MASSACHUSETTS LABORERS' PENSION FUND

14 NEW ENGLAND EXECUTIVE PARK • SUITE 200
BURLINGTON, MASSACHUSETTS 01803-5201
TELEPHONE (781) 272-1000 OR (800) 342-3792 FAX (781) 272-2226

October 2010

Notice of Endangered Status

for the

Massachusetts Laborers' Pension Fund

As you may know, the Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial health of multiemployer plans such as ours.

Starting with the 2008 Plan year, the PPA requires that a Pension Fund's actuary determine annually the Fund's status under these new rules and to certify that status to the IRS and the Trustees (Plan sponsor). It is important to note that if the Fund's status for a Plan year is in "endangered" ("yellow zone") or "critical" ("red zone") status, the Trustees must notify all Plan participants in writing of this certification and take corrective action to restore the financial health of the Plan.

Yellow Zone Status

This letter will serve as the Notice that on September 28, 2010 our Pension Fund's actuary determined and certified that the Fund is in "endangered" or yellow zone status for the 2010 Plan year. This determination was made because as of July 1, 2010 the Plan's funded percentage of 71.42%, based on the PPA's new funding measures, is less than 80%.

Funding Improvement Plan

The PPA also requires that any pension fund in the yellow zone adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to significantly increase a Plan's funding percentage and to avoid any accumulated funding deficiency. The FIP will be developed by early next year and a notice describing it will be provided to the bargaining parties shortly after that. You have a right to receive a copy of the FIP from the Plan.

Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our Plan is no longer "endangered" or in the yellow zone. There are several variables beyond our control which our advisors will monitor yearly, including market volatility and changes in employment levels, which could affect the Plan's status and the Trustees' corrective actions in the future.

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

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14 New England Executive Park
Burlington, MA 01803
(781) 272-1000
Toll-Free: (800) 342-3792
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cc: US Department of Labor
US Pension Benefit Guaranty Corporation

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ANNUAL FUNDING NOTICE

For

MASSACHUSETTS LABORERS' PENSION FUND

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning July 1, 2009 and ending June 30, 2010 ("Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2009 Plan Year	2008 Plan Year	2007 Plan Year
Valuation Date	July 1	July 1	NA
Funded percentage	70.95%	82.84%	NA
Value of Assets	$954,182,563	$1,062,073,048	NA
Value of Liabilities	$1,344,865,695	$1,282,116,906	NA

Transition Data

For a brief transition period, the Plan is not required by law to report certain funding related information because such information may not exist for plan years before 2008. The plan has entered "not applicable" in the chart above to identify the information it does not have. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For the 2007 Plan Year, the Plan's "funded current liability percentage" was 61.69%, the Plan's assets were $996,378,731 and Plan liabilities were $1,615,238,401.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of June 30, 2010, the fair market value of the Plan's assets was estimated to be $928,809,690 as reported in the July 1, 2010 Actuarial Certification of Plan Status. Once the 2010 audit is finalized, this number could change. As of June 30, 2009, the fair market value of the Plan's assets was $795,152,136. As of June 30, 2008, the fair market value of the Plan's assets was $1,018,024,809.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 17,102. Of this number, 8,166 were active participants, 6,347 were retired or separated from service and receiving benefits, and 2,589 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants. The Funding Policy of the Plan is to contribute at least the minimum amount necessary to satisfy applicable statutory contribution requirements.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan establishes the objectives and constraints governing the Plan's investments. The Policy establishes a long-term asset allocation with a high likelihood of meeting the Plan's objectives, given the Plan's constraints. Additionally, the Policy seeks to protect the financial health of the Pension Plan through the implementation of a stable long-term strategy.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	2.02%
2. U.S. government securities	13.78%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00%
All other	1.58%
4. Corporate stocks (other than employer securities):	
Preferred	0.00%
Common	29.18%
5. Partnership/joint venture interests	23.92%
6. Real estate (other than employer real property)	0.34%
7. Loans (other than to participants)	0.00%
8. Participant loans	0.00%
9. Value of interest in common/collective trusts	13.72%
10. Value of interest in pooled separate accounts	1.29%
11. Value of interest in master trust investment accounts	0.00%
12. Value of interest in 103-12 investment entities	0.00%
13. Value of interest in registered investment companies (e.g., mutual funds)	7.47%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.00%
15. Employer-related investments:	0.00%
Employer Securities	0.00%
Employer real property	0.00%
16. Buildings and other property used in plan operation	0.00%
17. Other	6.70%

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact Barry McAnarney, Executive Director, Massachusetts Laborers' Benefits Funds, 14 New England Executive Park, Suite 200, Burlington, MA 01803, (781) 272-1000, Toll-Free: (800) 342-3792, pension@mlbf.org.

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan has been certified by the Plan's actuary as being in seriously endangered or yellow zone status for the 2009 Plan Year because the Plan is projected to have an accumulated funding deficiency within seven years and the funded percentage is less than 80% (72.0%). The Trustees elected under the Workers, Retiree, and Employer Recovery Act of 2008 (WRERA) to freeze the zone status for 2009 at the level it was assigned for 2008 (*i.e.*, neither critical nor endangered). As a result, the development of a Funding Improvement Plan was not required for the 2009-2010 Plan Year.

The Plan was classified as Endangered, or yellow zone, status in the Plan Year beginning July 1, 2010 because the funded percentage was less than 80% (71.42%). As a result, the development of a Funding Improvement Plan will be required for the 2010 - 2011 plan year. This projection takes into account contribution rate increases that have either been adopted or agreed upon as part of the current collective bargaining agreement.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact Barry McAnarney, Executive Director, Massachusetts Laborers' Benefits Funds, 14 New England Executive Park, Suite 200, Burlington, MA 01803, (781) 272-1000, Toll-Free: (800) 342-3792, pension@mlbf.org. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 04-6295080. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).