

*A Publication of the
Central Laborers' Pension, Welfare & Annuity Funds*

ILLINOIS LABORER

Fall 2015



**IMPORTANT WELFARE AMENDMENTS INSIDE SEE PAGES 6 & 7
READ AND RETAIN FOR REFERENCE**

Illinois Laborer is published by the Central Laborers' Pension, Welfare and Annuity Funds. Trustees of the three funds are, listed alphabetically:

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On The Cover: New flags installed at Central Laborers' commemorating our 50th anniversary. Please see story on Page 8.

This newsletter contains information regarding the Central Laborers' Pension, Welfare and Annuity Funds. The actual Funds' provisions may be found in the Funds' Plan documents which include the actual Plans and Trust Agreements. In the event of a conflict between the wording in this newsletter and the Plan documents that govern the Plans, the Plan documents shall govern.

Please keep this newsletter with your Summary Plan Description (SPD) booklet and other benefit materials for future reference. The Trustees reserve the right to amend, modify, or terminate the Plans at any time.

Send address changes and newsletter questions, comments and ideas to:

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P.O. Box 1267

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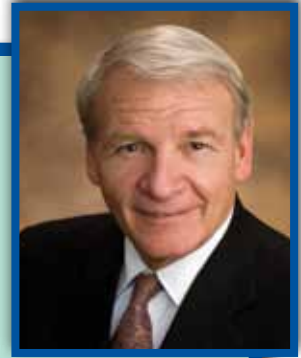
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VIEWPOINT



Brothers and Sisters:

Right now, there are several proposed changes to state and federal laws of which you need to be made aware.

Illinois Governor Bruce Rauner wants to eliminate the Prevailing Wage Act for local governments. This anti-worker legislation would adversely affect the health of the Pension Fund.

The Illinois Prevailing Wage Act is a law encouraging construction contractors to hire local workers at livable wages. The wages of workers on public works projects are set at the most commonly paid wages in each county for their respective kind of work. This levels the playing field for local contractors, because they are able to compete with each other on the skills and efficiency of their supervisors and employees, not on how far they are willing to drive down their workers' wages and benefits.

The Illinois Prevailing Wage Act also removes the advantage for out-of-state contractors, with no roots in the community, to simply bring in a traveling crew of construction workers willing to work for significantly less than a local, trained, skilled construction worker, such as a Laborer, would expect to earn on the same project.

Our signatory employers often win jobs that are covered by the Prevailing Wage, and more work for them means more work hours for you, which means a healthier Pension Fund. Eliminating the Prevailing Wage Act would negatively impact future contributions to the Central Laborers' Pension Fund and would cause an undue hardship to our signatory employers.

Call your state legislators

- If you know your legislators' names, call the Capitol at 217-782-2000 and an operator can connect you.
- To look up your legislators, visit www.elections.il.gov/DistrictLocator/DistrictOfficialSearchByAddress.asp and enter your address.
- Ask your legislators to oppose Governor Rauner's antiunion agenda.

An issue on the federal level that I've brought to your attention before is the looming increase in the Pension Benefit Guaranty Corporation (PBGC) premium paid by Central Laborers' Pension Fund, and other multiemployer pension funds on a per participant basis.

As a reminder, in connection with the Multi-employer Pension Reform Act of 2014, Congress soon will consider whether to raise the PBGC premium paid by Central Laborers' Pension Fund and other multiemployer pension plans. I urge you to contact your Representative and Senators to tell them that a further increase would damage Central Laborers' Pension Fund and union pension plans like it across the country.

Call Congress: 1-202-224-3121

- Tell your U.S. Representative and Senators: Increasing the Pension Benefit Guaranty Corporation premium costs would hurt the union pension fund that you and many other individuals are depending on in retirement.

Thank you, as always, for your hard work.

A handwritten signature in black ink that reads "John F. Penn". The signature is written in a cursive, flowing style.

John F. Penn, Chairman,
Central Laborers' Pension and Annuity Funds

Trustees

Meet Joe Riley



How long have you been a Central Laborers' Welfare Fund Trustee?

It will be two years this fall. I've been Business Manager of Laborers' Local 159 for three years as of this past April.

How did you get into construction work?

I came into Local 159 when I was 18. At the time, I was referred by my future father-in-law and went to work on a residential driveway crew, making 60% of scale, and did that for a few years.

What other kinds of jobs did you work on while you were in the field?

I mainly did roadwork, including asphalt, but I've also done pipeline work and concrete work. I worked about five outages at the Clinton power plant. I also spent about four or five straight months working at the coal plant in Kincaid, but mainly I did roadwork.

How does your role as Business Manager intersect with your role as a Trustee?

If a member has a question about benefits, I'm able to provide a better answer than I did if I didn't sit on one of the Funds. In negotiations, when you're negotiating a pay raise, if you know the Fund needs a certain contribution rate to maintain benefits, you've got that in the back of your mind.

Is there anything you've learned since joining the Board of Trustees that has surprised you?

You learn not everything is clear-cut. Not everything is as simple as "yes" or "no." There are certain laws that benefit funds have to follow. You wear two different hats- one as a business manager, and one as a trustee. You want to make the best choices for all Participants as a trustee, especially with investments and different programs, such as prescription drug cards. You'd love to be able to approve everyone's medical bills but you have to follow the Plan Rules, otherwise it opens the door to an overabundance of non-covered expenses, and the Welfare Fund wouldn't survive.

What is your goal, as a Welfare Trustee and as a Business Manager?

To make sure the Fund stays solvent and to make the best decisions for the Participants and the Fund, and stay within the boundaries of the law. We're in a good spot right now, the Welfare Fund is healthy and we just want to make sure it stays that way. So if times get rough, we can maintain benefits without having to put too much of an increase on the member.

What's it like working with the other Trustees?

It's a good Board of Trustees. Even when it's an unpleasant decision, no one takes it lightly. That's both sides, contractor and labor trustees. No one wants to say "no" but you have to sometimes. But it's always thought out and explained, and everyone tries to wrap their mind around it before they vote.

What message would you like to share with Fund Participants?

Keeping good records for yourself is probably the most important thing. And we're striving to make sure the Fund stays in good shape. I know changes were made last year to the number of hours it takes to remain eligible, but when you look around at some of the other trades, it's still one of the best plans out there. The main thing is keep track of your hours and make sure you're staying eligible. Be mindful of where you are on eligibility for insurance, and how many hours you have, before you turn down a job.

GROWTH THROUGH PARTICIPATION

The Board of Trustees of the Central Laborers' Annuity Fund is happy to announce the addition of Laborers' Local 41, Laborers' Local 81 and R&R Food Service (a bargaining unit represented by Laborers' Local 1168) as Participants of the Central Laborers' Annuity Fund.

With the addition of these three Laborers' Locals, the Annuity Plan has 2,889 new Participants. Increased participation is a benefit to all Annuity Plan Participants because more members share the Administrative Expenses of the Fund, making each individual Participant's share of the cost lower.

The Trustees are pleased with the expansion of the Annuity Plan and are committed to ensuring the growth of Participants' account balances through conservative money management of the Plan.

The Board of Trustees of the Central Laborers' Annuity Fund and Fund office staff would also like to extend a warm welcome and thank you to the newest Participating members of the Plan!

Fund Office Installs New Phone System

Because of technical problems with the Central Laborers' telephone system and the fact that it is so out-dated that service and support was unavailable, an updated system is now in place. This has caused a few changes to be necessary for participants who call in to the office.

Please note that when you contact the office our menu options have recently changed:

For Pension Department questions – please press extension 2

For the Annuity Department – please press extension 3

For Employer Contributions- please press extension 4

For Open Enrollment questions – please press extension 5

For Medical Claims questions- please press extension 6 then 2

For Eligibility questions- please press extension 6 then 4

For the Dental Department – please press extension 6 then 5

*Your health care providers calling with Medical Claims questions, may contact our office at extension 6 then 3

The Fund will continue to provide the best service and communication for our participants. Please contact us toll free at 1-800-252-6571 and begin using these new prompts so that the office staff can better assist you.

Summary of Material Modifications Initiated during the 2015 Plan Year

Over the 2015 Plan Year, the Central Laborers' Welfare Fund Trustees adopted changes to the Central Laborers' Welfare Fund Summary Plan Description. Each change resulted in a material modification to the Plan of Benefits. As required by law, the Central Laborers' Welfare Fund must disclose such amendments to all Plan Participants and their eligible Dependents.

Below, please review the Plan language revisions. Should you have any questions regarding the following highlighted Plan changes, please contact the Fund Office at 1-800-252-6571.

Effective February 10, 2015:

The Central Laborers' Welfare Fund ("Plan") was amended, to expand the coverage toward speech therapy to include its use in the treatment of Paradoxical Vocal Cord Motion. The Plan Medical Benefit Exclusion, specifically Exclusion #13, was amended and the new Exclusion #13 was added to read as follows:

"...services are not covered and benefits will not be paid for..."

#13. Speech therapy unless it is required as the result of:

- A head injury; or
- A stroke; or
- If used in the treatment of a diagnosis of Paradoxical Vocal Cord Motion, which has been confirmed by two or more physicians who have evaluated the patient.

The speech therapy would only be available up to the restoration of the normal functions that were present prior to the Injury, stroke or diagnosis of Paradoxical Vocal Cord Motion."

Effective February 10, 2015:

To ease the process for Participants or Spouses who have been prescribed treatment for erectile dysfunction, the Central Laborers' Welfare Fund ("Plan") was amended to allow purchases of certain erectile dysfunction medications without the need of a prior authorization. The Plan Prescription Benefit Exclusions, specifically Exclusion #13, was amended and the new Exclusion #13 was added to read as follows:

"...Prescription drug benefits are not payable under the Plan...#13. Charges for erectile dysfunction medications, except for purchases of Viagra, Levitra and Cialis, which will be limited to a quantity not to exceed 12 pills per month."

Effective May 19, 2015:

Clarifications to the current Plan of Benefits were made by the following amendments being approved:

Amendment to page 43 of the Summary Plan Description, adding the following #16 to the list of prescription drug benefits that are not payable under the Plan:

“#16. Drugs required for a specific test, monitoring service, or procedure performed in an outpatient or inpatient setting, which would otherwise be considered under the Medical Benefit Plan or this Summary Plan Description.”

Amendment to page 29 of the Summary Plan Description, deleting the following language:

*“*Local ambulance service to the Hospital. Transportation by air or rail is considered a Covered treatment, and travel will only be covered to the nearest Hospital providing the necessary medical care or treatment.”*

And replacing the above deleted language on page 29, with the following:

*“*Local ambulance service to the Hospital. Transportation by air or rail is considered a Covered Charge in an emergency when treatment is not available locally. Your Physician must order this treatment, and travel will be covered only to the nearest Hospital providing the necessary medical care or treatment. Notwithstanding the forgoing, approved air transportation charges will be reduced to the published Medicare allowable rates that are applicable on the date transportation is provided.”*

Effective July 21, 2015:

Acknowledging that there are FDA-approved uses for Cialis, other than erectile dysfunction, the Central Laborers' Welfare Fund (“Plan”) was amended; specifically, Prescription Drug Benefit Exclusion #17 was added and reads as follows:

“...Prescription drug benefits are not payable under the Plan...#17. Cialis, in quantities greater than twelve (12) pills per month, unless for a condition, other than erectile dysfunction, for which an approval for use has been registered with the Food and Drug Administration and for which use the patient has obtained Fund approval.”

Open Enrollment 2016

The Central Laborers' Welfare Fund Open Enrollment period for Plan Year 2016 will begin November 16, 2015, and run through December 15, 2015, for any Participant who, on November 16, 2015, is identified as being eligible for Benefits on January 1, 2016. As in the past, an Open Enrollment form may be completed on-line or by filling out and mailing in the paper Open Enrollment form.

It is very important that all Participants complete the enrollment process and submit either an electronic or paper form by the deadline date designated on the Open Enrollment packet cover letter. Even if a Participant is not making any changes in his or her choice of network or in his or her list of dependents, a new completed enrollment form is still required and copies of cards from any other insurance carrier who provides primary coverage for a spouse or dependents must be submitted to the Fund Office.

If any Participant plans to enroll an Adult Child, age 19 up to age 26, the period during which that enrollment is allowed is limited to a period of 30 days from the date the Open Enrollment documents are mailed. It is critical, so as to ensure that an Adult Child is considered for coverage in 2016, that the Open Enrollment Form, listing that Adult Child, and all required documents that confirm dependency are returned timely.

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CENTRAL LABORERS' PENSION FUND CELEBRATES THEIR 50TH ANNIVERSARY!

Since January 1, 1965, Central Laborers' Pension Fund has provided over 50 years of commitment to active and retired laborers. The Pension Fund was established to help provide financial security to members of the Laborers' International Union of North America during retirement. During 1966, a total of \$600 was paid to five pensioners. In 1982, the Fund had 1,675 pensioners and beneficiaries and paid \$1.9 million in annual benefit payments, and the Fund currently has more than 7,400 pensioners and beneficiaries receiving approximately \$108 million each year in benefits.

In 1965, Laborers' Local 253, affiliated with the International Hod Carriers, Building and Common Laborers' Union of America, entered into an Agreement and Declaration of Trust with the Morgan County Contractors' Association effective the 1st day of January 1965 to represent themselves and their respective members with a written agreement to contribute together for the good of all participants. At that time, representatives of Local 253 and the Morgan County Contractors' Association also served as the first trustees of the Fund.

They established the Central Laborers' Pension Fund to be used exclusively for providing retirement income to participants and/or income benefits to the beneficiaries or families of the participants in the event of a participant's death or disability. The Pension Fund is a Taft-Hartley Trust Fund which is now managed by eight Labor and eight Management Trustees who have an equal vote and serve without fees or compensation. The Trustees are working together to build a secure future for you and your family. The Trustees also maintain a conservative investment strategy by diversifying investments so as not to expose assets to unnecessary risks. The Pension Fund is financed entirely by employer contributions negotiated through the collective bargaining process and investment income.

To commemorate the 50th Anniversary of the Fund, the Trustees approved the installation of three flags at the Pension Fund office in Jacksonville, IL: the flag of the United States of America, the Illinois State flag, and the Laborers' International Union of North America flag. See the picture on the front cover of the newly installed flags.

The Central Laborers' Trustees and Staff are proud to be a part of this 50 year celebration with you and look forward to many more years of service!

Thank you from all of us!