

LABORERS LOCAL 199 PENSION FUND

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EBSA/PUBLIC DISCLOSURE
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Notice of Funded Status
For
LABORERS OF DELAWARE LOCAL UNION NO. 199 PENSION PLAN
(E.I.N. 51-6024937 / Plan 001)

Background

This notice contains important information about the Laborers of Delaware Local Union No. 199 Pension Plan. Based on funding criteria set forth in the Pension Protection Act of 2006 (PPA), multiemployer pension plans are required – beginning with the 2008 plan year – to be certified by their actuaries as being in one of three funded status zones:

- *Neither Endangered nor Critical (unofficially called the “Green Zone”)*
- *Endangered (unofficially called the “Yellow Zone”)*
- *Critical (unofficially called the “Red Zone”)*

While trustees of Green Zone plans must continue to exercise diligence to protect the funded positions of their plans, the law does not require them to take any specific actions or adopt particular programs to maintain or improve plan funding. On the other hand, trustees of plans that are not in the Green Zone must take specific actions spelled out in the law, including the adoption of a “funding improvement plan” for plans in endangered status or a “rehabilitation plan” for plans in critical status that are designed to restore the plans to Green Zone status over a period of time. For example, a plan in endangered status may reduce or eliminate future benefits or recommend that the bargaining parties negotiate additional employer contributions.

May 1, 2009 Plan Year Certification

For the May 1, 2009 through April 30, 2010 plan year, the Plan’s actuary has certified the Plan to be in endangered status (“Yellow Zone”) because the Plan is less than 80% funded.

Worker, Retiree and Employer Recovery Act of 2008

On December 23, 2008, President Bush signed into law the Worker, Retiree and Employer Recovery Act of 2008 (WRERA). The WRERA provides temporary funding relief to multiemployer defined benefit pension plans in light of the current economic crisis. Under the provisions of the WRERA, the Plan Trustees have elected “to freeze”, or retain, the Plan’s 2008 plan year Green Zone status for the 2009 plan year. Therefore, while the Trustees may take certain actions to improve the funding position of the Plan, they will not adopt a funding improvement plan at this time.

Please be advised that the freezing of the Plan’s 2008 plan year Green Zone status does not extend beyond April 30, 2010. By July 31, 2010, the Plan’s actuary will again

certify its funded status and zone classification. If the Plan is certified to be in either endangered or critical status at that time, within 30 days after the date of certification, you will be sent a notice similar to this one explaining the Plan's zone status and actions that the Trustees may be required to take under the law to improve the funded status of the Plan.

Plan Experience and Possible Future Adjustments

As you are aware, 2008 was one of the worst years for investment markets since the Great Depression. As a result of these turbulent investment markets, our Fund, like most other retirement funds across the country, suffered considerable asset losses. The Trustees are evaluating various options to address the funding shortfall created by the decline in asset values during the 2008/2009 plan year. These options include increases in future contribution rates, reductions in the rate of future benefit accruals and/or other changes. If the Trustees of the Plan determine that any such changes are necessary, you will receive a separate notice in the future identifying and explaining the effect of those changes.

As noted above, the PPA requires that the Plan's funded status be reviewed and certified annually and notices like this one will be sent each year. There are several variables beyond the Trustees' control that the Plan's advisors are monitoring, including investment market fluctuations, changes in employment levels and/or the number of contributing employers, which could affect the Plan's status and the need for corrective actions in the future.

We understand that legally required notices like this one can create anxiety and concern about the Pension Plan's future. The Board of Trustees remains confident that, with appropriate adjustments, the Plan will continue to provide participants and their family members with secure retirement benefits.

Where to Get More Information

For more information about this Notice, you may contact:

**GEM Group, Plan Administrator
Brandywine Corporate Center
650 Naamans Road, Suite 303
Claymont, DE 19703
or call 1-800-223-7405**