

**CENTRAL LABORERS' PENSION FUND  
NOTICE OF PLAN STATUS (Yellow Zone)**

---

EBSA/PUBLIC DISCLOSURE  
2016 MAY -3 PM 4: 22

April 29, 2016

To Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act ("PPA"), signed into law in 2006, is intended to improve the financial condition of pension plans. PPA implemented several safeguards as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Many of PPA's safeguard provisions relate to funding, which, in simplest terms, is how much money a plan has coming in, going out, and what is in reserve (or "in the bank") for the future. The safeguards are intended to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, PPA requires that a pension plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal classifications ("zone status"), were established. Plans that are in "endangered," "seriously endangered", or "critical" status must notify all plan participants, beneficiaries, unions, and contributing employers of the Plan's status, as well as take corrective action to restore the plan's financial health. PPA's zone status rules were modified by the Multiemployer Pension Reform Act of 2014 ("MEPRA"), enacted on December 16, 2014. MEPRA, among other changes, added a new zone status called "critical and declining." Additional measures to improve funding shortfalls are available to "critical and declining" plans.

**Plan's Status – Yellow Zone**

On March 30, 2016, the Central Laborers' Pension Fund ("the Plan") was certified by its actuary to be in "endangered" status (also known as the "Yellow Zone") for the Plan year beginning January 1, 2016 ("2016 Plan year"). This is based on the actuary's determination that the Plan is no longer in "critical" ("Red Zone") status because the Plan is projected to not have an accumulated funding deficiency for the 2016 Plan year or any of the succeeding 9 Plan years (taking into consideration the Plan's amortization extension), is projected to remain solvent for the 2016 Plan year and the succeeding 30 Plan years, and is projected to be less than 80% funded as of January 1, 2016.

**Funding Improvement Plan**

Federal law requires that a plan in endangered status adopt a "Funding Improvement Plan" aimed at restoring the financial health of the plan. The Trustees adopted a Funding Improvement Plan effective as of March 31, 2016. The Funding Improvement Plan requires the same contribution increases as the most recent Rehabilitation Plan, except in cases where the employer did not elect a schedule of that Rehabilitation Plan. The required contribution rate increases for those employers are slightly higher. The Funding Improvement Plan has been provided to contributing employers and participating unions.

37-6052379

Central Laborers' Pension Fund  
P.O. Box 1267  
Jacksonville, IL 62651-1267



## What's Next

We understand that legally required notices like this one can create concern about the Plan's future. While the "endangered" status (or "Yellow Zone") classification is required to be used by law, we are working with our actuaries and consultants to continue to review the Plan's condition and address its issues. We will take actions necessary to improve the Plan's financial condition.

For more information about this notice or the Plan in general, please contact in writing the Plan's Executive Director, Mr. Dan Koeppel, at P.O. Box 1267, Jacksonville, Illinois, 62651-1267, 217-243-8521.

Sincerely,  
Board of Trustees

*As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.*