



EMPLOYERS AND OPERATING ENGINEERS LOCAL 520

Health & Welfare, Pension, Annuity & Vacation

Eight Executive Woods Court

Swansea, Illinois 62226-2067



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April 25, 2008

Secretary of Labor
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Certified Mail-Return Receipt Requested

RE: Notice of Endangered Certification for Employers and Operating Engineers
Local No. 520 Pension Fund (EIN: 37-6053929 / PN 001)

Dear Madam Secretary:

As required by Internal Revenue Code Section 432(b)(3)(D)(i), this is to inform you that the above referenced plan has been certified by the plan actuary to be in endangered status as defined in Code Section 432(b)(1) for the plan year beginning January 1, 2008. The date of the certification is March 25, 2008. A copy of the Notice provided to participants, participating employers, local unions retirees and beneficiaries is enclosed.

Please let us know if you have any questions.

Sincerely,

Board of Trustees
Employers and Operating Engineers
Local 520 Pension Fund

RECEIVED
2008 MAY -1 A 5:21
DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON, DC 20210



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Employers and Operating Engineers Local No. 520 Pension Fund Notice of Plan Status

April 24, 2008

Participants, Beneficiaries, Participating Union, and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act 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.

Starting with the 2008 plan year, the Act requires that the Pension Plan be tested annually to determine how well it is funded. The Act established formal benchmarks for measuring a plan's funding. Plans that are in the yellow ("endangered") or red ("critical") zones must notify all plan participants, unions, and contributing employers of the plan's status, as well as take corrective action to restore the plan's financial health.

Plan's Status – Yellow Zone

For the Plan year beginning January 1, 2008, the Pension Plan is 71.83% funded. The Pension Fund's actuary provided this certification based on the Act's funding measures. On March 25, 2008, the Pension Plan was categorized as being in the yellow "endangered" zone for the 2008 Plan year, since the Plan is less than 80% funded.

Funding Improvement Plan

To comply with the Act, the Trustees will adopt a Funding Improvement Plan before November 25, 2008, designed to improve the Pension Plan's funded status. Once a Funding Improvement Plan is adopted, contributing employers and Local 520 will be notified of the items that will need to be covered in new or renewed collective bargaining agreements.

What's Next

While no changes are being made at this time, once the Funding Improvement Plan is adopted, any necessary changes will be communicated to all affected individuals and/or parties. However please note that since the Pension Plan's financial condition generally changes with changes in the economy, the Act requires that the Pension Plan's funding status be reviewed and certified annually, which means that you will receive a notice like this each year until the Pension Plan is no longer in the yellow zone.

The Trustees have been working with our actuaries and consultants for some time now to address funding issues. In fact, the action taken in August 2007, when an additional 90¢ was added to the hourly contribution rate, is a major step toward improving the funded status of the Plan in the coming years. Based on the current plan design and contribution levels and the Plan meeting its actuarial assumptions including demographic characteristics and investment returns, the Plan's actuaries have projected that the Plan's funded status could be greater than 80% and emerge from the yellow zone as early as the 2011 plan year. Please be aware that improving the Pension Plan's funded status is a top priority and we are committed to taking any actions necessary, and as permitted by law, to ensure that the Pension Plan has the necessary assets to fund benefits when participants retire.

For more information about this Notice or the Pension Plan in general, please contact the Pension Plan's Administrator, David Glastetter, at the address listed at the start of this letter.

Sincerely,
Board of Trustees

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