

## **Notice of Critical Status For Contractors, Laborers, Teamsters and Engineers Pension Plan**

This is to inform you that on March 30, 2009 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2009. Federal law requires that you receive this notice.

### **Critical Status**

The plan is considered to be in critical status because it has funding problems. More specifically, [the plan's actuary determined that as of January 1, 2009: \(i\) the plan's ongoing normal cost plus interest on the unfunded liabilities exceeds the present value of expected 2009 contributions; additionally, \(ii\) the present value of vested benefits for inactive participants exceeds the present value of vested benefits for active participants; and \(iii\) the plan has is projected to have an accumulated funding deficiency over the ensuing four years \(as of the end of the 2013 plan year\).](#)

### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of this notice, or April 30, 2009.

### **Adjustable Benefits**

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt (the checked boxes may apply):

- post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefits; such as the rule of 90;
- Pre-Retirement death benefits; and
- any benefit increases occurring in the past five years.

### **Employer Surcharge**

The law requires that all contributing employers pay to the plan a surcharge until a Rehabilitation Plan is adopted to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

### **Where to Get More Information**

For more information about this Notice, you may contact the Fund Office at 10334 Ellison Circle, Omaha, NE 68134 or by phone at (402) [491-3751](tel:402-491-3751). You have a right to receive a copy of the rehabilitation plan (once it is completed and becomes available) from the plan.