

**CENTRAL LABORERS' PENSION FUND
NOTICE OF PLAN STATUS (Red Zone)**

EBSA/PUBLIC DISCLOSURE
2013 MAY -2 PM 3:55

April 26, 2013

To Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act ("PPA" or the "Act"), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan.

Many of the Act's safeguard provisions relate to funding, which, in simplest terms, is how much money a plan has coming in, going out, and what is in reserve (or "in the bank") for the future. The safeguards are intended to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, the Act requires that a pension plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal classifications, were established. Plans that are in "endangered," "seriously endangered", or "critical" status must notify all plan participants, beneficiaries, unions, and contributing employers of the Plan's status, as well as take corrective action to restore the plan's financial health.

Plan's Status – Red Zone

On March 29, 2013, the Central Laborers' Pension Fund ("the Plan") was certified by its actuary that the Plan is in "critical" status (also known as the "Red Zone") for the plan year beginning January 1, 2013. This is based on the actuary's determination that the Plan is projected to have a funding deficiency within four years. This means that contributions to the Plan are not expected to be high enough to meet government standards for funding both past and future benefits.

Rehabilitation Plan

Federal law requires that a plan in critical status adopt a "Rehabilitation Plan" aimed at restoring the financial health of the plan. This is the third time the Plan has been certified in critical status, and the Trustees adopted a Rehabilitation Plan on January 16, 2012, to address the funding issues.

The law permits pension plans in critical status to eliminate or change benefits called "adjustable benefits" as part of a Rehabilitation Plan. These include:

- Plan benefits, rights, and provisions, including pre and post-retirement death benefits (other than qualified joint and survivor annuities), disability benefits not yet in pay status, and similar benefits;
- Early retirement benefits or retirement-type subsidies; and
- Temporary supplemental benefits.

On January 27, 2012, you were notified about the Rehabilitation Plan that reduced and/or eliminated some of the adjustable benefits and you were notified that the Plan was not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the Trustees determine that further 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 accrued benefit payable at the Plan's normal retirement age of 65. In addition, the reductions may only apply to participants and beneficiaries whose pension starting date is on or after February 1, 2012.

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Employer Surcharge

The law requires that all contributing employers pay to a critical status plan a surcharge to help correct the Plan's current 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. Until the employer agrees to a collective bargaining agreement that implements the Rehabilitation Plan, a 10% surcharge will continue to be applicable for contributions after January 1, 2013, while the Plan is in the Red Zone. **The surcharges are no longer payable after the bargaining parties negotiate a collective bargaining agreement consistent with the Rehabilitation Plan.**

What's Next

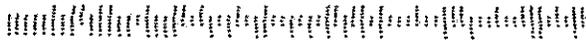
We understand that legally required notices like this one can create concern about the Plan's future. While the "critical" status (or "Red Zone") classification is required to be used by law, we are working with our actuaries and consultants to continue to review the Plan's condition and address its issues. We will take actions necessary to improve the Plan's financial condition.

The Rehabilitation Plan and any benefit, contribution, or other Plan provision changes (other than statutorily required suspension of certain optional forms of payment) will be communicated to all affected individuals and parties before any changes are made. For more information about this notice or the Plan in general, please contact the Plan's Executive Director, Mr. Dan Koepfel, at the address shown above.

Sincerely,
Board of Trustees

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

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