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# INDIANA LABORERS PENSION FUND

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May 1, 2010

## IMPORTANT NOTICE TO PARTICIPANTS

### Introduction

Section 204(h) of the Employee Retirement Income Security Act of 1974 and ERISA regulation Section 2520.104b-3 requires the Board of Trustees to notify you of certain changes in the Pension Plan Document.

After much discussion and deliberation, and based upon the advice of the Fund Actuary and Fund Counsel, the Board of Trustees took action on March 25, 2010 to make comprehensive changes to the Pension Plan. The new rules will become effective June 1, 2010. The Trustees feel these changes are necessary and prudent in order to maintain the long-term solvency of the Pension Fund and to ensure that all our pensions remain soundly funded in the wake of recent extended market and economic downturns.

### Background

This notice includes a chart that lists each benefit affected by the recent amendment, the provisions before amendment ("current provision"), and the amended provisions effective June 1, 2010.

As used in this notice, the following terms have specific meanings:

- **"A" Benefit** – the portion of your benefit accrued (earned) as of May 31, 2010
- **"B" Benefit** – the portion of your benefit you accrued (earned) on or after June 1, 2010
- **Current Participant** – anyone who has met the Plan's initial eligibility requirements on or before June 1, 2010
- **Future Participant** – anyone who meets the Plan's initial eligibility requirements after June 1, 2010.

### **No Change for Retired Participants**

Participants who retired prior to June 1, 2010 and do not return to work under the Plan after June 1, 2010 will not be affected by this Plan change in any way.

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#### Officers-Board of Trustees

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ERIC C. COOK  
CHAIRMAN

FRANK DEGRAW  
SECRETARY-TREASURER

JANETTA E. ENGLAND  
ADMINISTRATIVE MANAGER

## Chart of Plan Changes

Type of Benefit	Current Provision	New Provision (Changes Effective June 1, 2010)
Normal retirement	Later of age 60 or 5 <sup>th</sup> anniversary of participation	<p><b>Current Participants:</b></p> <ul style="list-style-type: none"> <li>• <b>"A" Benefits</b> - no change</li> <li>• <b>"B" Benefits</b> - later of age <b>62</b> or 5<sup>th</sup> anniversary of participation</li> </ul> <p><b>Future Participants:</b> Later of age <b>62</b> or 5<sup>th</sup> anniversary of participation</p>
Early retirement with 30 years of service	Unreduced, payable at any age	<p><b>Current Participants:</b></p> <ul style="list-style-type: none"> <li>• <b>"A" Benefits</b> remain unreduced, payable at any age</li> <li>• <b>"B" Benefits</b> are reduced by ¼% per month for each month prior to age <b>62</b> and are not payable before age <b>55</b></li> </ul> <p><b>Future Participants:</b> Benefits are reduced by 1/4% per month for each month prior to age <b>62</b> and are not payable before age <b>57</b></p>
Early retirement with 5 but less than 30 years of service	Payable as early as age 55, reduced by ¼% per month for each month prior to age 60	<p><b>Current Participants:</b></p> <ul style="list-style-type: none"> <li>• <b>"A" Benefits</b> remain payable as early as age 55, reduced by ¼% per month for each month prior to age 60</li> <li>• <b>"B" Benefits</b> are reduced by ½% per month for each month prior to age <b>62</b> and are not payable before age <b>55</b></li> </ul> <p><b>Future Participants:</b> Benefits are reduced by ½% per month for each month prior to age <b>62</b> and are not payable before age <b>57</b></p>
Minimum accrued benefit	\$300 for participants with 10 years of Laborers service and a minimum of 480 hours in each of 5 of the last 10 years	<p><b>Current Participants who meet the requirements for a "minimum accrued benefit" on or before 6/1/2010:</b> \$300</p> <p><b>Current Participants who do <u>not</u> meet the requirements for a "minimum accrued benefit" on or before 6/1/2010 and <u>all</u> Future Participants:</b> No minimum</p>
Total and permanent disability benefit	85% of accrued (\$150 minimum) payable until age 55, recovery or death	<p><b>Current Participants with applications received on or before 6/1/2010:</b> No change</p> <p><b>All other Participants:</b> Not payable</p>

Type of Benefit	Current Provision	New Provision (Changes Effective June 1, 2010)
Occupational disability benefit	65% of accrued payable for 2 years, until attainment of early retirement age, or until participant qualifies for total and permanent disability	<p><b>Current Participants with applications received on or before 6/1/2010:</b> No change</p> <p><b>All other Participants:</b> Not payable</p>
Disability retirement benefit	N/A	<p><b>Participants applying after 6/1/2010:</b> Disability retirement benefit commencing as early as age 52 (but not later than earliest retirement age) provided the following requirements are met.</p> <ul style="list-style-type: none"> <li>• Participant is unable to perform construction work due to an injury sustained on a jobsite while working under any LIUNA CBA or performing a job for which contributions are required to be made to the Fund under a participation agreement and has least 5 years of service; and</li> <li>• Participant submits proof of accident and disabled status within 6 months of later of: (a) the accident, or (b) 6/1/2010; and</li> <li>• Trustees find Participant is still disabled as of desired commencement date.</li> </ul> <p>The monthly amount shall be the benefit that would otherwise be payable at earliest retirement age reduced by ½% per month for each month that commencement date precedes such earliest retirement age and adjusted for any optional form of payment elected.</p>
Pre-retirement death benefit type 1	<p>Surviving spouse of vested participant receives 50% of earliest joint and 50% survivor annuity;</p> <p>If participant had 30 years of service or was over age 60, benefit is 100% of the joint and 100% survivor annuity</p>	<p><b>Participant died on or before 6/1/2010:</b> No change</p> <p><b>Participant died after 6/1/2010:</b> Surviving spouse of vested Participant receives 50% of earliest Joint and 50% Survivor Annuity regardless of age and service</p>

Type of Benefit	Current Provision	New Provision (Changes Effective June 1, 2010)
Pre-retirement death benefit type 2	100% of employer contributions (can be elected by a surviving spouse in lieu of type 1 benefit)	<p><b>Participant died on or before 6/1/2010:</b> No change</p> <p><b>Participant died after 6/1/2010:</b> 50% of employer contributions, but not more than \$25,000, reduced by any disability benefits received by the Participant based on a pre-6/1/2010 disability application (this benefit can be elected by a surviving spouse instead of the type 1 Pre-retirement death benefit if it is at least as valuable)</p>
Post-retirement lump sum death benefit	100% of employer contributions less the sum of benefits received (not payable on joint and survivor benefits)	<p><b>Participant retired on or before 6/1/2010:</b> No change</p> <p><b>All other Participants:</b> Not payable. However, <u>effective June 1, 2010</u>, new retirees have the option of electing post-retirement death benefit coverage via a reduced pension paid in the form of a 5-year certain and life benefit.</p>

**Important:** This change does not affect any of the retirement benefits that you will have earned under this Plan through May 31, 2010.

## Examples of How Major Benefit Changes Affect Active Participants

### ***Early Retirement with 30 years of service example***

The following example will illustrate the changes to the early retirement benefit with 30 years of service. For this example, we will assume that your "A" Benefit (earned as of 5/31/2010) is \$2,000 per month and your "B" Benefit (earned on or after 5/31/2010) is \$90 per month. You decide to retire on 6/1/2013 at age 53 and with 30 years of service.

	<b>Benefit earned</b>	<b>Monthly Benefit you would have received before change</b>	<b>Monthly Benefit you will receive after change</b>
<b>"A" Benefit</b>	\$2,000.00	\$2,000.00 starting at age 53	\$2,000.00 starting at age 53
<b>"B" Benefit</b>	\$90.00	\$90.00 starting at age 53	\$71.10* starting at age 55
<b>Total</b>	\$2,090.00	\$2,090.00 starting at age 53	\$2,000.00 starting at age 53; increasing to \$2,071.10 at age 55

\* Earned benefit reduced by 21% (84 months – from age 62 down to 55 - at ¼% per month)

### ***Early Retirement with 5 but less than 30 years of service example***

The following example will illustrate the changes to the early retirement benefit with 5 but less than 30 years of service. For this example, we will assume that your "A" Benefit (earned as of 5/31/2010) is \$1,500 per month and your "B" Benefit (earned on or after 5/31/2010) is \$90 per month. You decide to retire on 6/1/2013 at age 55 and with 20 years of service.

	<b>Benefit earned</b>	<b>Monthly Benefit you would have received before change</b>	<b>Monthly Benefit you will receive after change</b>
<b>"A" Benefit</b>	\$1,500.00	\$1,275.00* starting at age 55	\$1,275.00* starting at age 55
<b>"B" Benefit</b>	\$90.00	\$76.50* starting at age 55	\$52.20** starting at age 55
<b>Total</b>	\$1,590.00	\$1,351.50 starting at age 55	\$1,327.20 starting at age 55

\* Earned benefit reduced by 15% (60 months – from age 60 down to 55 - at ¼% per month)

\*\* Earned benefit reduced by 42% (84 months – from age 62 down to 55 - at ½% per month)

**Disability benefit example**

The following example will illustrate the changes to the total and permanent disability benefit. For this example, we will assume that your "A" Benefit (earned as of 5/31/2010) is \$1,500 per month and your "B" Benefit (earned on or after 5/31/2010) is \$90 per month. We also assume that you are totally and permanently disabled and apply for disability benefits at age 45.

	<b>Benefit earned</b>	<b>Monthly Benefit you would have received before change (as a Total and Permanent Disability Benefit)</b>	<b>Monthly Benefit you will receive after change (as a Disability Retirement Benefit)</b>
<b>"A" Benefit</b>	\$1,500.00	\$1,275.00* starting at age 45 switching to an early retirement benefit of the same amount at age 55	\$1,045.50** starting at age 52
<b>"B" Benefit</b>	\$90.00	\$76.50* starting at age 45 switching to an early retirement benefit of the same amount at age 55	\$42.80** starting at age 52
<b>Total</b>	\$1,590.00	\$1,351.50 starting at age 45	\$1,088.30 starting at age 52

\* 85% of the earned benefit

\*\* Earliest retirement benefit of \$1,275 ("A" portion) or \$52.20 ("B" portion) reduced by an additional 18% (36 months – from age 55 down to 52 - at ½% per month)

**Pre-retirement death benefit example**

The following example will illustrate the changes to the pre-retirement type 1 death benefit (payable to the surviving spouse of a vested participant who dies before commencing benefits). For this example, we will assume that your "A" Benefit (earned as of 5/31/2010) is \$2,000 per month, your "B" Benefit (earned on or after 5/31/2010) is \$90 per month, and that you had 30 years of service when you died. We also assume you were 55 and your spouse was 52 at the time of your death.

	<b>Benefit earned</b>	<b>Monthly Benefit your spouse would have received before change</b>	<b>Monthly Benefit your spouse will receive after change</b>
<b>"A" Benefit</b>	\$2,000.00	\$1,620.00*	\$900.00**
<b>"B" Benefit</b>	\$90.00	\$72.90*	\$32.00**
<b>Total</b>	\$2,090.00	\$1,692.90	\$932.00

\* Earliest retirement benefit of \$2,000 ("A" portion) or \$90 ("B" portion) multiplied by the joint and 100% survivor annuity conversion factor of 0.81 times 100%

\*\* Earliest retirement benefit of \$2,000 ("A" portion) or \$71.10 ("B" portion) multiplied by the joint and 50% survivor annuity conversion factor of 0.90 times 50%

**Post-retirement death benefit example**

The following example will illustrate the changes to the post retirement lump death benefit. For this example, we will assume that you have earned a total of \$900.00 in monthly pension benefits and that your employers have paid a total of \$20,000 in pension contributions on your behalf. You retire after June 1, 2013 at age 62.

<b>Benefit Earned</b>	<b>Monthly life benefit before change</b>	<b>Monthly Life Benefit after change</b>	<b>Monthly 5 year certain and life benefit*</b>
\$900.00	\$900.00 if you die prior to receiving \$20,000 in pension payments, your beneficiary will receive difference between \$20,000 and payments you received	\$900.00 (no post-retirement death benefit is payable)	\$884.61** if you die prior to receiving 60 pension payments (\$53,076.60), your beneficiary will receive the balance of the 60 payments

\* New optional form of benefit available to participants retiring on or after June 1, 2010

\*\* Earned benefit times 5-year certain and life conversion factor of .9829

Please keep this Notice with your current Summary Plan Description for future reference. If you have questions after reading this Notice, please contact the Fund Office.

**Board of Trustees**