

**LABORERS' PENSION TRUST FUND  
LABORERS' VACATION AND HOLIDAY TRUST FUND  
DETROIT AND VICINITY  
P.O. Box 4450      Troy, Michigan 48099-4450  
(248) 641-4942      (888) 822-4142**

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August 2016

To: All Participants, Beneficiaries, Alternate Payees, Employers and Bargaining Parties

This notice includes the Pension Fund's Notice of Endangered Status, Annual Funding Notice, Summary of Material Modifications and other Notices for the Plan Year ended April 30, 2016.

We encourage you to read these Notices in their entirety. If you want any information about the Plan or you wish to file a claim for benefits, contact the Fund Office.

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For your information, the AGC of Michigan, Associated Concrete Contractors of Michigan, Michigan Infrastructure and Transportation Association and Local Unions 1076 and 1191, Laborers' International Union of North America, are the parties who maintain the Plan and are empowered to appoint the Trustees.

Fraternally,  
Board of Trustees, Laborers' Pension Trust Fund – Detroit and Vicinity

**Atención a los hablantes de español.** Este y otros anuncios de la Oficina de Fondos sobre sus derechos y sus beneficios están disponibles en español. Si quieren recibir futuros anuncios en español, escriba o llame a la oficina del Comité de los fideicomisarios, Fondo de pensiones de los Obreros de la Construcción, Detroit y alrededores (Laborers' Pension Trust Fund – Detroit and Vicinity), P.O. Box 4450, Troy, MI 48099-4450, número de teléfono gratuito (888) 822-4142 o (248) 641-4942.

**Notice of Endangered Status  
For  
Laborers' Pension Trust Fund – Detroit and Vicinity**

This is to inform you that on July 29, 2016, the Fund's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees (the plan sponsor) that the Fund is in endangered status for the Plan Year beginning May 1, 2016. Federal law requires that you receive this notice. In the future, you will receive an annual update of the Fund's status and the progress it is making toward the goals described below.

**Endangered Status**

The Fund is considered to be in endangered status because the funded percentage is less than the 80% threshold established for endangered status. The Fund's actuary determined that the Fund's funded percentage was 74.1% on May 1, 2016. The funded percentage is the fraction of earned benefits that could be funded with existing Fund assets.

**Funding Improvement Plan**

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. This is the fourth year the Plan has been in endangered status and a funding improvement plan was adopted by the Board of Trustees on September 24, 2013. The Funding Improvement plan requires that the funded percentage improve at least 33% of the way to 100% before the end of the "funding improvement period". The funding improvement period will be from May 1, 2016 through the earlier of April 30, 2026 or the date the Fund's Actuary certifies that the Fund has emerged from endangered status. The Fund must also meet the Federal minimum funding requirements by avoiding funding deficiencies during this 10-year period.

**Future Experience and Possible Adjustments**

The funding improvement plan is based on a number of assumptions about future experience and may need to be adjusted if those assumptions are not met. Additional contribution rate increases and/or benefit reductions may be needed if those assumptions are not met. You will receive a separate notice identifying and explaining any changes in benefits.

**Commitment to Continued Improvement**

The Board of Trustees and Bargaining Parties have taken steps to improve the funding of the Plan. The goal of the Board of Trustees is that the Fund will emerge from endangered status and continue to see improved funded percentages. The Trustees remain committed to the proper funding of your pension benefits and assure you that they will take appropriate actions to meet this goal.

**Where to Get More Information**

You have a right to receive a copy of the funding improvement plan adopted by the bargaining parties. To receive a copy or request additional information regarding the Fund, you may contact the Board of Trustees of the Laborers Pension Trust Fund – Detroit and Vicinity at (248) 641-4942 or P.O. Box 4450, Troy, Michigan 48099-4450.

## ANNUAL FUNDING NOTICE

### Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding status of your multiemployer Pension Plan, the Laborers' Pension Trust Fund – Detroit and Vicinity (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the Plan Year beginning May 1, 2015 and ending April 30, 2016 (referred to hereafter as "Plan Year").

### How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding Plan Years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

	2015	2014	2013
Valuation Date	May 1	May 1	May 1
Funded Percentage	76%	77%	77%
Value of Assets	\$634,595,895	\$623,766,172	\$607,414,052
Value of Liabilities	\$833,219,236	\$809,521,902	\$791,907,931

### Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

	April 30, 2016	April 30, 2015	April 30, 2014
Fair Market Value of Assets	\$564,397,599 (unaudited)	\$592,006,325	\$569,226,822

### Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). 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 or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in "endangered" status in the Plan Year based on a funded ratio of 77% no projected funding deficiencies, at least 8 years of benefit payments within plan assets, and other results. In an effort to improve the Plan's funding situation, the Trustees adopted a Funding Improvement Plan (FIP) on September 24, 2013, and most recently

updated it on December 1, 2015, as required by law. The Funding Improvement Period is May 1, 2016 through the earlier of April 30, 2026 or the date the Fund's Actuary certifies that the Fund has emerged from endangered status.

The FIP has two goals which must be met before the end of the Funding Improvement Period: (1) improve the funding percentage from 75.1% at the adoption of the FIP to 83.3%, or 33% closer to a 100% funding percentage, on or before April 30, 2026 and (2) project no funding deficiencies during the Funding Improvement Period.

Two required schedules were presented to the bargaining parties and have been subsequently updated. Both of the schedules described below are expected to meet the two goals noted above.

- The “Default Schedule” is the first schedule required by law to be included in the FIP. It is required to reduce benefits before using contribution increases to meet the goals of the FIP. The updated Default Schedule does not require any reduction in benefits and does not require any contribution rate increases in addition to the previously negotiated 15¢ rate increase effective on each contract’s anniversary date in 2015.
- The “Preferred Schedule” is the second schedule required by law to be included in the FIP. It is required to increase contributions before reducing benefits to meet the goals of the FIP. The updated Preferred Schedule does not require any reduction in benefits and does not require any contribution rate increases in addition to the previously negotiated 15¢ rate increase effective on each contract’s anniversary date in 2015.

You may obtain a copy of the Plan’s FIP and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Board of Trustees of the Laborers Pension Trust Fund - Detroit and Vicinity as indicated on the last page of this Notice.

### **Participant Information**

The total number of Participants in the Plan as of the Plan’s valuation date was 11,344. Of this number, 3,164 were Active Participants, 2,988 were retired, separated from service or otherwise receiving benefits, and 5,192 were Retired or separated from service and entitled to future benefits.

### **Funding and Investment Policies**

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan can be summarized as follows:

Benefits under the Plan are provided through a trust. Contributions and investment returns together fund current and future liabilities. Contributions are obtained directly from participating employers. These contributions are based on hours worked by Plan participants at rates specified in the collective bargaining agreements.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan can be summarized as follows:

Investment income is one significant contributor to the funding of the Plan. The federal law provides that the Fund’s Trustees are responsible for investing the assets of the Plan. To assist them in carrying out this responsibility, the Trustees have delegated authority to manage the assets, as permitted by federal law, to Investment Managers with the skills and specialized research facilities needed to assure expertise in financial market investments. The Trustees have also engaged the services of an Investment Consultant to assist them in selecting and evaluating the performance of the Investment Managers. The Trustees, Investment Managers and Investment Consultant shall, as fiduciaries, adhere to the "prudent man rule" under the federal laws that apply or may in the future apply to the Fund’s investments. More specifically, they must adhere to the safeguards and diversification standards that a prudent investor would adhere to and all transactions undertaken on behalf of the Plan must be for the sole interest of Plan Participants and

their Beneficiaries. Under the terms of the policy, the Fund's assets are invested in a manner consistent with a primary emphasis upon consistency of performance; i.e., the achievement of growth in such a manner as to protect the Fund from excessive volatility in market value from year to year. Significant emphasis is also placed upon capital protection; i.e., the achievement of adequate investment growth such that the purchasing power of the principal amount of these assets is maintained over the investment horizon.

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:

<u>Asset Allocation</u>	<u>Percentages</u>
Stocks	54.9%
Investment Grade Debt	21.7%
Real Estate	14.7%
Other	8.7%

#### **Right to Request a Copy of the Annual Report**

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the search tool. Annual reports also 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 Board of Trustees. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact the Board of Trustees if you want information about your accrued benefits. Contact information for the Board of Trustees is provided on the next page under "Where To Get More Information.

#### **Summary of Rules Governing Insolvent Plans**

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal.

The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC 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 notice of its status 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, including loss of a lump sum option.

#### **Benefit Payments Guaranteed by the PBGC**

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. 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 credited Year of Service. Thus, the PBGC's maximum guarantee is \$35.75 per month times a Participant's credited Years of Service.

**Example 1:** If a Participant with 10 credited Years of Service has an accrued monthly benefit of \$600, 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 (\$600/10), which equals \$60. The guaranteed amount for a \$60 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 addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a 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 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.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at [www.pbgc.gov/multiemployer](http://www.pbgc.gov/multiemployer). Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

#### **Where to Get More Information**

For more information about this notice, you may contact Board of Trustees of the Laborers' Pension Trust Fund – Detroit and Vicinity at (248) 641-4942 or P.O. Box 4450, Troy, Michigan 48099-4450. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6030973.

## SUMMARY OF MATERIAL MODIFICATIONS

A summary plan description was distributed to participants during 2009, which reflected the provisions of the Pension Plan in effect on May 1, 2009. It has continued to be distributed to new participants. If you have not received one, contact your local union or the Plan's administrative office. Since the summary plan description ("SPD") was written, the Trustees, in consultation with the Fund's actuaries and attorneys, have adopted several changes in the Plan, the most important of which are reported below. This Summary of Material Modifications supplements the SPD previously provided to you with Plan changes made through August 2015. You should retain this document with your copy of the SPD.

**Effective May 1, 2010**, the portion of your accrued benefit based on hours of work performed before May 1, 2010, will not be subject to the suspension of benefits rule if, as a retiree, you return to work to perform open cut, tunnel or shaft work for an employer obligated to contribute to this Pension Fund or another pension fund affiliated with the Laborers' International Union of North America. However, the portion of the accrued benefit based on hours of work performed on and after May 1, 2010 will be subject to the full suspension of benefits rule without that exception.

**Effective January 1, 2011**, a totally and permanently disabled participant is one who has been determined by the Social Security Administration to be entitled, while an active participant, to receive Social Security Disability Benefits. This change does not affect anyone with a Disability Benefit in pay status on January 1, 2011.

The Plan was amended to expressly recognize the Fund's right to recover any amount paid by the Fund in any form to which the participant or beneficiary is determined to be either fully or partially ineligible when the recipient received such amount. The Board may recover such overpayments by any lawful means, including, but not limited to, recoupment of such overpayments from any other current or future benefits paid by the Fund of any kind to which the participant or beneficiary of the overpayment is or may become entitled. The Fund has always had this right; however, it was not specifically provided for in the Plan document.

**Effective May 1, 2012**, the Plan was amended to provide a participant the option of designating a contingent beneficiary.

**Effective November 1, 2012**, a participant accrual rate will be pro-rated if contributions are being received at a rate lower than that the one required for a construction laborer under the Michigan Infrastructure and Transportation Agreement for each hour of work on or after November 1, 2012, rounded up, if necessary, to the next highest full cent. This paragraph was amended again, **effective May 1, 2013**, to slightly change the method of calculating the pro-rating of benefit accruals.

**Effective May 1, 2014**, the Plan was amended to provide that the rate of future benefit accrual is reduced from 8¢ (eight cents) to 7¢ (seven cents) per work hour for work performed on and after May 1, 2014.

**Effective May 1, 2014**, the Plan was amended to provide that, for benefits earned as a result of work you perform on and after May 1, 2014, the eligibility requirement for unreduced early retirement benefits is increased from an age and accrued number of Credit Years, which totals at least 80 when added together (commonly referred to as Index 80) to an age and accrued number of Credit Years, which totals at least 85 when added together (Index 85).

**Effective May 1, 2014**, the Plan was amended to provide that, for benefits earned as a result of work you perform on and after May 1, 2014, you would not be eligible for any unreduced early retirement benefits if you are not active on your effective date of retirement.

**Effective May 1, 2014**, the Plan was amended to reduce the early retirement supplement in the following ways:

- a. for anyone in pay status prior to May 1, 2014 reduce the benefit by 15%,

- b. stop increasing your potential benefit for Credit Years earned on and after May 1, 2014; however, those future Credit Years will continue to be counted toward the 25 Credit Year minimum you will now be required to meet to be eligible to receive a benefit,
- c. reduce the benefit from one based on your Credit Years up to a maximum of thirty Credit Years multiplied by \$25 for those who have accrued at least five but fewer than fifteen Credit Years, \$32.50 for those who have accrued at least fifteen but fewer than twenty-five Credit Years or \$40 for those who have accrued twenty-five or more Credit Years, to your Credit Years as of May 1, 2014, up to a maximum of thirty Credit Years, multiplied by \$15, \$20 and \$25, respectively, but in no case greater than \$0 if you have fewer than 25 Credit Years when you retire, \$500 if you have twenty-five to twenty-nine Credit Years when you retire or \$750 if you have thirty or more Credit Years when you retire,
- d. eliminate the benefit if you begin receiving unreduced early retirement benefits prior to age 55 and are not in pay status prior to May 1, 2014. If you retire before age 55, your benefit would start the month following the month in which you reach your 55th birthday.

**Effective May 1, 2014**, the Plan was amended to provide that a disabled participant or a retiree may authorize the Fund to pay any portion of his benefits to an entity that has been approved by the Board of Trustees and has filed a written acknowledgment with the Plan's Administrator stating that it has no enforceable right to any benefit payments made to it. Any such authorization shall be revocable by the disabled participant or retiree at any time and must be made and revoked in a form satisfactory to the Trustees. These payments would be exempt from the Non-Alienation of Benefits provisions of the Fund.

**Effective May 1, 2014**, the Plan was amended to provide that the statute of limitation to bring an action against the Fund, Board of Trustees any of the Trustees individually, or any agent of any of the foregoing under or relating to the Plan will be three years from the date the participant first receives a determination of his rights and/or benefits under the terms of the Fund's Plan. Previously the statute of limitations was three years from the date the right of action accrued. The Plan was also amended to provide that any action in law or equity brought by a participant or beneficiary against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of the foregoing under or relating to this Plan shall be brought in the United States District Court where the Plan is administered.

## **THE BOARD OF TRUSTEES**

### **EMPLOYER TRUSTEES**

Glenn Bukoski, Secretary  
 Raymond Buratto  
 Marino Censoni  
 William Litz

### **UNION TRUSTEES**

Michael Aaron, Chairman  
 William Bass  
 Paul Gassel  
 Mark Pulice

Administered for the Trustees by:

BeneSys, Inc.

Legal Counsel  
 Derek Watkins  
 Sachs Waldman, Professional Corporation  
 1423 East Twelve Mile Road  
 Madison Heights, Michigan 48071

## **DELAYING THE DATE YOUR PENSION STARTS COULD AFFECT YOUR BENEFIT AMOUNT**

**Normal Retirement Pension:** If you are an active Plan participant and you retire at or after age 65 with at least 5 Credit Years, you are eligible for a Normal Retirement Pension. You will find information about how to estimate your monthly pension benefit in the Summary Plan Description and any subsequent announcement letters. You may also request that the Fund Office calculate your pension benefit.

If your retirement date is after your Normal Retirement Age, age 65, then your monthly pension benefit will be actuarially increased for each month after your Normal Retirement Age that you do not receive your pension benefits or earn additional benefits by continuing to work.

**Unreduced Early Retirement Pension:** If you are an active participant and you retire when 1) your age plus your Credit Years equals at least 80 **or** 2) when you have 30 or more Credit Years, you will be eligible for an unreduced early retirement pension, as explained in the Summary Plan Description. Your benefit will be calculated exactly the same way your normal retirement pension would be calculated without any reduction for going early.

### **Examples of an unreduced early retirement pension:**

Willie is retiring at age 58 with 22 Credit Years. His age plus his Credit Years equals 80, so he is eligible for an unreduced early retirement pension. His normal retirement pension is calculated to be \$3,800 per month, so Willie's unreduced early retirement pension is \$3,800 per month.

Jerry is retiring at age 55 with 30 Credit Years, so he is eligible for an unreduced early retirement pension. His normal retirement pension is calculated to be \$3,950 per month, so Jerry's unreduced early retirement pension is \$3,950 per month.

**Early Retirement Pension:** If you are an active participant and you retire at or after age 55 with at least 10 Credit Years, you may be eligible for an early retirement pension, as explained in the Summary Plan Description. The amount of the reduction is 5% per year of age (5/12% per complete calendar month) less than age 65, unless you are eligible for an unreduced early retirement benefit as explained above.

### **Example of an early retirement pension:**

Matt is retiring at age 57 with 19 Credit Years. His normal retirement pension is calculated to be \$2,375 per month. Because Matt is retiring eight years before age 65 and is not eligible for an unreduced early retirement benefit, his pension benefit is reduced by 40% (8 years x 5%). So Matt's early retirement pension is \$1,425 per month.

### ***Delaying Retirement Will Increase Your Pension:***

If you continue to work at the trade and delay your retirement, the monthly pension amount you will receive when you retire will increase because you are earning additional benefits.

If you are eligible for a vested retirement pension that is subject to reduction for early payment, the closer you are to age 65 when you start receiving your pension benefit the higher your monthly pension amount will be when you retire because the reduction will be smaller.

**Vested Retirement Pension:** If you terminate covered employment before age 65 with at least 5 Credit Years, you may be eligible for a vested retirement pension, as explained in the Summary Plan Description. Vested retirement pension is payable at age 65 or later, unless you have at least 10 Credit Years. If your retirement date is after your Normal Retirement Age, age 65, then your monthly pension benefit will be actuarially increased for each month after your Normal Retirement Age that you do not receive your pension benefits.

**Example of a vested retirement pension:**

Earl worked in covered employment from age 19 to age 28 and earned 9 Credit Years. He pursued a career as a bus driver and did not return to covered employment. His normal retirement pension is calculated to be \$1,390 per month. When Earl reaches age 65, he will be entitled to a vested retirement pension calculated on the benefit rate in effect when he became an inactive participant (at the end of the second consecutive Plan Year during which he did not earn an hour of service) and the amount of his vesting. If Earl waits until after age 65 to receive his pension, his benefit will be actuarially increased to account for the delay.

If you have any questions about this information, please review your Summary Plan Description booklet or contact the Fund Office at (248) 641-4942 or toll free at (888) 822-4142.

**IMPORTANT NOTICE TO PLAN PARTICIPANTS  
WHO BEGIN RECEIVING PENSION  
PAYMENTS BEFORE AGE 55**

Like many other construction industry pension plans, the Laborers Pension Trust Fund – Detroit and Vicinity will, in accordance with the Pension Fund's plan document and Department of Labor regulations, suspend your monthly pension benefits if you return to work for 40 or more hours per month in the same trade or industry ("suspendable service") unless these provisions have been waived by Plan Modification.

In addition, if your pension payments are suspended before you have both reached age 59 ½ and received pension payments for five years, you may be required, under the Federal Tax Code, to pay an additional 10% "penalty" income tax on all or a portion of the pension payments you previously received.

Accordingly, if you consider returning to work in the same trade in the construction industry in Michigan, you should first contact both: (1) the Pension Department at the Fund Office to learn what the Fund's suspension-of-benefits rules are at that time; and (2) your tax advisor to consider the potential income tax effects of returning to work and having your pension benefits suspended at that time.

**NOTICE OF YOUR RESPONSIBILITY TO KEEP RECORDS**

The Fund has set up an employer audit and collection program to make sure that your employers pay the pension contributions owed to the Fund for your hours of work. But, it is your responsibility to keep records of your employment, including the names of your employers, your pay stubs, and other information that proves you worked and for how many hours, so that if one of your employers fails to pay the required contributions or keep records of your work, the Fund will have the information necessary to grant you the Credit Years and benefits to which you are entitled. Each year you will receive a Benefit Estimate Statement, which provides you with information concerning your pension benefits based on information available to the Pension Fund. If you believe that information is incorrect or incomplete, you must notify the Fund in writing immediately. Any action in law or equity brought against the Fund, the Board of Trustees, any of the Trustees individually, or any agent of any of the foregoing is barred unless the complaint is filed within three years from the date the incorrect information was first reported in the Statement; however, you must first go through the Fund's claim and appeal process before you can bring a suit in Court.

## **NOTICE OF SUSPENSION OF PENSION BENEFITS PROVISIONS TO RETIRED PARTICIPANTS**

This Notice is to remind you of the provisions of the Pension Plan governing Suspension of Pension Benefits for returning to work at the Trade. Under these provisions, Pension Benefits being paid to retirees may be suspended only if **ALL** of the following conditions are met:

1. A retiree is working **40** or more hours during any given month (or during the payroll periods ending in that month); and
2. The work is in the same industry as the type of business activity engaged in by employers who contribute to the Plan even though the employer may not be a contributing Employer (e.g., non-union); and
3. The work is in the same trade or craft in which the retiree was employed at any time while participating in the Plan; and
4. The work is performed within the State of Michigan, or within the remainder of any Standard Metropolitan Statistical Area (SMSA), part of which is within the State of Michigan.

This suspension is applicable until the April 1st following the calendar year in which the retiree reaches age 70  $\frac{1}{2}$ . Thereafter, you may both work and receive your monthly pension.

Under the provisions of the Plan, every retiree **is required** to immediately notify the Pension Department at the Fund Office if he returns to work in any capacity regardless of whether he returns to work for a non-contributing employer (e.g., non-union) or in a self-employed capacity. Failure to notify the Pension Department in a timely manner of a return to work may subject the retiree to possible suspension of his current and/or future Pension Benefits. Should a retiree who returns to such employment without notifying the Trustees of his intent to do so be found to be or to have been working on a job, the Trustees will presume that he has been re-employed under the four conditions set forth above for the entire period that his employer has been working or worked on that particular jobsite and suspend the retiree's monthly benefits for such period. This presumption shall be rebuttable, but it shall be the responsibility of the retiree to submit evidence to rebut said presumption.

The Board of Trustees has previously provided a series of limited waivers of the Pension Plan's suspension of benefits rule through April 30, 2010. Those waivers were discontinued on and after May 1, 2010. Therefore, the portion of your accrued benefit based on hours of work performed before May 1, 2010, will not be subject to the suspension of benefits rule if you return to work to perform open cut, tunnel or shaft work for an employer obligated to contribute to this Pension Fund or another pension fund affiliated with the Laborers International Union of North America. However, **the portion of your accrued benefit based on hours of work performed on and after May 1, 2010 will be subject to the full suspension of benefits rule without that exception.**

**Note:** Returning to work for fewer than 40 hours a month after you retire will not result in a suspension of your monthly Retirement benefit, but it could, depending on the circumstances, be evidence that you did not intend to retire and could result in a determination that you were not eligible to begin receiving Retirement Benefits. The Pension Plan and Federal law require that you stop working before you can receive pension benefits from the Fund. You may not continue working for a contributing employer or in covered employment immediately after beginning your retirement, but must retire with the intention of remaining unemployed or working only in a position outside of the jurisdiction of the union for an employer that does not contribute to the Fund.

**SOCIAL SECURITY NUMBER PRIVACY POLICY**  
**(Effective January 1, 2006)**

The Michigan Social Security Number Privacy Act makes it unlawful, with respect to all or any more than four sequential digits of an individual's Social Security number, to do any of the following:

- Publicly display more than 4 sequential digits of the Social Security number. The term "publicly display" is broadly defined to mean exhibit, hold up, post or make visible such as on a computer screen, network, or other electronic medium.
- Use a person's Social Security number as an individual account number,
- Print a Social Security number on the outside of any envelope or package mailed or sent to an individual,
- Require use or transmission of more than 4 sequential digits of a Social Security number over the internet or a computer network, unless the connection is secure or the transmission is encrypted, or
- Require use or transmission of more than 4 sequential digits of a Social Security number to gain access to a website, computer system or network, unless the connection is secure and the transmission is encrypted, or protected by a password or other unique personal ID number or authentication device.

The statute also prohibits including all or more than 4 sequential digits of a Social Security number in any document or information mailed to a person, unless certain conditions, including the following, apply:

- A state or federal law or rule or court order authorizes, permits or requires the Social Security number's use,
- The document sent is part of an application or enrollment initiated by the individual,
- The document is sent to establish, confirm service, amend or terminate an account, contract, policy, or employee or health insurance benefit; or
- The document is mailed by a public body in certain circumstances.

The restrictions do not apply to use of a Social Security number that is "authorized or required by state or federal statute, by court order, or pursuant to legal discovery or process."

**PLEASE NOTE: It is not a violation of the Act to use a Social Security number to "verify an individual's identity, identify an individual, or do another similar administrative purpose related to," proposed employment or employment. Use of Social Security numbers to provide or administer health insurance, membership benefits, or retirement programs is also permissible. An entity may also use all or part of a Social Security number to "lawfully pursue or enforce a person's legal rights," which may include "audit, collection, investigation, or transfer of a tax, employee benefit, debit, claim" or account.**

To comply with the Social Security Number Privacy Act, to protect the confidentiality of the Social Security numbers of the Fund's participants and their dependents, and to prevent, to the extent possible, the disclosure of those numbers to persons who would use them unlawfully, the Boards of Trustees hereby adopt the following Social Security Number Privacy Policy:

- All Fund service providers and their agents and employees are hereby directed to ensure, to the extent practicable, the confidentiality of all Social Security numbers.

- All Fund service providers and their agents and employees are hereby prohibited from making any disclosure of Social Security numbers contrary to the provisions of the law as set out above.
- All Fund service providers and their agents and employees are directed to limit access to information or documents that contain the Social Security numbers of Fund participants and/or their dependents to those individuals for whom such information is necessary for the provision and administration of the Funds and the collection program. Information in any form, written or electronic, which contains Social Security numbers, will be handled only by those persons whose job duties require them to have access to that information for the provision and administration of the Fund's pension plan and collection program. If such information is contained in documents, the documents will be securely stored, with access limited to those persons whose job duties require them to have access to that information. If such information is in electronic form, access to any computer or computer files will be limited, through the use of passwords and/or other technology, to those persons whose job duties require them to have access to that information.
- Documents that contain Social Security numbers and that are no longer needed will be disposed of, whether by shredding or otherwise, in a manner that will insure that the numbers are protected. Each Fund service provider shall be responsible for supervising this process in his/her/its place of business.
- Fund service providers who violate this Privacy Policy will be subject to disciplinary action, up to and including termination.

## **NOTICE TO PLAN PARTICIPANTS APPROACHING NORMAL RETIREMENT AGE**

This notice applies only to Plan Participants who do **NOT** elect to retire at the normal retirement age and who may choose to continue working. "Normal Retirement Age" under the Pension Plan is age 65.

If you continue to work after reaching the normal retirement age, your Plan's Suspension of Benefit Rules will be applied even though you have not actually retired.

Under the Suspension of Benefit Rules, no benefits are payable for any month in which you work 40 hours or more in the same industry, same trade or craft, and within the State of Michigan, or within the remainder of any Standard Metropolitan Statistical Area (SMSA), part of which is within the State of Michigan. This suspension is applicable until the April 1<sup>st</sup> following the calendar year in which you reach age 70 ½ or unless waived on a temporary basis by this Board of Trustees. Thereafter, you may both work and receive your monthly pension.

If you continue to work after reaching the normal retirement age, but work less than 40 hours per month or do not work at all, no pension benefits will be paid during such months. However, when you do retire, you may be entitled to additional benefits for those months between your normal retirement age and your actual date of retirement if you did not work at least 40 hours in the same industry, same trade or craft, and within the State of Michigan, or within the remainder of any Standard Metropolitan Statistical Area (SMSA), part of which is within the State of Michigan.

Be assured that application of the Suspension of Benefits Rules while you are working after reaching the normal retirement age will in no way affect your current vesting or benefit accrual status under the Plan. When a Participant who continues to work after his/her normal retirement age decides to actually retire, his/her normal retirement benefit will be determined in accordance with the regular Plan provisions. Such provisions give credit for work performed under the Plan prior to actual retirement if the minimum required hours of work in a Plan Year are met.

If you disagree with how the Suspension of Benefit Rules is being applied to your particular case, you have the right to appeal to the Board of Trustees. The Appeal Procedure is set forth on Page S-38 of the Summary Plan Description.

## **IMPORTANT NOTICE TO ALL PARTICIPANTS**

The Laborers' Vacation and Holiday Trust Fund – Detroit and Vicinity ("Detroit Fund") will be merged into the Michigan Laborers' Vacation Fund ("Michigan Fund") (together "Funds" effective December 1, 2016). The merger has the support of the Associations and Unions establishing each Fund, the Michigan Laborers' District Council, Locals 1076 and 1191 of the Laborers' International Union of North America, the AGC of Michigan, the Michigan Infrastructure and Transportation Association and the Associated Concrete Contractors of Michigan (together, the "Settlors"). The merger will be effective following November distributions.

The Detroit Fund will merge into the Michigan Fund and will cease to exist, effective December 1, 2016. The merged Fund will continue to be called the Michigan Laborers' Vacation Fund.

Beginning December 1, 2016, all future vacation benefits will be paid from the Michigan Fund pursuant to its Plan. The Michigan Fund provides two distributions annually – one in June and another in November. Monthly distributions, which were permitted by the Detroit Fund are not available under the Michigan Fund and will no longer be available after the Detroit Fund's November distribution.

Contributions made on your behalf for the October 2016 work month and later, or those contributions for prior work months which were not received in time for the November distribution, will be paid in the future from the Michigan Fund under its normal distribution schedule. So, these monies cannot be paid under the Detroit Fund's monthly distribution option.

If you have any questions before December 1, 2016, you can contact the Detroit Fund's Office at 700 Tower Drive; Suite 300, Troy, MI 48098-2808 or at (248) 641-4942. After November 30, 2016, your questions should be directed to the Michigan Fund's Office at 6535 Centurion Drive, Lansing, MI 48917, by phone at (517) 321-7502 or by facsimile at (517) 321-7508.



**Laborers' Pension Trust Fund**  
**Laborers' Vacation and Holiday Trust Fund**  
**Detroit and Vicinity**  
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