

STONER & ASSOCIATES

205 West Fourth Street, Suite 225 • Cincinnati, Ohio 45202-4813 • (513) 381-6886

February 12, 2015

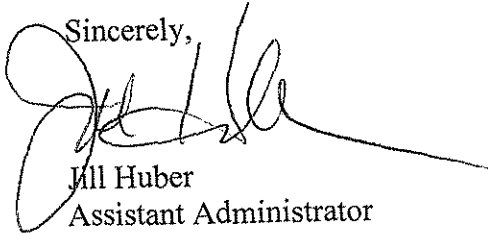
U.S. Department of Labor
Employee Benefits Security Administration
200 Constitution Ave, N.W.
Washington, D.C. 20210

RECEIVED
2015 FEB 18 10 29 AM '15

Re: Notice of Critical Status – Laborers Local 265 Pension Plan
EIN-31-6127282

Please find enclosed the Notice of Critical Status for the above Pension Plan.

Sincerely,



Jill Huber
Assistant Administrator

LABORERS LOCAL NO. 265 PENSION PLAN
2014 NOTICE OF CRITICAL STATUS
February 2015

This is to inform you that on January 29, 2015, the actuary for the Laborers Local No. 265 Pension Plan ("Plan") certified to the United States Department of the Treasury, and also to the Plan Sponsor ("the Board of Trustees"), that the Plan is in critical status for the 2014 Plan Year. The 2014 Plan Year began on November 1, 2014 and ends October 31, 2015. Federal law requires that you receive this Notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan's 2009 PPA certification date the Plan's actuary determined that the Plan was projected to have an accumulated funding deficiency for the 2012 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government's minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The Plan continues to be in critical status for the 2014 Plan Year because the Plan's actuary has determined that the Plan has not passed the "Emergence Test" that would enable it to come out of critical status. In order to pass the Emergence Test, the Plan's actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

On March 31, 2010 the Board of Trustees adopted a rehabilitation plan as required by the *Pension Protection Act of 2006* and the Plan is operating under this rehabilitation plan. The Plan's actuary has certified that the Plan is making scheduled progress as required under its rehabilitation plan.

Rehabilitation Plan

Federal law requires plans in critical status to adopt a rehabilitation plan aimed at improving the plan's funded percentage. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of "adjustable benefits", and/or (3) increases in the hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay "restricted benefits", such as lump sum death or disability benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity.

In an effort to improve the Plan's funding situation, the Board of Trustees adopted a rehabilitation plan that has been ratified by the bargaining parties. The rehabilitation plan includes benefit changes as well as scheduled increases in the Plan's hourly contribution rate. The following documents the Plan's rehabilitation plan:

- 1. Change in Disability Retirement Benefits.** For Disability Retirement applications received on or after February 26, 2010, no retroactive Disability Benefits will be paid. A participant's Disability Retirement date will be the first of the month following the later of his Social Security Award date or the date that his application for benefits is received by the Plan Administrator. In addition, the Lump Sum Return of Contributions Disability Benefit that was paid to a

disabled participant with less than five (5) Years of Service was eliminated effective February 26, 2010.

2. **Elimination of Return of Contributions Death Benefits.** On and after February 26, 2010, the Lump Sum Return of Contributions Death Benefit has been eliminated for non-retired participants. The Lump Sum Death Benefit paid on behalf of retired participants that was equal to the total contributions made on behalf of the deceased retiree less any benefits paid has also been eliminated.
3. **Scheduled Increases in the Hourly Contribution Rate.** The contribution rate will be increased by at least 40¢ per hour for each year beginning June 1, 2010 and ending June 1, 2019, and will result in a total increase in the contribution rate of \$4.00 per hour (from \$2.50 per hour on June 1, 2009 to \$6.50 per hour on June 1, 2019). These increases in the hourly contribution rate will not result in any additional benefit accruals. It should be noted that the hourly contribution rate was increased to \$4.50 per hour effective June 1, 2014.

The Plan's rehabilitation plan will be reviewed annually with the actuary and other professionals. Based upon such review, the rehabilitation plan may be amended to include additional benefit reductions and/or contribution rate increases. You can request a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Adjustable Benefits

If it is ever determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Subsidized Early Retirement benefits;
- Unreduced Early Retirement benefits;
- Total and Permanent Disability benefits (if not yet in pay status);
- Trade Disability benefits (if not yet in pay status); and
- Pre-Retirement Death benefits.

If the Board of Trustees of the Plan ever determines that any benefit reductions are necessary, you would receive a separate Notice identifying the reductions and explaining their effect. Any reduction of "adjustable benefits" will not reduce the level of your basic benefit payable at your normal retirement age (generally, age 62). In addition, the reductions will only apply to participants and beneficiaries whose benefit commencement date is on or after February 26, 2010.

Where to Get More Information

For more information about this Notice, you can contact the Laborers Local No. 265 Pension Plan at 205 West Fourth Street, Suite 225, Cincinnati, Ohio 45202, or by calling (513) 381-6886. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127282. You have the right to request a copy of the rehabilitation plan from the Plan.