

LABORERS' PENSION FUND
(CHICAGO and VICINITY)

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**TO: PARTICIPANTS, BENEFICIARIES, PARTICIPATING UNIONS, AND
CONTRIBUTING EMPLOYERS TO THE LABORERS' PENSION FUND**

As you know, the **Pension Protection Act (PPA) of 2006 and the Multiemployer Pension Reform Act of 2014 (MPRA)** requires us to put in place several safeguards to measure the financial health of our pension plan and to certify the financial status each year.

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Starting with the 2008-2009 Plan Year, the Fund's actuary determined our Plan's financial condition under these new funding standards and certified our Plan's status accordingly – and you have been receiving PPA-required notices regarding the Plan's funding status since that time. Actuarial certifications for meeting PPA funding standards include:

- **Green zone** pension plans are considered to be in good financial health
- **Yellow zone** pension plans are considered to be in endangered status or seriously endangered status
- **Red zone** pension plans are considered to be in critical status or critical and declining status.

For compliance purposes, Trustees of plans in the yellow or red zones must take corrective action to restore the financial health of the plan (i.e., Funding Improvement Plan or Rehabilitation Plan, respectively). Trustees for plans in the green zone are not required by law to take any action although the Trustees may need to address funding issues at some point in the future.

Trustees must also provide written notification to all plan participants, beneficiaries, participating unions, and contributing employers if the Plan's status is in the yellow or red zone.

This notice provides an update on our Plan's funding status and background on the Fund's Annual Funding Notice.

OUR PLAN'S FUNDING STATUS – GREEN ZONE

We are pleased to announce that our Plan continues to be certified as being Green/good financial condition for the 2019-2020 Plan year. As a result of being neither endangered nor critical, no changes need to be made to the Plan at this time.

Pension plans with a funding status of good financial health must have a funded percentage of at least 80% and meet other conditions as well. As of June 1, 2019 (the beginning of the 2019-2020 Plan year), our Plan had a projected funded percentage of 83.9%.

EMPLOYER PARTICIPANTS –

Builders' Association, Employing Plasterers' Association, Underground Contractors' Association, Mason Contractors' Association, Concrete Contractors' Association, Wrecking Contractors, Concrete Products Employers, Lake County Illinois Employers, Illinois Road Builders Association, Bridge and Highway Structural Builders; i.e. all those who employ Laborers Engaged in the Building and Construction Industry.

ANNUAL FUNDING NOTICE

As in past years, the Trustees have provided an Annual Funding Notice that provides detailed information about the Fund for the prior 2018-2019 Plan Year. The Annual Funding Notice also provides additional information regarding Plan assets and liabilities. Please note that the Annual Funding Notice is for the prior 2018-2019 Plan Year while this Green Zone notice is for the current 2019-2020 Plan Year.

NEXT STEPS

The Fund's actuary will review and certify our Plan's funding status each year, as specified by the PPA. Although our objective is to maintain the "green zone" status, there are a number of variables, beyond our control, that our advisors will monitor from year to year. Examples of these variables include investment market volatility, as well as changes in employment levels.

A FINAL NOTE

As your Trustees, we work diligently to ensure the Fund's financial health, and we use professional advisors such as actuaries, investment consultants, administrators, and legal advisors, to evaluate the Plan on an ongoing basis. Our continuing commitment is to provide you and your family with secure retirement benefits – to ensure that the Plan has the necessary assets to fund benefits when you retire. We believe that our Fund will continue to do so in the future.

After reviewing these materials, please contact the Fund Office at (708) 562-0200 if you have questions or need more information.

Sincerely,

Board of Trustees

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