

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

August 2021

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, 2021. 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, Michigan Laborers' District Council, 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 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.

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, 2020 and ending April 30, 2021 (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.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Valuation Date</u>	<u>May 1</u>	<u>May 1</u>	<u>May 1</u>
<u>Funded Percentage</u>	<u>77.2%</u>	<u>77.6%</u>	<u>76.9%</u>
<u>Value of Assets</u>	<u>\$680,647,698</u>	<u>\$666,127,603</u>	<u>\$643,367,735</u>
<u>Value of Liabilities</u>	<u>\$881,748,410</u>	<u>\$858,419,121</u>	<u>\$836,261,944</u>

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, 2021	April 30, 2020	April 30, 2019
Fair Market Value of Assets	\$ 824,996,446 (unaudited)	\$ 638,042,679	\$ 663,010,859

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 an estimated funded ratio of 77.6%, a projected funding deficiency in the Plan Year ending April 30, 2029, 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 March 15, 2019. The Funding Improvement Period is May 1, 2021 through the earlier of April 30, 2031 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 76.93% at the adoption of the FIP to 84.55%, or 33% closer to a 100% funding percentage, on or before April 30, 2031 and (2) project no funding deficiencies during the last Plan Year of the Funding Improvement Period.

Two required schedules were presented to the bargaining parties and the Default Schedule will be implemented if the bargaining parties do not elect the Preferred Schedule. Both of the schedules provide for no changes in benefit accruals and no increases in the contribution rate. Both schedules are expected to meet the two goals noted above. The schedules will be reviewed and, if necessary, amended annually.

You may request and receive a copy of the Plan's FIP, any update to the 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.

On July 22, 2021, the Fund's Actuary certified that the Plan was in neither endangered nor critical status, in the green zone, for the Plan Year beginning May 1, 2021.

Participant Information

The total number of Participants in the Plan as of the Plan's valuation date was 11,450. Of this number, 3,642 were Active Participants, 3,320 were retired, separated from service or otherwise receiving benefits, and 4,488 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	66.6%
High Yield	1.2%
Investment Grade Debt	17.7%
Real Estate	10.8%
Other	3.7%

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 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 $\$24.75 (.75 \times \$33)$, or \$35.75. Thus, the Participant’s guaranteed monthly benefit is $\$357.50 (\$35.75 \times 10)$.

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 $\$6.75 (.75 \times \$9)$, or \$17.75. Thus, the Participant’s guaranteed monthly benefit would be $\$177.50 (\$17.75 \times 10)$.

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. 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 2017, which reflected the provisions of the Pension Plan in effect on June 1, 2016. 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 adopted through August 2018. You should retain this document with your copy of the SPD.

Effective October 1, 2017, the Plan was amended to provide that the rate of future benefit accrual is increased from 7¢ (seven cents) to 11¢ (eleven cents) per work hour for work performed on and after October 1, 2017.

***Example:** Assume that for the Plan Year beginning May 1, 2017 and ending April 30, 2018 you worked 1,150 hours, 600 of which were for the period of May 1, 2017 through September 30, 2017 and 550 were for the rest of the Plan Year. For the 2017-18 Plan Year you would have accrued the following benefit:*

600 hours x 7¢ per hour = \$42.00

550 hours x 11¢ per hour = \$60.50 (\$22 more than would have accrued at 7¢ per hour)

*For a total addition to your monthly benefit of **\$102.50***

Effective October 1, 2017, the Plan was amended to provide that that Unreduced Early Retirement Benefits (commonly referred to as Index 80 and Index 85) are eliminated for anyone who does not have at least 74 points (sum of accrued Credit Years and age) as of **April 30, 2017**. The Plan's 30 Credit Year Unreduced Early Retirement benefit remains available for Active Participants.

Effective October 1, 2017, the Plan was amended to provide that for retirements on or after September 1, 2017, an Active Participant who has accrued at least 10 but less than 20 Credit Years and elects to commence receiving his Early Retirement Benefit on or after age 55 will receive an unsubsidized monthly benefit that is actuarially reduced for each complete calendar month by which the Active Participant is under age 65 at the time benefits commence.

Effective October 1, 2017, the Plan was amended to provide that, for retirements on or after September 1, 2017, an Inactive Participant who has accrued at least 10 Credit Years and elects to commence receiving his Vested Benefit prior to age 65 will receive an unsubsidized monthly benefit that is actuarially reduced for each complete calendar month by which the Inactive Participant is under age 65 at the time benefits commence. The Unreduced Early Retirement Benefits (such as Index 80, Index 85 and 30 Credit Years) will no longer be available to an Inactive Participant. The actuarial reduction will also apply to the pre-retirement Surviving Spouse benefit paid to the spouse of an Inactive Participant who dies before he commences receiving benefits from the Plan.

Effective October 1, 2017, the Plan was amended to provide that the Pre-Retirement Survivor Annuity for the eligible Surviving Spouse of any participant who dies on or after September 1, 2017 is reduced to a benefit based on the 50% Joint and Survivor Annuity form rather than the 100% Joint and Survivor form.

Effective October 1, 2017, the Plan was amended to provide that a Retiree who retires on or after September 1, 2017 in one of the Joint and Survivor forms of benefit will no longer be eligible to receive a monthly Benefit for the remainder of his life equal to the monthly Benefit he would have been receiving under the Single Life Form if his spouse (who was his spouse at the time of retirement) predeceases him (commonly called the "pop-up" feature), unless, at the time of his retirement, the Retiree elects to receive a reduced benefit with the "pop-up" feature that is actuarially equivalent to the benefit without the "pop-up."

Effective October 1, 2017, the Plan was amended to provide that, for retirements on or after September 1, 2017, the Fund will change the formula used to determine the Actuarial Equivalent when converting a Participant's benefit from the Single Life Form of Benefit to one of the Joint and Survivor forms. This change also applies to the

conversion of the benefit for payment to a Participant's Surviving Spouse. The new Actuarial Equivalent will be calculated by using 6.5% interest rate and the UP-84 mortality table set back 5 years for contingent annuitants. Because of this change, for those retiring on and after October 1, 2017, the Fund's Qualified Joint and Survivor Annuity for all married participants will now be the 50% Joint and Survivor Annuity.

Effective October 1, 2017, the Plan was amended to provide that a totally and permanently disabled participant must have earned ten Credit Years, and met the Fund's other eligibility requirements, to be entitled to receive a Disability benefit from the Fund.

Effective October 1, 2017, the Plan was amended to provide that the monthly disability benefit payable by the Fund will be the lesser of the participant's accrued benefit or \$550. Therefore, a disabled participant whose disability benefit is terminated because he reached normal retirement age, or because he elects to receive an Unreduced Early Retirement benefit, the monthly retirement benefit paid in the Single Life form will be his accrued benefit and not the higher of the accrued or \$550.

Effective October 1, 2017, the Plan was amended to provide that the Single Sum Death Benefit of \$4,000 payable upon the death of a Retiree will no longer be payable on behalf of a retiree who retires on or after **January 1, 2018**.

Effective October 1, 2017, the Plan was amended to provide that, effective **January 1, 2018**, the Plan will no longer pay any Early Retirement Supplemental Benefits to any participant who retires on or after that date. The Plan was further amended to provide that the Early Retirement Supplemental Benefits paid to a Retiree who retires before **January 1, 2018** will be phased out during a period of two years. On January 1, 2018 the Early Retirement Supplemental Benefit will be reduced to two thirds of the benefit that the participant was receiving prior to January 1, 2018; on January 1, 2019 the benefit will be further reduced to equal one third of the benefit that participant was receiving prior to January 1, 2018; and on January 1, 2020 it will be eliminated completely. No Early Retirement Supplemental Benefits will be paid on or after January 1, 2020.

Effective August 1, 2019, the Plan was amended to eliminate the rule known as Inter-Fund Contiguous Service. Under that rule, the Fund used a presumption that, immediately prior to or within two years after your work in employment for which contributions are required to be made to the Fund (covered employment), any hours you worked in a position outside covered employment and which resulted in contributions in your behalf to most any other construction industry fund in Michigan would be automatically counted as hours worked in contiguous service. Contiguous service is used toward accruing Vesting Years. As of August 1, 2019, the presumption is no longer used and contiguous service shall be limited to (a) any hours you worked outside the bargaining unit represented by the Union for the same contributing employer immediately prior to performing work in covered employment; and (b) hours you work outside the bargaining unit represented by the Union immediately after you were working in covered employment with the same contributing employer.

Effective May 1, 2020, the Fund's Plan was amended to provide that an inactive vested participant who is no longer accruing Vesting Years and whose lump sum present value of his vested accrued benefit is \$1,000 or less will receive a mandatory distribution of the present value of his vested accrued benefit.

Effective October 1, 2020, the Fund's Plan was amended to continue applying the suspension of benefit rules to the April 1st following the calendar year in which you reaches age 72 instead of from April 1st following the calendar year in which you reach age 70 ½. This change is being made in coordination with the SECURE Act's change of the required minimum withdrawal age to 72. This change only applies if you turn 70½ after December 31, 2019 (you were born after June 30, 1949). **This change will not affect your benefits if you turned 70 ½ on or before December 31, 2019 (you were born before July 1, 1949).**

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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 the applicable index¹ (this index benefit is only available if your age plus Credit Years equaled 74 as of April 30, 2017) 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 and as of April 30, 2017 his age plus his Credit Years equaled at least 74, 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 49 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 20 Credit Years, you may be eligible for an early retirement pension, as explained in the Summary Plan Description. The amount

¹ For benefits accrued prior to May 1, 2014, the index is at least 80. For benefits accrued on or after May 1, 2014, the index is at least 85.

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 20 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.

If you are an active participant and you retire at or after age 55 with at least 10 but less than 20 Credit Years, you may be eligible for an early retirement pension, as explained in the Summary Plan Description. You will be eligible for a monthly benefit that is actuarially reduced for each complete calendar month by which you are under age 65 at the time benefits commence.

Example of an early retirement pension:

Matt is retiring at age 55 with 19 Credit Years. His normal retirement pension is calculated to be \$2,400 per month. Because Matt is retiring before age 65 and is not eligible for a subsidized or an unreduced early retirement benefit, his pension benefit will be actuarially reduced for each complete calendar month by which he is under age 65 at the time of retirement. In this case, his actuarial reduction factor will be 37.14% and his benefit in the Single Life form would be \$891.36 (\$2,400 x 37.14%).

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 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 you reach age 70 ½ if you were born before July 1, 1949 or April 1st following the calendar year in which you reach age 72 if you were born after June 30, 1949. 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.

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 1st following the calendar year in which you reach age 70 ½ if you were born before July 1, 1949 or April 1st following the calendar year in which you reach age 72 if you were born after June 30, 1949 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 normal retirement age decides to actually retire, his 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-32 of the Summary Plan Description.

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 which contain Social Security numbers and which are no longer needed will be disposed of, whether by shredding or otherwise, in a manner which 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.



ONLINE SECURITY TIPS

You can reduce the risk of fraud and loss to your retirement account by following these basic rules:

• REGISTER, SET UP AND ROUTINELY MONITOR YOUR ONLINE ACCOUNT

- Maintaining online access to your retirement account allows you to protect and manage your investment.
- Regularly checking your retirement account reduces the risk of fraudulent account access.
- Failing to register for an online account may enable cybercriminals to assume your online identity.

• USE STRONG AND UNIQUE PASSWORDS

- Don't use dictionary words.
- Use letters (both upper and lower case), numbers, and special characters.
- Don't use letters and numbers in sequence (no "abc", "567", etc.).
- Use 14 or more characters.
- Don't write passwords down.
- Consider using a secure password manager to help create and track passwords.
- Change passwords every 120 days, or if there's a security breach.
- Don't share, reuse, or repeat passwords.

• USE MULTI-FACTOR AUTHENTICATION

- Multi-Factor Authentication (also called two-factor authentication) requires a second credential to verify your identity (for example, entering a code sent in real-time by text message or email).

• KEEP PERSONAL CONTACT INFORMATION CURRENT

- Update your contact information when it changes, so you can be reached if there's a problem.
- Select multiple communication options.

• CLOSE OR DELETE UNUSED ACCOUNTS

- The smaller your on-line presence, the more secure your information. Close unused accounts to minimize your vulnerability.
- Sign up for account activity notifications.

• BE WARY OF FREE WI-FI

- Free Wi-Fi networks, such as the public Wi-Fi available at airports, hotels, or coffee shops pose security risks that may give criminals access to your personal information.
- A better option is to use your cellphone or home network.

• BEWARE OF PHISHING ATTACKS

- Phishing attacks aim to trick you into sharing your passwords, account numbers, and sensitive information, and gain access to your accounts. A phishing message may look like it comes from a trusted organization, to lure you to click on a dangerous link or pass along confidential information.

- Common warning signs of phishing attacks include:
 - » A text message or email that you didn't expect or that comes from a person or service you don't know or use.
 - » Spelling errors or poor grammar.
 - » Mismatched links (a seemingly legitimate link sends you to an unexpected address). Often, but not always, you can spot this by hovering your mouse over the link without clicking on it, so that your browser displays the actual destination.
 - » Shortened or odd links or addresses.
 - » An email request for your account number or personal information (legitimate providers should never send you emails or texts asking for your password, account number, personal information, or answers to security questions).
 - » Offers or messages that seem too good to be true, express great urgency, or are aggressive and scary.
 - » Strange or mismatched sender addresses.
 - » Anything else that makes you feel uneasy.

• **USE ANTIVIRUS SOFTWARE AND KEEP APPS AND SOFTWARE CURRENT**

- Make sure that you have trustworthy antivirus software installed and updated to protect your computers and mobile devices from viruses and malware. Keep all your software up to date with the latest patches and upgrades. Many vendors offer automatic updates.

• **KNOW HOW TO REPORT IDENTITY THEFT AND CYBERSECURITY INCIDENTS**

- The FBI and the Department of Homeland Security have set up valuable sites for reporting cybersecurity incidents:
 - » <https://www.fbi.gov/file-repository/cyber-incident-reporting-united-message-final.pdf/view>
 - » <https://www.cisa.gov/reporting-cyber-incidents>



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