

ALASKA LABORERS TRUST FUNDS

Alaska Laborers-Employers Retirement Fund

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Administered by
Labor Trust Services, Inc.

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October 24, 2014

TO: PARTICIPANTS OF ALASKA LABORERS-EMPLOYERS RETIREMENT FUND

RE: NOTICE OF ENDANGERED (YELLOW ZONE) STATUS

Starting with the 2008 Plan Year, the Pension Protection Act of 2006 ("PPA") amended existing federal law to require that the actuary of a multiemployer pension plan certify the plan's status under the PPA's funding rules. In addition, if the actuary determines that the plan's status for the year is "endangered", "seriously endangered" or "critical," the plan is required to provide a written notice of that status to plan participants, beneficiaries, and bargaining parties.

This is to inform you that on September 25, 2014 the plan actuary certified to the U.S. Department of the Treasury and to the Trustees that the Fund is in Endangered Status ("Yellow Zone") for the plan year beginning July 1, 2014.

Yellow Zone

The Fund is considered to be in the Yellow Zone because the Fund's funded percentage is less than 80%. However, the Fund has an estimated \$508,400,000 in assets as of July 1, 2014, and is projected to have sufficient assets to pay full benefits for the foreseeable future.

Funding Improvement Plan

Federal law requires pension plans in the Yellow Zone to adopt and maintain a funding improvement plan aimed at restoring the financial health of the plan. The Trustees initially adopted a funding improvement plan in April, 2014. The funding improvement plan for the Alaska Laborers - Employers Retirement Fund must meet certain benchmarks for improving the Fund's financial condition over a period of years. Contribution rate increases or changes to future benefit accruals or other benefits may be necessary to meet these benchmarks and return the Fund to full funding. However, under the Yellow Zone, current retirees and beneficiaries will not see any changes to their monthly benefits.

Future Experience and Possible Adjustments

The funding improvement plan will be based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or benefit changes may be needed if the Trust were to suffer asset returns below the expected 7.0% (in the 2014 plan year or later), a drop in covered hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that

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further adjustments are necessary, you may receive a separate notice identifying and explaining the effect of those changes.

Commitment to Continued Improvement

The Trustees anticipate that the Fund will emerge from the Yellow Zone and continue to see long-term improvement in funded percentages. The Trustees maintain their commitment to providing a retirement benefit on which you can rely – one which will play a significant role in your overall retirement planning.

Where to Get More Information

For more information about this Notice, you may contact:

Labor Trust Services, Inc.
PO Box 93870
Anchorage, AK 99509-3870
Phone: 1-907-561-5119, Toll-free: 1-855-815-2323

You have a right to receive a copy of the funding improvement plan for the Fund.

Sincerely,

Board of Trustees
Alaska Laborers-Employers Laborers Trust Funds

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