Uniformed Services Employment and Reemployment Rights Act (USERRA) SEE PAGES 4 – 5

WELFARE SUMMARY ANNUAL REPORT INSIDE - SEE PAGE 10

Read and Retain for Reference
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 Plans 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:

Central Laborers’ Pension, Welfare and Annuity Funds
P.O. Box 1267
Jacksonville, IL 62651-1267
or call: (800) 252-6571
www.central-laborers.com
The Right Tools For The Job

Can you pour concrete without a shovel or bull float? Sure, but how efficient would it be? As Laborers, the tools used are crucial to productivity. The same is true with the information and resources concerning your pension and annuity funds.

For the individual Laborer, Central Laborers’ Funds represent your future financial security and retirement; pension benefits earned through a long career of hard work and sacrifice. However, collectively, LIUNA pension and annuity funds across the country account for more than $32 billion in assets, a useful tool to effectively change corporate board rooms and help protect retirement security for all. It’s called “Pension Power”.

In 2004, LIUNA created the Department of Corporate Affairs. It signaled a commitment by LIUNA to do even more to guarantee that members’ capital resources - their money and their investments - are protected and are working for them. It is a recognition that too often LIUNA members, retirees and their families have been victimized by a lack of regulation, a lack of oversight, or just plain illegal activity by certain CEO’s, corporate directors, Wall Street traders and service providers.

The Department of Corporate Affairs directs LIUNA’s Capital Stewardship Program. The Program strives to make sure that members’ pension and other assets work on their behalf through active ownership such as voting corporate shares in accordance with worker friendly ownership principles and the filing and tracking of shareholder proposals.

The Department of Corporate Affairs is also a valuable resource by collecting information on corporations that have responsible contractor policies and works to ensure that non-responsible contractors are identified and replaced if necessary. On a daily basis, “Pension Power” is used to influence corporations to use signatory employers who use union labor and participate in union pension and annuity funds. This participation further enhances the assets of the funds by the additional contributions that are paid when LIUNA members are working.

Finding ways to use the power of the pension dollars to maximize work opportunities for our pension fund participants and the signatory contractors who employ those members makes “Pension Power” a positive and influential tool.

John F. Penn, Chairman,
Central Laborers’ Pension and Annuity Funds
Military Service and Fringe Benefits

Central Laborers’ recognizes and appreciates the hard work and sacrifice of the many Participants who have served or will serve in the United States Military. While these heroes serve and protect our Country, the last thing they should have to worry about is whether or not they will lose their job or benefits when they return from duty. Thanks to “USERRA”, their rights are protected. The Uniformed Services Employment and Reemployment Rights Act of 1994 is a federal law intended to ensure that persons who serve or have served in the Armed Forces, Reserves, National Guard or other “uniformed services” are not disadvantaged in their civilian careers because of their service.

As well as employment, a service member’s retirement and health insurance benefits are also considered under USERRA.

Central Laborers’ Pension Fund’s Plan Rules outlines a participant’s rights to pension credits and vesting service for periods of absence from Covered Employment due to “qualified military service” or any predecessor statute (“Military Service”). Provided the Employee makes himself available for Covered Employment within 90 days after discharge (or within 90 days after recovery from a service-connected disability which continues after discharge from Military Service), up to one (1) Pension Credit per year will be granted for Military Service.

Central Laborers’ Annuity Fund’s Plan Rules outlines a participant’s right to annuity contributions for periods of absence from Covered Employment due to “qualified military service.” Provided the Employee makes himself available for Covered Employment within 90 days after discharge (or within 90 days after recovery from a service-connected disability which continues after discharge from Military Service), the Participant will be entitled to contributions toward their
account (without earnings). Generally, the amount of contributions is based on the average contribution rate for each hour of service and average number of hours worked in Covered Employment in the full Plan Year prior to entry into Military Service.

The Central Laborers’ Welfare Fund’s Plan Rules outlines an eligible participant’s right to continue coverage on behalf of dependents and to reinstate coverage upon discharge and reemployment. These rules are quite complex, especially where the length of “qualified military service” varies from employee to employee, and the time period of coverage is different for each individual employee depending on the amount of banked hours or eligibility reserve that have been accumulated for work in Covered Employment prior to entry into “qualified military service.”

At the time that an eligible participant enters “qualified military service”, the participant may continue to use their banked hours or eligibility reserve to maintain coverage for their dependents, or the participant may elect to make self-payments (at COBRA rates) to maintain dependent coverage.

Upon discharge and return to Covered Employment, the participant will be eligible for immediate reinstatement for coverage under the Plan, provided that the participant has not exhausted his banked hours or eligibility reserve to maintain coverage for their dependents during the period of duty. In the event the participant’s banked hours or eligibility reserve has been exhausted, the participant will be allowed to make self-payments (at COBRA rates).

Participants of the Central Laborers’ Funds are encouraged to contact the Fund Office with any specific questions and to provide Central Laborers’ with their military records as soon as possible after discharge.

Continue to educate yourself about veteran rights…


U.S. Department of Veterans Affairs General Website: www.va.gov
State Offices of the Department of Veterans Affairs: www.va.gov/statedva.htm

The LIUNA Midwest Region’s website, www.midwestlaborers.org, provides additional links to veteran information that may be of assistance to you. For questions about military service and your benefits with Central Laborers’, please call 1-800-252-6571.
Central Laborers’ Pension Fund - Frequently Asked Questions

Q: I am vested for a pension with the Central Laborers’ Pension Fund, have earned less than 30 pension credits, and am younger than age 53. I have been offered a job that is not associated with the construction industry, will be leaving Covered Employment to accept the job, and do not anticipate ever coming back to Covered Employment. Will my leaving Covered Employment prior to age 53 affect the pension that I will eventually receive from the Pension Fund?

A: If you are vested for a pension, you have a nonforfeitable right to receive monthly payments from the Pension Fund upon meeting the Fund’s eligibility requirements. Because you will be leaving Covered Employment (defined as work that requires employer contributions to be paid to the Pension Fund on your behalf) prior to attaining age 53, the pension you will eventually receive is called a “Deferred Pension”.

Age 53 is the earliest age at which Deferred Pension payments can begin, or the participant may choose to wait until age 65 to begin receiving an unreduced monthly benefit. See Appendix, Chart 3, in the Pension Fund’s Summary Plan Description (“SPD”) for the percent of Deferred Pension payable prior to normal retirement age. If you do not have a copy of the SPD, you may request a copy from the Fund office or view the SPD online at www.central-laborers.com.

Please note that vested participants who leave Covered Employment after age 53 (who have not otherwise met the Pension Fund’s eligibility requirements for a Service Pension) are considered for an Early Retirement Pension or Regular Pension, depending on the age at which pension payments begin. The Early Retirement Pension percent of pension payable is greater than the Deferred Pension percent of pension payable. See Appendix, Chart 2, in the Pension Fund’s SPD for the percent of Early Retirement Pension payable.

Q: I will be applying to begin receiving pension payments soon. What are the husband-and-wife options that are available?

A: The Pension Fund provides 50%, 75%, and 100% Husband-and-Wife options. With these options, a participant receives a reduced monthly pension benefit during their lifetime. Depending on the participant’s election at retirement, the Fund will pay 50%, 75%, or 100% of the monthly amount that the participant was receiving, to the participant’s spouse, beginning the month following the participant’s death and for the remainder of the spouse’s life.

If the spouse predeceases the participant, the participant’s monthly pension benefit will increase (or “pop-up”) to the life-only pension amount (the monthly pension amount that would have been payable if the participant and spouse had not elected a Husband-and-Wife form of payment) beginning the month following the spouse’s death.

Q: How far in advance should I contact the Fund Office to apply for my pension and what documents do I need to submit?

A: You should apply with the Fund Office at least 3 months prior to the date you intend to retire. You will need to provide proof of your age, proof of your spouse’s age (if married), and your marriage license (if applicable). If you served in the military, please submit a copy of your discharge papers. If you have been married and divorced, please submit a complete, certified copy of your divorce documents including the property/marital settlement agreement that includes language regarding your former spouse’s right to, or waiver of, a portion of your pension benefit.
Q: I am vested for a pension and am not married. What happens to my pension benefit if I die prior to retiring?

A: If you are not married, and you have earned at least one Year of Vesting Service (without incurring a Permanent Break in Service), or you are vested for a pension and die before retiring, a Pre-Retirement Death Benefit will be payable to your named beneficiary. The one-time Pre-Retirement Death Benefit is paid as a lump sum. Please refer to “Pre-Retirement Death Benefit” in the Pension Fund’s SPD, or request information from the Fund office about the estimated benefit that would be payable.

Participants are encouraged to update their (pension, annuity, and welfare) beneficiary designations whenever a life event occurs, such as divorce, spouse’s death, birth of a child, etc. Central Laborers’ NETime benefits link indicates your current beneficiary, or you may contact the Fund office for confirmation as to your current beneficiary designation.

Q: If I move but my direct deposit information stays the same, do I still need to notify the Fund Office of my new address?

A: Yes, a current address needs to be on file (in writing) with the Fund Office for mailing of tax documents and newsletters. The Fund Office is constantly sending important information and needs to know when your address changes.

Q: If I receive a monthly benefit payment from the Central Laborers’ Pension Fund, and later in the same month, work in Disqualifying Employment, how will my monthly benefit payment be affected.

A: Monthly benefit payments are issued on the first of the month for that month (i.e. September 1, 2012 payment is an advance payment for the entire month of September, 2012); therefore, if you engage in Disqualifying Employment at any time during the month, your benefit payment will be suspended and it is possible that an overpayment to you could occur. Should an overpayment occur, the Fund will request a reversal of the payment to you from your bank. If the reversal is unsuccessful, your next “eligible” payment will be withheld once you have notified the Fund Office in writing that your Disqualifying Employment has ended and you are returning to retirement (see SPD on the Fund’s website for additional information regarding overpayments and required notification regarding work during retirement).

The foregoing information is being furnished on the basis of the facts and circumstances pertaining to participation in the Central Laborers’ Pension Fund as of the date hereof as determined by the Fund’s records or information supplied to the Fund by the participant, or both. Future events could possibly alter or nullify the information presented. The participant’s rights in the Fund can also be affected by amendments to the Plan Rules and Regulations and Trust Agreement, and by changes in laws applicable to same. Also, any of the calculations, information, representations, and statements set forth above are subject to subsequent recalculation, modification, amendment and/or adjustment pursuant to the Participant’s employer’s/employers’ becoming subject to one of the Schedules included in the Rehabilitation Plan adopted by the Central Laborers’ Pension Fund’s Board of Trustees on January 16, 2012 (or a revised Schedule included in any revised Rehabilitation Plan subsequently adopted by the Fund’s Trustees).

This announcement highlights certain general Pension Plan information. Full details of the Plan are contained in the documents that establish the Plan provisions. If there is a discrepancy between this announcement and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.
What is a QDRO?

If a participant is divorced or in the process of divorce, a Qualified Domestic Relations Order, also known as “QDRO,” is necessary if his/her former spouse has been or will be awarded any portion of the participant’s pension and/or annuity benefits in the divorce settlement. Federal law prohibits the Central Laborers’ Pension and Annuity Funds from paying any portion of a participant’s benefits to anyone other than the participant unless it is pursuant to a “Qualified Domestic Relations Order” as described in Section 414(p) of the Internal Revenue Code. In addition, the Central Laborers’ Pension and Annuity Funds cannot process benefit applications without a written indication of whether or not a former spouse is entitled to a portion of the participant’s pension and/or annuity benefits. A QDRO can also apply to a participant who is already receiving monthly pension or annuity payments.

A QDRO is a legal document entered by the court of the county in which the divorce is filed. The QDRO is not the judgment of dissolution of marriage; it is a separate court order which specifically names the benefit plan, participant, the participant’s former spouse (also known as the “alternate payee”), and provides information such as date of birth and mailing address of both parties, and instruction as to how the participant’s pension and/or annuity benefits are to be payable/divided. Participants are encouraged to consult with their legal counsel who can advise them regarding issues that may arise with QDROs.

The Fund Office can provide sample language to a participant’s legal counsel for use in preparing a pension and/or annuity QDRO. All QDROs are reviewed by Central Laborers’ to make certain that the terms of the QDRO comply with the terms of eligibility and benefit payments provided for by the Central Laborers’ Pension Fund’s Plan Document. Once a QDRO satisfies the provisions of the Fund’s Plan Document and the requirements described in IRC Section 414(p), is entered by the court, and is accepted as “qualified” by the Fund Office, both parties in the divorce are notified and the terms of the QDRO are implemented.

Participants are encouraged to make certain that their divorce documentation includes language regarding the award (or waiver) of retirement benefits regarding the participant’s former spouse. After a divorce (or marriage, or a current beneficiary’s death), the participant should also update any beneficiary designation forms.

While divorce can be an unpleasant and emotional experience for the parties involved, please understand Central Laborers’ need for proper documentation and information as required by law.

For assistance with the QDRO process, please contact Diana Fletcher, Assistant Director, Pension/Annuity, at 800-252-6571, extension 178.
Meet Dan Aussem

Dan is the Executive Director of the Illinois Valley Contractors Association and a trustee on the Central Laborers’ Pension Fund. Although he serves as a management representative in both roles, Dan’s background, as you will see, has been as union member and then union representative. Dan and his wife Sue live in Ottawa and are the proud parents of 5 children and grandparents of 5 and 1 on the way.

Illinois Laborer: Dan, your path to heading up a contractor association is, to say the least, non-traditional.

Dan Aussem: Yes, I started my career in the construction industry with the LaSalle Ironworkers in 1975 and went through their apprenticeship program. I served as Recording Secretary for a term and then ran for Business Manager and served until 2005, when the local was merged with Joliet. I then served as a Business Agent at the Joliet local until the end of 2007, when I was approached by the IVCA to be their Executive Director.

IL: Why did they choose a Business Manager from a union instead of a contractor?

DA: My predecessor was retiring after 17 years and he was a former Business Manager with the Pipefitters, so I think it has to do with having a good understanding of the collective bargaining process, grievances and pension funds. It’s a small independent contractors association; we only have membership signatory contractors so it’s a very comfortable transition.

IL: You represent management on the Fund, how much does your background influence how you approach your decision-making.

DA: In theory, a good trustee would have the same opinion regardless, and that is what is in the best interest of the participant in the Fund. That’s what I strive for.

IL: What are the biggest obstacles facing the Fund?

DA: I don’t know if I would call them obstacles. I think that the biggest concern would be to get our members back to work, that would help the funds the most. The key is for elected officials to spring loose with funding to start projects and get us back to work. That would not just help this pension fund, but it would help the economy over all.

IL: Dan, thank you for your time.

DA: It was my pleasure.
SUMMARY ANNUAL REPORT FOR CENTRAL LABORERS’ WELFARE FUND

This is a summary of the annual report for the CENTRAL LABORERS’ WELFARE FUND (EIN 37-6058345, Plan No. 501), health, life insurance, dental, vision, temporary disability and other benefits for the year October 1, 2010 through September 30, 2011. The annual report has been filed with the Employee Benefits Security Administration, formerly known as the Pension and Welfare Benefits Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

INSURANCE INFORMATION

The Plan has contracts with Metropolitan Life Insurance Company to pay certain life insurance and accidental death and dismemberment benefit claims incurred under the terms of the Plan. The total premiums paid for the Plan Year ending September 30, 2011 were $48,539.

BASIC FINANCIAL STATEMENT

The value of Plan assets, after subtracting liabilities of the Plan, was $38,268,807 as of September 30, 2011, compared to $37,739,862 as of October 1, 2010. During the Plan year the Plan experienced an increase in its net assets of $528,945. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan’s assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The Plan had total income of $20,128,862, including employer contributions of $17,755,267, participant contributions of $1,340,731, earnings from investments of $992,790, and miscellaneous refunds of $40,074. Plan expenses were $19,599,917. These expenses included $16,657,712 in benefits paid to participants and beneficiaries and $2,942,205 in administrative expenses.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant’s report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of Plan assets; and
5. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Central Laborers’ Welfare Fund, who is the Plan Administrator, at P.O. Box 1267, Jacksonville, IL 62651 (telephone 217/243-8521). The charge to cover copying costs will be $25.00 for the full annual report, or $.25 per page for any part thereof.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, if any, or a statement of income and expenses of the Plan and accompanying notes, if any, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes, if any, will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, 201 North Main Street, Jacksonville, Illinois and at the U.S. Department of Labor in Washington D.C., or obtain a copy from the Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.
Health Care Reform Now and into the Future

The Patient Protection and Affordable Care Act (the “Affordable Care Act” or “ACA”) mandated many changes to group health plans for plan years beginning after September 23, 2010. Although many major adjustments already took place, the Affordable Care Act has a multi-year implementation schedule that extends into 2014. Since the U.S. Supreme Court upheld ACA on June 28, 2012, the implementation schedule continues.

Some conditions of ACA had or will have little effect on Union Funds. This is because most Union Funds already have a more liberal construction of their benefit plans and are more flexible with their eligibility rules than is seen with a typical insurance company. However, there are some provisions of ACA that we believe are significant or have required change. Please note, the highlights presented are not all inclusive since many parts of ACA are still being developed by legislators and governmental agencies.

Changes in 2011

Group Health Plans were given the option to be “grandfathered”, meaning they could postpone the implementation of some of the mandates, or they could waive “grandfathered” status, which required each to put into place ACA’s requirements that would otherwise not be required until 2014.

For both “grandfathered” and “non-grandfathered” plans, coverage was extended to dependent children up to age 26, regardless of residence, student status, or dependency. Grandfathered plans were allowed to exclude adult dependent children who were offered their own employer-provided coverage until 2014.

Any pre-existing condition exclusions were eliminated for those under age 19.

The ACA eliminated lifetime limits for essential benefits but allowed annual limits. Some plans requested and received waivers that allowed each to maintain an annual limit that was lower than the mandated $750,000/per year requirement. Although those with waivers received a reprieve from the annual limit increase, waivers expire in 2014, when all plans must comply with the higher annual benefit limits.

Other provisions enacted during the first phase of ACA’s implementation dealt with rescissions of coverage, primary care physician selection, payment on emergency treatment, coverage requirements for preventative care and appeal procedures. Most of those provisions only affected non-grandfathered plans and, therefore, are not required for grandfathered plans until 2014. The other conditions, affecting both grandfathered and non-grandfathered plans, were implemented as policy, but they did not change the current rules under which most Union Funds provide benefits.

Changes in 2012 and 2013

The ACA mandated fewer changes for calendar years 2012 and 2013:

For 2012, the annual maximum for essential benefits increased to $1,250,000 (for plans that did not request and receive a waiver).

For 2013, the annual maximum for essential benefits will increase to $2,000,000 (for plans that did not request and receive a waiver).
Plan sponsors will be required to provide a new communication tool called the Summary of Benefits and Coverage or SBC by the first day of the plan year beginning on or after September 23, 2012. Each SBC will provide information about plan deductibles, out-of-pocket maximums, coinsurance, covered services, and excluded services. In addition, each SBC will illustrate how the Plan will pay benefits for two examples: having a baby and managing type 2 diabetes.

2014 and Beyond

Trustees, plan sponsors and plan professionals are working together to meet all of ACA’s compliance deadlines. For calendar year 2014, all waivers and all annual limits on essential benefits will be eliminated. Many plans will have to make tough decisions regarding their benefits, contribution increases and how to continue to meet ACA’s requirements and still provide an affordable package for Participants. While plan sponsors and Trustees continue to work with plan professionals in assessing their options for the next major phase of the Affordable Care Act, there are still many provisions under ACA that are awaiting guidance from federal agencies. Until that guidance is issued the total affect ACA will ultimately have on benefits will remain uncertain. As new information becomes available, the Fund administrators will provide Participants with important updates. Stay tuned...

Walgreens Rejoins The Express-Scripts Network

We are pleased to inform you that Express Scripts and Walgreens announced a multi-year agreement. As of September 15, 2012 Walgreens will begin to participate in the Express Scripts retail pharmacy network for new and exciting clients.

Central Laborers’ Welfare Fund participants can log in to www.express-scripts.com to see pharmacies that are currently in their network. By September 15, 2012 Walgreens pharmacies will be visible on the Express Scripts pharmacy locator.

If you have any questions regarding this notice or your Prescription Benefits, please contact Central Laborers’ Welfare Fund at 1-800-252-6571.