

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

ILLINOIS LABORER

Spring 2015

**Pension, Annuity and Welfare Amendments Inside
See Pages 5, 6 and 10**

ILLINOIS LABORER

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On The Cover: Local 159 member Heath Green is working on the construction of Maple Ridge II, the latest Laborers' Home Development property, in Paris, IL.

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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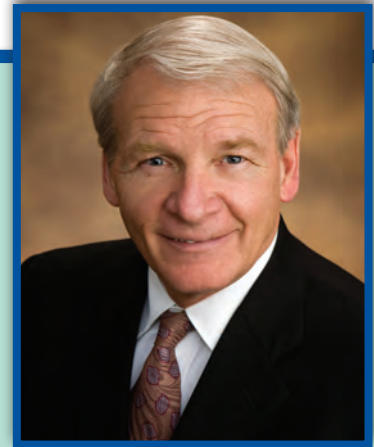
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VIEWPOINT



Brothers and Sisters:

Recently, the Employee Retirement Security Income Act (“ERISA”), the law which governs pension plans such as Central Laborers’ Pension Fund (the “Fund”), was amended. These amendments, contained in the Multi-employer Pension Reform Act of 2014 (“MPRA”), have raised questions among Fund participants about the safety of their retirement benefits.

The Fund is currently classified as being in the “Red Zone” as defined by The Pension Protection Act of 2006. However, because the Fund’s financial performance has been improving, it is heading toward the fiscally stronger “Yellow Zone”. The Fund’s financial improvement is the result of Plan changes adopted by the Fund’s Trustees. While not always popular, these changes are making the Fund’s ability to pay retirement benefits more secure.

The most controversial provisions of the MPRA, naturally, have gotten the most press coverage. These include giving a pension plan the right to cut or suspend benefits for current and future retirees when the plan is in “critical and declining” status. Even then, such drastic measures can only be employed if they are the only way for a plan to avoid total insolvency and shut down.

In sum, the provisions in the MPRA allowing drastic cuts to current and future retiree benefits do not apply to the Fund which, although it is in the Red Zone, is not “critical and declining.” On the contrary, as noted above, the Fund’s financial health is improving.

One element of the MPRA, however, does apply to the Fund and to every multiemployer pension plan in the United States: an increase in the annual premium per participant paid to the Pension Benefit Guaranty Corporation (“PBGC”), the government agency which provides a measure of insurance in the event of pension fund bankruptcy. In 2014, the Fund was required to pay \$13.00 per year per participant to the PBGC; in 2015, the Fund will pay \$26.00 per participant. Thereafter, the premium amount will be reviewed annually and adjusted based on the U.S. national average wage index.

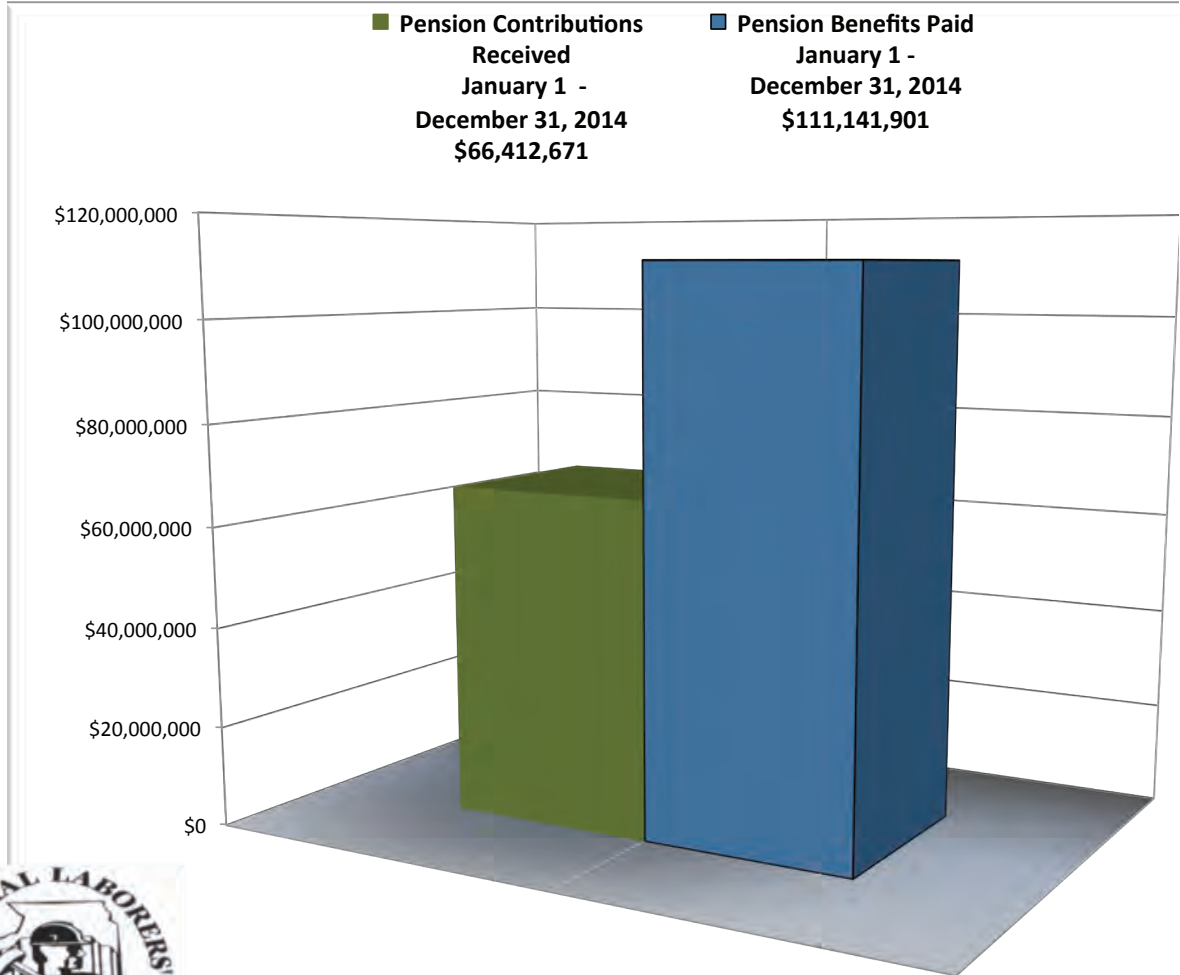
The premium increase is not good news, of course, but it does not threaten the financial integrity of the Fund. It is worth noting that without the effective leadership of our LIUNA General President, Terry O’Sullivan, in Washington, D.C., the premium increase would have been even greater.

As always, thank you for your years of service.

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

Pension News



Pension Contributions vs. Pension Benefit Payments

CENTRAL LABORERS' PENSION FUND PLAN MODIFICATIONS

IMPORTANT INFORMATION THAT COULD AFFECT YOUR PENSION BENEFITS

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

Definition of Spouse

The definition of Spouse has been modified, effective June 26, 2013, to the following:

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

Change in Terms

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

Conclusion

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

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

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

CENTRAL LABORERS' ANNUITY FUND PLAN MODIFICATIONS

IMPORTANT INFORMATION THAT COULD AFFECT YOUR ANNUITY BENEFITS

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

Definition of Spouse

The definition of Spouse has been modified, effective June 26, 2013, to the following:

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

Change in Terms

Based on the change to the definition of Spouse, the term “Husband and Wife Annuity” has been replaced by “Joint and Survivor Spousal Annuity” in the Plan.

Conclusion

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

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

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

Semiannual Valuation of Participants' Annuity Accounts

Every six months, the Central Laborers' Annuity Fund calculates investment yield and determines the administrative expense for the semiannual valuation period. The Fund's valuation period dates are March 31 and September 30 of each year. Here is how the valuation is determined:

- After the investment yield is determined, interest is calculated on a uniform basis and applied to each participant's ending account balance from the previous valuation period (example: the September 30, 2014 interest earnings were based on the participant's ending account balance as of the March 31, 2014 valuation.)
- Administrative expenses are determined for the six-month valuation period, and each participant's account is assessed the same amount of expense.
- Any employer contributions made on the participant's behalf during the six-month period are added to their account after the interest is added and the administrative expense applied.

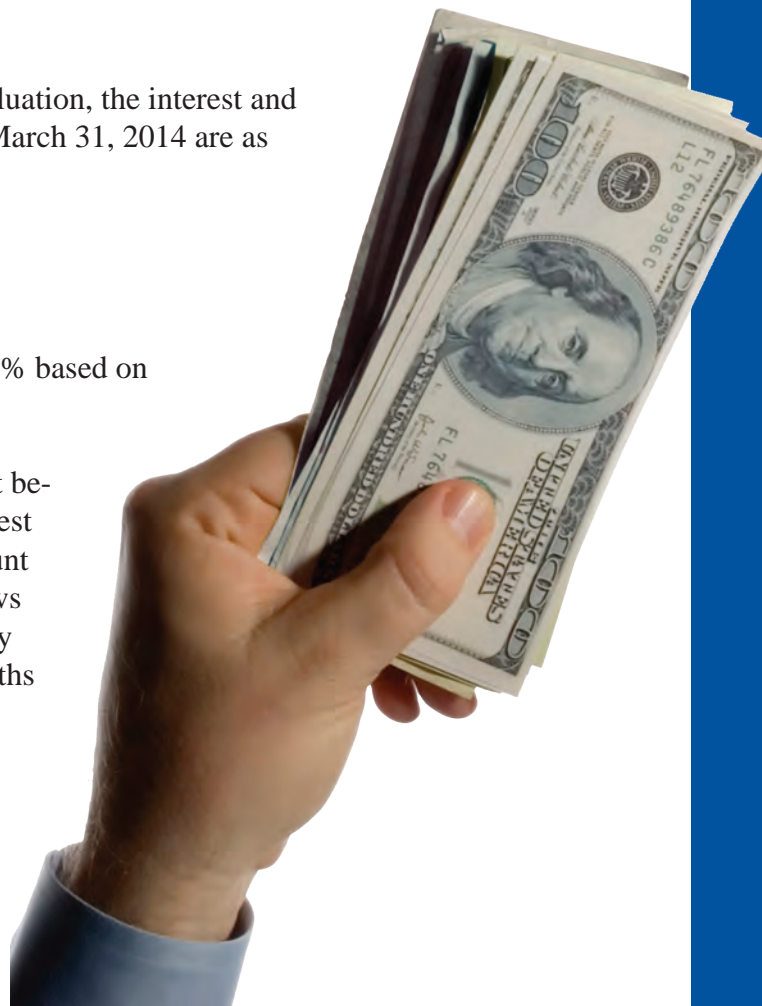
With respect to the Annuity Fund's September 30, 2014 valuation, the interest and expense allocations on participant account balances as of March 31, 2014 are as follows:

Interest on adjusted beginning balance: 2.882%
Expense per account: \$9.39

The effective annual interest rate for the accounts was 5.85% based on 13,455 accounts.

Participants should note that if they withdraw their account between March 31 and September 30 valuation periods, interest and administrative expense will not be applied to the account upon distribution. As an example, if a participant withdraws their entire account balance March 1, the Fund does not pay interest or assess an administrative charge for the five months October through February.

Should you have any questions regarding your Annuity account, please call the Fund office at: 800-252-6571, extension 6.



Trustees

Meet Doug Megginson

You're the president of Neff-Colvin Commercial Contractor in Jacksonville, IL. How were you selected to fill that role?

I took over from the previous owner. I started working for Neff-Colvin in 1989 and then when the prior owner retired, he asked me if I was interested in taking over and I was. Before that time, I worked at the Reynolds plant as a millwright for 10 years and then went on the outside as a Carpenter for Neff-Colvin. I helped build Corn Belt Bank, Buchanan Cody Funeral Home, and the offices of Zumbahlen, Eyth, Surratt, Foote and Flynn.



How would you say you view your role as a Central Laborers' Trustee? What do you contribute to the Welfare Board?

This is my sixth year on the Board. It certainly makes me see a different side of things, compared to what it was when I was just in the field, working. The fringe benefits are a huge thing, and I didn't pay much attention to it when I was younger. But the older you get, you realize how important it is and why we put the money in all these years.

Why do you use union labor?

I use union labor because of the training that they get. They're very professional. They know they've got to strive to be better because there is so much non-union labor out there that we're competing with all the time, and they know they've got to work faster and smarter. I've always been union since I got in, because my grandpa and dad and two uncles were union Carpenters. My dad had a good Carpenter's pension he was able to retire on. They all retired pretty comfortably.

What is your goal for the Welfare Fund?

I think everyone on the Welfare Board is working really hard to get to financial stability. Not just the Board but the staff, too. I think everyone on staff and on the Board is really dedicated and professional.

How does being on the Welfare Board affect your role as contractor?

I'm a lot more knowledgeable now about the Health and Welfare benefits. And if my employees have questions I can explain to them why there are changes to the plan. There's a lot of tough decisions that the Board has to make, and when we have to come up with more money every year to keep the fringe benefits going, I can give some insight to where the part of the raise you don't see on the check goes, and why.

“Why Didn’t My Benefit Plan Cover My Care?”

Medically Necessary Services

When you visit your medical provider, whether it is for a routine wellness examination or for diagnostic purposes, you depend on your doctor or hospital to make the best decisions, given your particular circumstance. Although most medical treatments rendered are based on sound medical science, there are some procedures that have limited testing or that do not have scientific evidence to confirm they will have consistent results on a particular diagnosis.

When medical care recommendations do not meet the “generally accepted” standard, extend beyond the normal recommended treatment period, are inflated beyond the required scope of care or, in some other way, are not considered medically necessary, there is a risk that payment on those services will be denied by your Benefit Plan. So you can move through your medical treatment process with confidence that your claims will be paid, there are a few steps you and your providers can take.

Medically Necessary Services

Central Laborers’ Welfare Fund Summary Plan Description defines Medically Necessary Services as, “services required to identify or treat a member’s Illness or Injury, and that are determined by the Plan to be:

- Consistent with the symptoms, diagnosis and treatment of the Participant’s condition, Illness or Injury;
- In accordance with recognized standards of care for the Participant’s condition, Illness or Injury;
- Appropriate with regard to standards of good medical practice;

- Not solely for the convenience of the Participant, Physician, Hospital or other health care provider; and
- The most appropriate level of service that can be safely provided to the Participant.”



In most cases, medical treatment will fall within the parameters set by the Plan’s definition. However, there are times when a medical test or procedure is not considered to be within the parameters of generally accepted standards of medical practice.

A “generally accepted” service must be proven effective based on credible scientific evidence, which is typically published in peer-reviewed medical literature. It should be considered conventional or customary by the medical community, professional societies and physicians who practice within the same or similar clinical setting. In the majority of cases, diagnostic tests and recommended treatment regimens will meet the “generally accepted” standard. But, to be sure your providers’ prescribed therapy falls within the Fund’s definition, always ask

your providers to contact the Fund Office to confirm your eligibility, verify available Benefits and to determine if your services require pre-certification.

The Medical Pre-certification Process

Your Medical Benefit Plan requires pre-certification; a process wherein your physician, hospital or other medical provider will request authorization on a procedure and will receive a confirmation that the procedure meets the medically necessary requirements. Central Laborers' Welfare Fund currently employs Medical Cost Management to perform these services for all eligible Participants and Dependents.

Medical care including outpatient surgical procedures, large dollar diagnostic tests, such as CAT Scans, MRIs, PET scans, therapies, hospitalizations and durable medical equipment items all require pre-certification. The process is quite simple and one in which most medical providers are quite familiar.

When your doctor or hospital orders a particular test or therapy, a representative from the medical facility will contact Medical Cost Management (MCM) at 1-800-367-9938. He or she will then inform MCM of the service that has been prescribed, will provide the medical support documentation that describes your condition and MCM will complete their review.

If the service is approved by MCM, your provider will be notified. Although MCM's approval only addresses if a service is medically appropriate and is not a guarantee of benefits, MCM's authorization provides the first step needed to ensure payment.

After receiving MCM's pre-certification your provider representative will contact Central Laborers' Welfare Fund to verify your eligibility, confirm the service is covered by your Benefit Plan and determine if Central Laborers' Welfare Fund is the responsible payer for your care. Remember, your Plan of Benefits, although robust, does not cover everything and, as in cases where there is a third party liable for payment, Central Laborers' Welfare Fund may not be responsible for payment. However, if your care has been authorized by MCM, it is a covered procedure or test and the Fund is determined to be the payer, your provider will receive a breakdown of available Benefits that will be applied toward the costs on your claims.

Don't get caught paying unnecessary medical expenses. Be an informed healthcare consumer. Before you undergo a procedure, purchase medical equipment or buy a high-cost specialty medication, have your providers contact MCM and the Fund Office to confirm coverage and your available benefits.

Pre-Authorization/Pre-Certification is not a guarantee of payment. For a description of covered benefits, qualifications for coverage and Plan exclusions please refer to your Summary Plan Description or call 1-800-252-6571.

Central Laborers' Welfare Fund Plan Amendment

Effective February 10, 2015, the Central Laborers' Welfare Fund Board of Trustees amended Exclusion 13 to read as follows:

“The following services are **not** covered and benefits will not be paid for them under the Medical Expense Benefit:

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.”

You Have Questions, We Have Answers

If you have questions regarding your Plan of Benefits or you need a particular form, please visit our website at www.central-laborers.com or contact the Central Laborers' Welfare Fund Customer Service Department at 1-800-252-6571.

LIUNA HELPS LAUNCH NATIONAL WORK ZONE AWARENESS WEEK

LIUNA LEADERS MAKE APPEAL FOR SAFETY

On March 23rd and 24th, Laborers' International Union of North America (LIUNA) leaders in Illinois joined officials from the Illinois Department of Transportation (IDOT) and the Illinois State Police to officially launch Work Zone Awareness Week. Now in its 15th year, the week-long promotion is designed to raise public awareness of the dangers of speeding and distracted driving in highway work zones. The event coincides with the traditional start of the road construction season. The theme this year is "Expect the Unexpected".

In press conferences held in Springfield and Peoria, representatives of LIUNA appealed to the public to remember that the men and women who build the roads they drive on are someone else's loved one.



Mike Matejka, Director of Governmental Affairs for the Great Plains Laborers' District Council, speaks to reporters in Peoria, IL as Laborers launch Work Zone Awareness Week.

"The flaggers, the people out there in orange vests don't go out there to annoy motorists. They go out there to do a job. We ask that you please respect the people who are working on the highway, slow down and put down the cell phone," said Mike Matejka, Director of Governmental Affairs for the Great Plains Laborers' District Council.

Every year, there are about 4,800 accidents in Illinois Work Zones; last year there were more than 1,000 injuries and 29 deaths.

While Work Zone Awareness week ended on March 27th, the fight to keep LIUNA members safe goes on year-round. The Illinois Training Centers, Health & Safety Fund and Governmental Affairs Department all play a crucial part in making sure Laborers come home to their families at the end of the day.

Thanks to the leadership of LIUNA and the collective strength of its statewide membership, Illinois has implemented some of the toughest work zone safety laws in the country. But even with higher fines and stricter enforcement of the laws, workers must remain vigilant and motorists must be constantly reminded to slow down and be safe in work zones.

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FUNDING FOR REST AREA INITIATIVE CUT

For the past 12 years, Illinois Laborers have partnered with IDOT to conclude Work Zone Awareness Week with a statewide rest area information event. LIUNA retirees and active members joined with the families of members who had lost lives in work zones to hand out safety literature at rest areas across the state. By meeting the people affected by these tragedies, the event helped motorists better understand what is at stake when driving through a highway work zone.

This year, however, IDOT's funding for the initiative was cut, and they were not able to provide the manpower or materials it had in previous years.

THE WORK CONTINUES

The fight to keep LIUNA members safe goes on, however. Through pro-worker regulations, thorough safety training for workers and a pro-safety culture on job sites, we can decrease the number of accidents and injuries.