

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA
NATIONAL (INDUSTRIAL) PENSION FUND

04/29/09 11:09:21

April 29, 2009

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, N.W.
Washington, D.C. 20210

RE: Zone Notice for the
LIUNA National (Industrial) Pension Fund

To Whom It May Concern:

Please find enclosed the required Zone Notice for the LIUNA
National (Industrial) Pension Fund, EIN: 52-6074345, Plan No. 001.

Sincerely,



MARK W. SPEAKES
Fund Administrator

Enclosure



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LIUNA
INNOVATION
AT WORK

LABORERS' NATIONAL (INDUSTRIAL) PENSION FUND

905 16th Street, N.W.
Washington, D.C. 20006
(202) 737-1664

April 28, 2009

To: All Participants, Beneficiaries in Pay Status, Participating Unions, and Contributing Employers

The *Pension Protection Act of 2006* (PPA) amended existing federal law to require that the Pension Fund's actuary determine annually, starting with the 2008 plan year, the Fund's funding status under the PPA's new funding rules and certify that status to the U.S. Treasury Department. If the Fund's status for a plan year is "endangered", the Fund is required to provide a written notice of the certification to you.

This is a notice that the Pension Fund's actuary recently determined and certified to the Treasury Department that the Fund is in "seriously endangered" ("yellow zone") status for the current plan year, as expected. This determination was made solely because, based on the PPA's new funding measures, the Fund is currently less than 80% funded. Nonetheless, the Fund continues to meet all federal pension funding standards, and it is *not* in "critical" ("red zone") status under the PPA. Indeed, we do not believe that the Fund is "in danger" at all. We anticipate that the funding percentage will increase and that the Fund will emerge from "endangered" status over the next few years.

As we informed you in last year's notice, the PPA requires any pension fund in "endangered" status to adopt a "Funding Improvement Plan" (FIP); that is, a plan of action to significantly increase the funding percentage over the next 12 years. The Pension Fund's Board of Trustees anticipated this effect of the PPA's amendments when it approved the changes in the benefit schedule and benefit accrual method that were explained in the December 2007 notice sent to participants, beneficiaries and participating unions. Those changes, which became effective for covered employment on and after January 1, 2008, were designed, based on actuarial advice, to improve the Pension Fund's funding and lift the Fund out of PPA "endangered" status as soon as possible. The Board formally adopted a FIP that included those changes.

Congress recognized in late 2008, that the national and global economic crisis, including the investment markets collapse, had unexpectedly caused all pension plans' assets to lose a lot of value in a short period of time, with the effect of sharply reducing plan funding levels. Faced with such funding declines, many plan trustees would have been forced by the PPA's "zone" funding rules to take actions (like further reducing benefits and increasing contribution rates) that might prove unnecessary once investment values recovered.

To address these extraordinary circumstances, Congress enacted the *Worker, Retiree and Employer Recovery Act of 2008* (WRERA) to grant some temporary relief from the PPA's "zone" funding rules and give plan trustees more time to develop a plan of action for dealing with the decline in asset values. Of particular interest to the Pension Fund, WRERA authorizes "yellow zone" plans that had adopted a FIP in 2008 to "freeze" the FIP for 2009. That is, the Pension Fund is not required to adjust the FIP (*e.g.* increase contribution rates or reduce benefits) for 2009 to account for investment losses over the past year. The Board of Trustees has elected to use this "freeze" authority, and have so notified the IRS.

Please note that the PPA still prohibits the Pension Fund from accepting collective bargaining agreements or participation agreements that provide for a reduction in the contribution rate in effect under previous agreements. This restriction must remain in effect until the Fund emerges from "endangered" status. Any group that has a question about this restriction should contact the Fund Office.

The Board of Trustees, based on professional actuarial advice, remains confident that the Pension Fund will continue to provide retirement income security for many years to come, with your continued understanding and support.

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