



**Laborers Funds Administrative Office of Northern California, Inc.**  
220 Campus Lane, Fairfield, CA 94534-1498 • Telephone: 707 864 2800 or 800 244 4530

**NOTICE OF ENDANGERED STATUS**  
**Laborers Pension Trust Fund for Northern California**  
**2014 Plan Year**  
**June 1, 2014 – May 31, 2015**

**Date:** September 26, 2014

**TO:** Participants, Beneficiaries, Contributing Employers, Employer Associations,  
Local Unions, and the Northern California District Council of Laborers

**FROM:** Board of Trustees  
**Laborers Pension Trust Fund for Northern California**

**SUBJECT:** Notice of Endangered Status for the 2014 Plan Year

2014 SEP 18  
054/11/14

The Pension Protection Act of 2006 added requirements for measuring the financial health of multiemployer defined benefit plans, such as the Laborers Pension Trust Fund for Northern California.

Since the 2008 plan year, pension plan actuaries have been required to annually determine each plan's status under the Pension Protection Act rules and to certify that status to the Internal Revenue Service and the plan's sponsor (board of trustees). If a plan's actuary determines that a plan is in "endangered" status (often referred to as the "yellow zone") or in "critical" status (often referred to as the "red zone"), the plan sponsor must notify all plan participants, contributing employers, the union and other stakeholders. In addition, the plan sponsor must take corrective actions to restore the financial health of the plan.

**ENDANGERED STATUS**

This is to inform you that on August 29, 2014, the Plan actuary certified to the U.S. Department of the Treasury and to the Board of Trustees that the Laborers Pension Trust Fund for Northern California (the "Plan") is in "endangered" status for the Plan Year beginning June 1, 2014. This is based on the Plan's funded percentage being less than 80% for the 2013 Plan Year and the credit balance in the Funding Standard Account is projected to be positive for at least seven years.

**FUNDING IMPROVEMENT PLAN**

Under the Pension Protection Act, the corrective action described above requires endangered status plans to adopt a funding improvement plan. A funding improvement plan is an action plan designed to restore a plan to financial health, improve the balance of assets and liabilities and avoid any accumulated funding deficiency. It contains one or more schedules, each consisting of employer contribution increases and/or reductions in benefits based on future hours worked. Renewed or new collective bargaining agreements must contain the provisions

consistent with one of the schedules or the provisions of a designated default schedule will automatically be imposed on that employer's employees. Each year, the funding improvement plan and its schedules are reviewed by the plan sponsor and updated as needed.

Laborers Pension Trust Fund for Northern California (the Plan) has been in endangered status since 2008. The Board of Trustees adopted a funding improvement plan on April 24, 2009 and has reviewed the Plan's progress annually and updated the schedules as needed. Each time an update occurred, the bargaining parties were provided with the schedules.

In the event that benefits must be modified, the changes will only affect benefits that are based on future hours worked or possibly disability benefits for future disabilities. You will be notified in advance of any benefit changes.

### **QUESTIONS?**

We understand that legally required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide our Participants and their families with secure retirement benefits.

In the event you have questions or would like additional information, you may contact the Board of Trustees or Edward Smith, the Fund Manager, at:

Laborers Pension Trust Fund for Northern California  
220 Campus Lane  
Fairfield, California 94534-1498  
707 864 2800 or 1 800 244 4530 (toll free within Northern California)

Upon request, you may obtain a copy of the Funding Improvement Plan.

**The Notice of Funded Status is also being sent to:**

- Pension Benefit Guaranty Corporation (PBGC)
- Department of Labor