 26, 2013 Notice of Plan Status, the Central Laborers’ Pension Fund (the “Plan”) has been certified by its actuary to be in “critical status” (also known as the “Red Zone”) for the Plan year beginning January 1, 2013, for purposes of the Employee Retirement Income Security Act of 1974 (“ERISA”) as amended by Pension Protection Act of 2006 (“PPA”), the federal law that governs multiemployer pension plans like this Plan. The Plan’s actuary recently confirmed that the January 1, 2013 certification will not allow the Plan to exit the Red Zone within the allowable time period. Therefore, as required by ERISA, the Plan’s Board of Trustees reviewed and revised the Rehabilitation Plan that was adopted January 16, 2012. The revised Rehabilitation Plan combines benefit reductions and contribution rate increases that are designed to improve the financial status of the Plan. The revised Rehabilitation Plan modifies the benefit provisions and contribution rate increase requirements under the current Preferred and Default Schedules. The revised Default Schedule includes the maximum benefit changes to “adjustable benefits” and “non-protected benefits”, as defined by ERISA and as amended by PPA, that can be imposed on Plan participants without negotiation between the bargaining parties but requires a small contribution increase in 2014. The Trustees also included a new schedule, Alternate Schedule, in the updated Rehabilitation Plan that requires no increase in future contributions but provides for more benefit reductions than the Default Schedule.

Specifically, the “adjustable benefits” and “non-protected benefits” that are being changed in the revised Preferred and Default Schedules and, the new Alternate Schedule include:

1) Increasing the age requirement for the Plan’s Service Pension to age 58\(^1\) (Preferred Schedule);
2) Eliminating the Early Retirement Pension (Default and Alternate Schedules);
3) Eliminating the Temporary Supplemental Benefit (All Schedules);
4) Reducing by half the Lump Sum Death Benefit (All Schedules); and
5) Reducing the future Pension Multiplier (various reduction levels between the schedules, see below for details).

Please keep in mind that if you are a New Entrant (i.e., you first work an hour in Covered Employment on or after January 1, 2009), you have never been eligible for a Service Pension or the Temporary Supplemental Benefit and the earliest age you can receive an Early Retirement Pension is age 58.

Also, if you are covered under the Non-Construction Plan, you have never been eligible for the Temporary Supplemental Benefit.

\(^1\) The Service Pension was eliminated for participants covered under the Default Schedule effective March 1, 2012.
The purpose of this Notice is to give you at least 30 days’ advance notice that as early as February 1, 2014, some of the adjustable, non-protected benefits under the Plan are being reduced or eliminated as part of the Rehabilitation Plan. If you retire with a pension starting date on or after February 1, 2014, and your employer does not adopt one of the updated Rehabilitation Plan Schedules by February 1, 2014, then these changes will be made retroactively to February 1, 2014, for any participant who has a pension starting date on or after February 1, 2014 once your employer adopts, or otherwise becomes subject to, one of the updated Rehabilitation Plan Schedules. This Notice is being sent to all Plan participants and beneficiaries, contributing employers, and Local Unions. If you do not believe that this Notice applies to you, please write to the Fund Office at the address at the end of this Notice.

Benefits for participants who have retired (as well as their beneficiaries and/or alternate payees) and have a pension starting date on or prior to January 1, 2014, will not be affected by the changes summarized in this Notice.

The remainder of this Notice describes how your benefits are affected if you are an Active Employee, a Deferred Vested Participant, an Inactive Non-vested Employee or a pensioner (including beneficiaries and alternate payees under a Qualified Domestic Relations Order) with a pension starting date on or after February 1, 2014.

Because the Plan was certified to be in the Red Zone as of January 1, 2013, the Trustees are required to offer a choice among a Preferred Schedule, Default Schedule, or Alternate Schedule. The pension benefit available to participants prior to the Plan’s Normal Retirement Age (age 65) depends on which Schedule is adopted by your employer. This Notice describes changes to the Plan pursuant to the Preferred Schedule, Default Schedule, and Alternate Schedule.

The benefit reductions described below do not reduce the amount of your accrued benefit payable if you are initially retiring at the Plan’s Normal Retirement Age of 65. The “adjustable benefit” reductions and other changes included in the Rehabilitation Plan are described below.

The following Plan provisions have been revised effective February 1, 2014:

Changes in Pension Multiplier before a Schedule is Adopted

- Effective February 1, 2014, the pension multiplier for contributions required to be made on a participant’s behalf for hours worked in Covered Employment on or after February 1, 2014 is reduced from 0.675% to 0.3375% for participants hired on and after January 1, 2009 (New Entrants), and from 1.35% to 0.675% for all other participants. If your employer adopts, or otherwise becomes subject to, the Default Schedule included in the Rehabilitation Plan, the pension multiplier will increase retroactive to February 1, 2014 according to the terms of that Schedule.

Preferred Schedule

- The minimum age for the Plan’s Service Pension is increased to age 58 for all employees and participants for all accrued benefits, regardless of when the benefit was earned. All of the requirements stated in Section 3.4 of the Fund’s Restated Plan Rules and Regulations related to the Service Pension age are changed to or are otherwise increased to age 58. Early Retirement or Deferred Pension reductions apply to participants who elect to retire earlier than age 58.
• The Plan’s Temporary Supplemental Benefit (stated in Section 3.6 of the Fund’s Restated Plan Rules and Regulations) is eliminated for Participants with a pension starting date or a disability pension/occupational disability benefit starting date on or after February 1, 2014.

• The amount of the Death Benefit stated in Section 6.5 of the Fund’s Restated Plan Rules and Regulations is reduced by 50% for participants who have not retired before February 1, 2014.

**Default Schedule**

• The Plan’s Service Pension and Early Retirement Pension are eliminated. For all participants retiring before the Plan’s Normal Retirement Age of 65, with pension starting dates on or after February 1, 2014, their monthly benefits are determined in accordance with the Deferred Pension eligibility rules and reductions.

• All Disability Pensions and Occupational Disability Benefits are eliminated. If the participants are covered under the Preferred Schedule or not covered by any schedule before January 31, 2014, no Disability Pension or Occupational Disability Benefit will be awarded if the application is received by the Fund Office on or after February 1, 2014, regardless of when the disability was incurred. If the participants are covered under the Default Schedule before January 31, 2014, the Disability Pension or Occupational Disability Benefit has not been available to them since March 1, 2012.

• The Plan’s Temporary Supplemental Benefit (stated in Section 3.6 of the Fund’s Restated Plan Rules and Regulations) is eliminated for Participants with a pension starting date on or after February 1, 2014.

• The amount of the Death Benefit stated in Section 6.5 of the Fund’s Restated Plan Rules and Regulations is reduced by 50% for participants who have not retired before February 1, 2014.

• The pension multiplier for contributions required to be made on a participant’s behalf for hours worked in Covered Employment on or after February 1, 2014, will be .675% for participants hired prior to January 1, 2009 (New Entrants), and will be 1.0% for all other participants.

**Alternate Schedule**

• The Plan’s Service Pension and Early Retirement Pension are eliminated. For all participants retiring before the Plan’s Normal Retirement Age of 65, with pension starting dates on or after February 1, 2014, their monthly benefits are determined in accordance with the Deferred Pension eligibility rules and reductions.

• All Disability Pensions and Occupational Disability Benefits are eliminated. If the participants are covered under the Preferred Schedule or not covered by any schedule on or before January 31, 2014, no Disability Pension or Occupational Disability Benefit will be awarded if the application is received by the Fund Office on or after February 1, 2014, regardless of when the disability was incurred. If the participants are covered under the Default Schedule on or before January 31, 2014, the Disability Pension or Occupational Disability Benefit has not been available to them since March 1, 2012.

• The Plan’s Temporary Supplemental Benefit (stated in Section 3.6 of the Fund’s Restated Plan Rules and Regulations) is eliminated for Participants with a pension starting date on or after February 1, 2014.
• The amount of the Death Benefit stated in Section 6.5 of the Fund’s Restated Plan Rules and Regulations is reduced by 50% for participants who have not retired before February 1, 2014.

**Application of Schedules to Determine Benefit Changes**

If you are an Active Employee, as defined in the Rehabilitation Plan, covered by either the Preferred Schedule or the Default Schedule as of February 1, 2014, your prior benefit is determined according to the provisions of the Schedule your employer has adopted.

If you are an Active Employee, as defined in the Rehabilitation Plan, not yet covered by any schedule of the Rehabilitation Plan as of February 1, 2014, your prior benefit is determined depending on whether you have worked for employers subject to different Schedules under the Rehabilitation Plan since October 1, 2010:

- If after October 1, 2010, you worked for one employer or different employers who elected the same Schedule, your benefit is determined according to the Schedule applicable to your employer(s).

- If after October 1, 2010, you worked for more than one employer and your employers are subject to different Schedules under the Rehabilitation Plan, your benefit is determined as follows:
  
  • Your total accumulated accrued benefit as of February 29, 2012, is treated in accordance with the Preferred Schedule, if during the period beginning October 1, 2010 and ending February 29, 2012, the total hours you worked with employers who elected the Preferred Schedule are equal to or greater than 50% of the total hours you worked during that period. Otherwise, your total accumulated accrued benefit as of February 29, 2012, is treated in accordance with the Default Schedule; and

  • Your benefit accrued on or after March 1, 2012, is determined by the Schedule applicable to the employer(s) by whom you are employed while the benefit is earned; and

  • If you work outside of the jurisdiction of the Plan on or after March 1, 2012, and contributions are remitted to the Plan pursuant to a reciprocal agreement or similar “money follows the man” agreement, your benefits accrued on or after March 1, 2012, are determined under the Schedule adopted by your home local union and employer association for the same type of work you performed outside such jurisdiction.

An Active Employee’s benefit accrued on or after February 1, 2014 will be determined by the Schedule applicable to the employer(s) for whom he/she is employed while the benefit is earned.

**Delayed Implementation of the Updated Rehabilitation Plan**

If you are an Active Employee with a pension starting date on or after February 1, 2014 but before your employer adopts one of the Schedules under the updated Rehabilitation Plan, your initial retirement benefit will be calculated according to the terms of the Plan applicable to you as of
January 31, 2014. However, once your employer elects a Schedule, your retirement benefit will be recalculated based on the Schedule elected by your employer. The new benefit will be paid starting from the month immediately after your employer elects the Schedule. In addition, if the new benefit is less than what you are receiving, the excess will be recouped through reductions from the new benefit to which you are entitled. If you are not eligible for the benefit under the terms of the Schedule (for example, the Service Pension or the Temporary Supplemental Benefit), your benefit will be terminated immediately and the benefits you have already received will be recouped from the future benefit payments. If you are not eligible for the benefit under the terms of the Schedule but are eligible for other benefits (for example, Early Retirement Pension in lieu of the Service Pension), you may elect to receive the other benefits immediately with past excess benefits recouped through reductions from the new benefit.

If you are a Deferred Vested Participant or Inactive Non-Vested Employee, as defined in the Rehabilitation Plan, when the original Rehabilitation Plan was adopted, you have not commenced receipt of your pension payments by February 1, 2014, and you did not return to Covered Employment and met certain eligibility requirements described in the original Rehabilitation Plan, your total accrued benefit is subject to the Default Schedule in the updated Rehabilitation Plan. If you returned to Covered Employment with an employer who elected the Preferred Schedule and you met certain eligibility requirements for grandfathering your accrued benefit as outlined in the original Rehabilitation Plan, your accrued benefit was treated in accordance with the Preferred Schedule in the original Rehabilitation Plan; provided that you retire with a pension starting date before February 1, 2014. Any benefit you earned subsequent to your return to Covered Employment would have been subject to either of the Schedules in the original Rehabilitation Plan if you left Covered Employment and retired with a pension starting date before, February 1, 2014, or is subject to one of the Schedules in this updated Rehabilitation Plan as outlined earlier for Active Employees.

For all participants, the type and amount of pension payable if you initially retire prior to attaining the Fund’s Normal Retirement Age of 65 depend on which Schedule is adopted by your employer. The following examples provide general information about how the changes under these Schedules affect your benefits.

I. **If your Employer adopts the PREFERRED SCHEDULE, your benefit is changed as follows:**

As noted above, effective February 1, 2014, there are changes in the Service Pension, Temporary Supplemental Benefit, Death Benefit and Future Pension Multiplier.

The following examples are intended to assist participants in understanding the effect of these changes in benefits when their employer adopts the Preferred Schedule. For ease of illustration, all benefit examples are based on a single-life annuity calculation, and it is presumed that the participant and his spouse have rejected the Husband-and-Wife form of payment. We also assume the employer will adopt the updated Preferred Schedule before it becomes effective February 1, 2014. The Early Retirement Pension calculations apply a $6\frac{2}{3}\%$ reduction for each year from age 58 to age 63 and $3\frac{1}{3}\%$ reduction from age 53 to age 58. (Please note that the Preferred Schedule makes no changes to the optional Husband-and-Wife forms of payment or to the Early Retirement Pension percentage of benefit payable.)
PREFERRED SCHEDULE EXAMPLE #1:
(Change in Service Pension)

(A) Those who had earned at least 25 Pension Credits as of February 29, 2012

The participant is an employee who has earned 25 Pension Credits as of February 29, 2012, continues working in Covered Employment for an employer who adopted the Preferred Schedule, earns over 30 Pension Credits, meets the other eligibility requirements for a Service Pension, and applies to retire October 1, 2016, at age 54. His accrued monthly benefit is $1,000.

Under the original provisions of the Preferred Schedule, because this participant had (i) earned at least 25 Pension Credits as of February 29, 2012, (ii) continued working in Covered Employment for an employer who adopted the Preferred Schedule, and (iii) otherwise met all of the eligibility requirements for a Service Pension, the Preferred Schedule’s change to the Service Pension age requirement did not affect this participant. His monthly benefit payable would have been $1,000 (no reduction due to age).

However, with the Preferred Schedule’s February 1, 2014 change to the Service Pension age requirement, a Service Pension is not payable to the participant at an age earlier than age 58. Based on a retirement age of 54, the participant’s benefit is calculated as an Early Retirement Pension.

$1,000 benefit multiplied by an Early Retirement factor of 53.3% = $533.

(B) Those who had earned less than 25 Pension Credits as of February 29, 2012

The participant is an employee who has earned 23 Pension Credits as of February 29, 2012, continues working in Covered Employment for an employer who adopted the Preferred Schedule, and plans to retire when he attains age 56 on October 1, 2018. As of October 1, 2018, the participant has earned 30 Pension Credits and otherwise meets the eligibility requirements for a Service Pension in effect prior to adoption of the original Rehabilitation Plan and he met the conditions for a Service Pension under the Preferred Schedule under the original Rehabilitation Plan. His accrued monthly benefit is (or was) $1,000.

However, with the Preferred Schedule’s February 1, 2014, change to the Service Pension age requirement, a Service Pension is not payable to the participant at an age earlier than age 58. Based on a retirement age of 56, the participant’s benefit is calculated as an Early Retirement Pension.

$1,000 benefit multiplied by an Early Retirement factor of 60% = $600.

PREFERRED SCHEDULE EXAMPLE #2:
(Elimination of Temporary Supplemental Benefit)

The participant is an employee who plans to retire as of January 1, 2015 at age 57 after earning 20 years of Vesting Service and otherwise met all of the eligibility requirements for a Temporary Supplemental Benefit. His employer is paying a contribution rate of $8.50 per hour before his retirement which equates to a $15 Temporary Supplemental Benefit accrual rate.
Before the change in the Preferred Schedule, he would have been entitled to a Temporary Supplemental Benefit, payable from the first month of retirement to his 65th birthday, with an amount equal to:

$15 \times 20 \text{ years of Vesting Service} = $300 \text{ per month}

After the change, the Temporary Supplemental Benefit is not payable for pension starting dates on and after February 1, 2014.

**PREFERRED SCHEDULE EXAMPLE #3:**
*(Reduction in Death Benefit)*

On December 31, 2019, a vested, non-retired employee dies without a surviving spouse. The contributions paid by his employer since January 1, 2010 total $10,000.

Before the change in the Preferred Schedule, his beneficiary was entitled to a Death Benefit of $10,000.

After the change, this Death Benefit is reduced by half to $5,000.

**PREFERRED SCHEDULE EXAMPLE #4:**
*(Changes in Pension Multiplier)*

**(A) Those Hired before January 1, 2009**

The participant is an employee hired on January 1, 2000, who works 1,600 hours during any 12-month period beginning on or after February 1, 2014, for an employer who has adopted the Preferred Schedule. His employer is contributing at a rate of $7.00 per hour, $5.00 of which is subject to benefit accrual.

Before the change in the Preferred Schedule, he would have accrued a monthly benefit of $108 calculated according to the following formula:

$$5.00 \times 1,600 \text{ hours} \times 1.35\% = $108$$

After the change, his accrued benefit reduces to $54, calculated according to the following formula:

$$5.00 \times 1,600 \text{ hours} \times 0.675\% = $54$$

**(B) Those Hired on or after January 1, 2009 (New Entrants)**

The participant is an employee similar to the one in Preferred Schedule Example #4(A) but was first hired on January 1, 2010.

Before the change in the Preferred Schedule, he would have accrued a monthly benefit of $54 calculated according to the following formula:

$$5.00 \times 1,600 \text{ hours} \times 0.675\% = $54$$

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3 The benefit payable to the surviving spouse remains unchanged, i.e. 50% of the benefit the participant is eligible for had he retired the day before his death and elected the 50% husband and wife option.
After the change, his accrued benefit reduces to $27, calculated according to the following formula:

\[ \$5.00 \times 1,600 \text{ hours} \times 0.3375\% = \$27 \]

II. If your Employer adopts or becomes subject to the DEFAULT SCHEDULE as of February 1, 2014, or later, your benefit is changed as follows:

As noted above, effective February 1, 2014, there are changes in the Service Pension, Early Retirement Pension, Temporary Supplemental Benefit, Death Benefit, and Future Pension Multiplier (that are in addition to the provisions of the Default Schedule effective March 1, 2012).

The following examples are intended to assist participants in understanding the effect of the changes in benefits when the Default Schedule is adopted, or automatically implemented, by their employer. For ease of illustration, all benefit examples are based on a single life annuity calculation, and it is presumed that the participant and his or her spouse have rejected the Husband-and-Wife form of payment. We also assume the employer will adopt the updated Default Schedule before it becomes effective February 1, 2014. (Please note that the Default Schedule makes no changes to the optional Husband-and-Wife forms of payment.)

**DEFAULT SCHEDULE EXAMPLE #1:**
(Change in Early Retirement Pension)

The participant is an employee who has earned 23 Pension Credits as of February 29, 2012, continues working in Covered Employment for an employer who adopted the Default Schedule, and plans to retire when he attains age 56 on October 1, 2018. As of October 1, 2018, the participant will have earned 30 Pension Credits and his accrued monthly benefit would have been $1,000.

Before the February 1, 2014 change in the Default Schedule, the participant’s benefit would have been calculated as an Early Retirement Pension\(^4\) based on a retirement age of 56. The Early Retirement Pension calculations apply a 6\(\frac{2}{3}\)% reduction for each year from age 58 to age 63 and 3\(\frac{1}{3}\)% reduction from age 53 to age 58.

$1,000 benefit multiplied by an Early Retirement factor of 60% = $600.

After the change, the participant’s benefit is calculated as a Deferred Vested Pension. The actuarial equivalent factor for an accrued benefit payable at the Plan’s normal retirement age of 65, commencing at age 56 is 39.23%.

$1,000 benefit multiplied by an Actuarial Equivalent factor of 39.23% = $392.30

**DEFAULT SCHEDULE EXAMPLE #2:**
(Elimination of Temporary Supplemental Benefit)

The change in Temporary Supplemental Benefit under the Default Schedule is the same as that under the Preferred Schedule. See Preferred Schedule Example #2 for illustration.

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\(^4\) The Service Pension was eliminated for participants covered under the Default Schedule effective March 1, 2012.
DEFAULT SCHEDULE EXAMPLE #3:  
(Reduction in Death Benefit)

The change in the Death Benefit under the Default Schedule is the same as that under the Preferred Schedule. See Preferred Schedule Example #3 for illustration.

DEFAULT SCHEDULE EXAMPLE #4:  
(Changes in Pension Multiplier)

(A) Those Hired before January 1, 2009

The participant is an employee hired on January 1, 2000, who works 1,600 hours during any 12-month period beginning on or after February 1, 2014, for an employer who has adopted the Default Schedule. His employer is contributing at a rate of $3.20 per hour, $2.50 of which is subject to benefit accrual.

Before the change in the Default Schedule, he would have accrued a monthly benefit of $54 calculated according to the following formula:

$2.50 \times 1,600 \text{ hours} \times 1.35\% = \$54$

After the change, his accrued benefit reduces to $40 calculated according to the following formula:

$2.50 \times 1,600 \text{ hours} \times 1.00\% = \$40$

(B) Those Hired on or after January 1, 2009 (New Entrant)

The participant is an employee similar to the one in Default Schedule Example #4(A) but was first hired on January 1, 2010.

Before the change in the Default Schedule, he would have accrued a monthly benefit of $27 calculated according to the following formula:

$2.50 \times 1,600 \text{ hours} \times 0.675\% = \$27$

There is no change in Pension Multiplier under the Default Schedule for participants hired on or after January 1, 2009 (New Entrants), so his accrued benefit remains unchanged at $27.

III. If your Employer adopts the ALTERNATE SCHEDULE, your benefit is changed as follows:

As noted above, effective February 1, 2014, there are changes in the Service Pension, Early Retirement Pension, Disability Pension, Occupational Disability Benefit, Temporary Supplemental Benefit, Death Benefit and Future Pension Multiplier.

The following examples are intended to assist participants in understanding the effect of the changes in benefits pursuant to an employer’s adoption of the Alternate Schedule. For ease of illustration, all benefit examples are based on a single life annuity calculation, and it is presumed that the participant and his or her spouse have rejected the Husband-and-Wife form of payment. We also assume the employer will adopt the new Alternate Schedule before it becomes effective February 1,
2014. (Please note that the Alternate Schedule makes no changes to the optional Husband-and-Wife forms of payment.)

**ALTERNATE SCHEDULE EXAMPLE #1:**
(Changes in Service and Early Retirement Pensions)

**(A) Those Who were Covered by the Preferred Schedule**

The participant is an employee who has earned **25 Pension Credits** as of January 31, 2014, continues working in Covered Employment for an employer who switched from the Preferred Schedule to the Alternate Schedule effective **February 1, 2014.** and plans to retire when he attains age 56 on October 1, 2018. As of October 1, 2018, the participant will have earned 30 Pension Credits and his accrued monthly benefit would have been $1,000, $800 of which was earned by January 31, 2014.

Before the employer’s switch from Preferred Schedule to Alternate Schedule, the participant would have been eligible for the Service Pension under the original provisions of the Preferred Schedule. The $1,000 accrued benefit would have been payable in full (no reduction due to age).

After the February 1, 2014, change in benefits and the employer’s switch from Preferred Schedule to Alternate Schedule, the participant’s benefit accrued as of January 31, 2014, is calculated as an Early Retirement Pension (under the Preferred Schedule) and his benefit accrued on and after February 1, 2014, is calculated as a Deferred Pension (under the Alternate Schedule). The Early Retirement factor at age 56 is 60%, and the actuarial equivalent factor for an accrued benefit payable at the Plan’s normal retirement age of 65, commencing at age 56, is 39.23%.

This participant’s benefit is calculated as shown below:

- Pre-February 1, 2014 benefit ($800) multiplied by an Early Retirement factor of 60% = $480.00.

**PLUS**

- Post-February 1, 2014 benefit ($200) multiplied by an Actuarial Equivalent factor of 39.23% = $78.46.

**Total monthly benefit = $558.46.**

**(B) Those Who were Covered by the Default Schedule**

The participant is an employee similar to the one in Alternate Schedule Example #1(A) but his employer had initially adopted the Default Schedule but switched to the Alternate Schedule effective **February 1, 2014.**

Before the February 1, 2014 change in the Default Schedule, the participant’s benefit would have been calculated as an Early Retirement Pension based on a retirement age of 56. The Early Retirement Pension calculations apply a 6⅔% reduction for each year from age 58 to age 63 and 3⅓% reduction from age 53 to age 58.

$1,000 benefit multiplied by an Early Retirement factor of 60% = $600.

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5 This example assumes that the Fund permitted the employer to transition from a Preferred Schedule to the Alternate Schedule.
After the February 1, 2014 change in benefits and the employer’s switch from Default Schedule to Alternate Schedule, the Early Retirement Pension was eliminated under both the Default Schedule and Alternate Schedule, so the participant’s entire benefit is calculated as a Deferred Pension. The actuarial equivalent factor for an accrued benefit payable at the Plan’s normal retirement age of 65, commencing at age 56, is 39.23%.

$1,000 benefit multiplied by an Actuarial Equivalent factor of 39.23% = $392.30

**ALTERNATE SCHEDULE EXAMPLE #2:**
(Elimination of Disability Pension)\(^6\)

The participant is an employee who is employed by an employer who has switched from the Preferred Schedule to the Alternate Schedule; this participant has earned 5 years of vesting service and an accrued benefit of $500.00. This participant suffers a total and permanent disability in March 2014, at age 50.

With the elimination of the Plan’s Disability Pension as set forth in the Alternate Schedule, this participant is not eligible for the Disability Pension. This participant does not meet the age requirement for the Deferred Pension (age 53, or age 58 for a New Entrant). Therefore, this participant is not eligible to receive a Disability Pension or Deferred Pension in 2014.

**ALTERNATE SCHEDULE EXAMPLE #3:**
(Elimination of Occupational Disability Benefit)\(^7\)

The participant is an employee who is employed by an employer who has switched from the Preferred Schedule to the Alternate Schedule; this participant has earned 5 years of vesting service and an accrued benefit of $500.00. This participant suffers an occupational disability in March 2014, at age 54.

With the elimination of the Plan’s Occupational Disability Benefit as set forth in the Alternate Schedule, this participant is not eligible for the Occupational Disability Benefit.

Based on an age of 54, the participant’s benefit is calculated as a Deferred Pension. The actuarial equivalent factor for an accrued benefit payable at the Plan’s normal retirement age of 65, commencing at age 54, is 32.59%.

$500.00 benefit multiplied by an Actuarial Equivalent factor of 32.59% = $162.95

**ALTERNATE SCHEDULE EXAMPLE #4:**
(Elimination of Temporary Supplemental Benefit)

The change in Temporary Supplemental Benefit under the Alternate Schedule is the same as that under the Preferred Schedule. See Preferred Schedule Example #2 for illustration.

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\(^6\) This example assumes that the Fund permitted the employer to transition from a Preferred Schedule to the Alternate Schedule.

\(^7\) This example assumes that the Fund permitted the employer to transition from a Preferred Schedule to the Alternate Schedule.
**ALTERNATE SCHEDULE EXAMPLE #5:**

(Reduction in Death Benefit)

The change in the Death Benefit under the Default Schedule is the same as that under the Preferred Schedule. See Preferred Schedule Example #3 for illustration.

**ALTERNATE SCHEDULE EXAMPLE #6:**

(Changes in Pension Multiplier)

The change in Pension Multiplier under the Alternate Schedule is the same as that under the Preferred Schedule. See Preferred Schedule Examples #4A and #4B for illustration.

**IV. If you retire on or after February 1, 2014, but before your Employer adopts one of the Schedules of the updated Rehabilitation Plan, your benefit change will be implemented as follows:**

As noted above, your initial retirement benefit will be calculated without consideration of the updated Rehabilitation Plan. However, once your employer adopts a Schedule from the updated Rehabilitation Plan, your benefit will be recalculated.

The following example is intended to assist participants in understanding the effect of the employer’s delayed adoption of the updated Rehabilitation Plan.

**DELAYED IMPLEMENTATION EXAMPLE #1:**

The participant is an employee who had earned **25 Pension Credits as of February 29, 2012**. He continues working in Covered Employment for an employer who had adopted the Preferred Schedule in the original Rehabilitation Plan, earns over 30 Pension Credits, meets the other eligibility requirements for a Service Pension, and has a pension starting date of February 1, 2014 at age 54. His employer later adopts the Preferred Schedule on April 15, 2014.

As illustrated in the Preferred Schedule Example #1A, since he was grandfathered in the prior Service Pension eligibility age under the original Rehabilitation Plan, his initial monthly retirement benefit would have been $1,000.00.

After his employer adopts the Preferred Schedule in April 2014, his monthly retirement benefit will be reduced for an Early Retirement Pension as he will no longer be eligible for a Service Pension. His Early Retirement Pension will be $533.00 effective May 1, 2014.

In addition, since he was paid a Service Pension of $1,000 per month for the three months before his employer adopted the Preferred Schedule of this updated Rehabilitation Plan, he was overpaid by a total amount of $1,401.00 during that 3-month period before his employer adopted the Rehabilitation Plan, calculated as follows:

\[
3 \text{ months} \times (\$1,000.00 - \$533.00) = \$1,401.00
\]

This excess amount will be recouped by the following reduction:

\[
100\% \text{ reduction for 1 month: } = \$ \ 533.00
\]

\[
25\% \text{ reduction for 6 months: } 25\% \times \$533.00 \times 6 = \$ \ 799.50
\]

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DELAYED IMPLEMENTATION EXAMPLE #2:

The participant is an employee similar to the one in the Delayed Implementation Example #1 but instead of retiring at age 54, he retired on February 1, 2014 at age 52 and his employer later adopted the Preferred Schedule on April 15, 2014. Additionally, in this example, the participant’s entire accrued benefit is $1,800.00 ($1,000.00 was earned prior to October 1, 1999, and $800.00 was earned after October 1, 1999).

As illustrated in the Preferred Schedule Example #1A, since he was grandfathered in the prior Service Pension eligibility under the original Rehabilitation Plan, his initial monthly retirement benefit would have been the amount of his pension benefit earned prior to October 1, 1999, or $1,000.00. He would not have been eligible for the Deferred Pension or Early Retirement Pension for the post-October 1, 1999 portion because he left Covered Employment and/or retired before age 53.

After his employer adopts the Preferred Schedule in April 2014, he is no longer eligible for either a Service Pension, Early Retirement Pension, or Deferred Pension as he is younger than age 53 when he retires. Therefore, he is not eligible for any pension until he turns age 53. Assuming he returns to work until February 1, 2015, he can then apply and begin to receive his Early Retirement Pension of $900 per month effective February 1, 2015 (50% of his total accrual benefit of $1,800).

In addition, since he was paid a Service Pension of $1,000 per month for the three months before his employer adopted the Preferred Schedule of this updated Rehabilitation Plan, he was overpaid by a total amount of $3,000 during that 3-month period before his employer adopted the Rehabilitation Plan, calculated as follows:

3 months x $1,000 = $3,000

This excess amount will be recouped when he retires by the following reduction:

100% reduction for 1 month: = $900.00

25% reduction for 9 months: 25% x $900.00 x 9 = $2,025.00

Final reduction: = $75.00

Total = $3,000.00

Information on a Participant’s Rights and Remedies

Federal law requires that this Notice contain information as to the rights and remedies of plan participants and beneficiaries as well as information as to how to contact the U.S. Department of Labor for further information and assistance. As a Plan participant, you are entitled to certain rights
and protections under ERISA, as amended. ERISA provides that all Participants have certain rights, including the following:

1. The right to examine, without charge, at the Plan Office and at other specified locations, all Plan documents, including the Rehabilitation Plan and Schedules, all notices issued in connection with the Rehabilitation Plan, collective bargaining agreements and copies of documents filed by the Plan with the United States Department of Labor, such as detailed annual reports and Plan descriptions. The Plan, however, will charge a reasonable fee established by the Board of Trustees for furnishing any copies.

2. The right to obtain copies of all Plan documents and other Plan information upon written request to the Plan’s Executive Director. The Plan, however, will charge a reasonable fee established by the Board of Trustees for furnishing any copies.

3. The right to receive the Annual Funding Notice. This notice provides information regarding the Plan’s funding levels, assets and liabilities, number of Participants and a description of the benefits eligible to be guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), and an explanation of the limits on the PBGC guarantee and other information.

4. The right to obtain at no charge a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stopped working under the Plan now. If you do not have a right to a pension, the statement tells you how many more years you have to work to earn a right to a pension. This statement must be requested in writing and is not required to be supplied more than once every 12 months. The Plan must provide the statement free of charge.

For copies of documents and statements, write to the Board of Trustees, P.O. Box 1267, Jacksonville, Illinois 62651.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file a suit in a federal court. In such a case, the court may require the plan administrator (Board of Trustees) to provide the materials and pay you up to $110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the
Trustees. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, please do not hesitate to contact the Trustees or the Fund Office at 800-252-6571. If you have any questions about this Notice or about your rights under ERISA, or if you need assistance in obtaining documents from the Trustees, you should contact the Employee Benefits Security Administration (“EBSA”), U.S. Department of Labor, the Chicago Regional Office which is located at 200 West Adams St., Suite 1600, Chicago, Illinois 60606, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. The website address for the Employee Benefits Security Administration of the Department of Labor is http://www.askebsa.dol.gov.
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 INFORMATION THAT COULD AFFECT YOUR PENSION BENEFITS

December 23, 2013

Dear Participant:

You recently received a copy of the updated Rehabilitation Plan (“Rehabilitation Plan”) that the Board of Trustees of the Central Laborers’ Pension Fund (“Fund”) adopted on November 4, 2013, outlining changes to the Fund’s plan of benefits and future contribution rates. In the same mailing was a copy of the Notice of Reduction in Adjustable Benefits (“Notice”) that described these changes in greater detail with examples of how the changes work.

The Rehabilitation Plan and Notice state that if you intend to retire before the changes outlined in the Rehabilitation Plan or Notice go into effect, then you must retire with a pension starting date before February 1, 2014 (i.e., you had to have a pension starting date of January 1, 2014). Generally, that meant that you had to submit your application during the month of December 2013.

Due to unanticipated delays encountered by the Fund with respect to the printing and mailing of the Rehabilitation Plan and Notice, the Trustees decided to delay implementation of certain limited aspects of the Rehabilitation Plan. More specifically, the Rehabilitation Plan you received in a mailing dated December 9, 2013, has been amended to permit participants to submit their application during the month of January 2014 in order to be eligible for certain limited benefits that are ultimately reduced and/or eliminated by the Rehabilitation Plan.

Accordingly, if you submit an application in the month of January 2014 (i.e., you have a pension starting date on February 1, 2014), then you will still be eligible for the Service Pension, Early Retirement Pension, Temporary Supplemental Benefit and Death Benefits as described in the Fund’s original Rehabilitation Plan (as determined by the applicable schedule). If you submit an application that results in a pension starting date after February 1, 2014, then you will be subject to all benefit changes in the updated Rehabilitation Plan and its schedules.

Except as otherwise stated above, all other benefit changes and effective dates outlined in the Rehabilitation Plan and accompanying schedules remain in effect and are effective on the dates set forth in the Rehabilitation Plan and Notice.

Please review the attached amendment and the prior notices that we sent to you, as they contain important information regarding the changes to the Fund’s plan of benefits. If you have any questions, please contact Mr. Dan Keppel, in writing, at P.O. Box 1267, Jacksonville, Illinois, 62651-1267, or by telephone at (217) 243-8521.

Sincerely,

Board of Trustees
Central Laborers’ Pension Fund
Rehabilitation Plan (Revised as of February 1, 2014)

First Amendment

WHEREAS, Article IX of the Rehabilitation Plan allows the Board of Trustees of the Central Laborers’ Pension Fund to amend the Rehabilitation Plan at any time;

WHEREAS, the Board of Trustees, upon review of the Rehabilitation Plan, have determined that it is necessary to amend the Rehabilitation Plan; and

NOW, THEREFORE, the Board of Trustees hereby adopts the following as the First Amendment to the Rehabilitation Plan:

1. The Board of Trustees hereby adds a new Subsection “G,” entitled “Implementation Delay for Limited Benefits,” to Article VIII, and the new Subsection “G” shall read as follows:

G. Implementation Delay for Limited Benefits. Notwithstanding the effective dates of benefit reductions and/or eliminations otherwise set forth herein and in the attached schedules, if a participant has a pension starting date on or before February 1, 2014, then the participant will still be eligible for the Service Pension, Early Retirement Pension, Temporary Supplemental Benefit and Death Benefits as described in the original Rehabilitation Plan (as determined by the schedule applicable to the participant). The benefit changes to the Service Pension, Temporary Supplemental Benefit and Death Benefit as described in the updated Default Schedule apply to participants who have a pension starting date after February 1, 2014. The benefit changes to the Service Pension, Early Retirement Pension, Temporary Supplemental Benefit and Death Benefit as described in the updated Default Schedule and the new Alternate Schedule apply to participants who have a pension starting date after February 1, 2014.

The other provisions set forth herein and in the attached schedules shall be interpreted to give effect to this provision when required and necessary; however, this subsection shall not be construed to extend the effective date of any benefit change except those expressly stated in this subsection. All other benefit changes and effective dates set forth herein and in the accompanying schedules remain in effect and are not modified or extended by this subsection.

Adopted this 17th day of December, 2013.

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John F. Penn
Chairman

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James P. Bruner
Secretary