

**Notice of Critical Status**  
**for**  
**Washington-Idaho Laborers-Employers Pension Plan**

This is to inform you that on July 14, 2009 the Plan actuary certified to the U.S. Department of the Treasury, and to the Board of Trustees, that the Plan is in critical status for the plan year beginning June 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 the sum of the Plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four plan years, the Plan is projected to have an accumulated funding deficiency for the 2013-2014 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 Board of 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 (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. ***In addition, the reductions only apply to participants and beneficiaries whose benefit commencement date is on or after August 12, 2009.*** But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of August 12, 2009, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount payable under a single life annuity) while in critical status.

**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:

- Early retirement benefits or early retirement type subsidies;
- Disability benefits (if not yet in pay status);
- Pre-retirement and post-retirement death benefits other than a qualified pre-retirement death benefit (QPSA);
- 36-month payment guarantees;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA).

**Employer Surcharge**

The law requires that all contributing employers pay to the Plan a surcharge 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 Brenda Slate of Zenith Administrators at (509) 534-5625 or (800) 522-2403, 111 West Cataldo, Suite 220, Spokane, WA 99201. You have a right to receive a copy of the rehabilitation plan from the Plan when it is finalized.