LABORERS LOCAL #322 PENSION PLAN

April 2008

Congress passed and the President signed into law legislation commonly known as the Pension Protection Act of 2006. One of the purposes of this legislation is to address the funding status of defined benefit pension plans. Although this legislation primarily focuses on single-employer pension plans, it also applies to multi-employer pension plans such as the Laborers Local 322 Pension Plan (“Plan”). Among other things, the Pension Protection Act requires an actuary to determine the Plan’s funded percentage and whether the Plan will experience a funding deficiency within seven years. Our actuary has determined that the Plan’s funded percentage is 71% and that the Plan is projected to have a funding deficiency within 7 years. As a result, under the Pension Protection Act, the Pension Plan is considered to be in “Endangered Status”.

The Board of Trustees of our Plan has retained professional advisors, including an actuarial and consulting firm, accounting firm, law firm, and investment consulting firm. All of the consultants retained by the Trustees provide advice and information as to how to properly satisfy ERISA and related regulations.

The investment consulting firm has, for many years, provided to us advice upon which the Trustees have implemented investment decisions. These investment decisions determine the investment of assets into different asset categories such as stocks, bonds, etc. The investment performance of the Plan is affected by the specific market conditions; the investment decisions are structured in a manner to avoid large losses, satisfy the interest rate assumption established by the Fund’s enrolled actuary, and focus on capital preservation with investment growth sufficient to continue to pay all of your pensions. The investment decisions are continuously reviewed and adjusted as recommended by the investment consultant.

Due to the government’s requirement established in the Pension Protection Act, the Trustees will be adopting a Funding Improvement Plan which is intended to improve the funding of the Plan over a fifteen-year period. Our actuarial firm is confident that an appropriate Funding Improvement Plan can be designed that is reasonably expected to satisfy the Pension Plan’s funding requirements provided that the actuary’s and trustees’ reasonable assumptions are met over this fifteen-year period. Of course, there are many economic and financial variables over which the Trustees have no control, such as investment market volatility, employment levels, the ages at which participants retire and the like, which will affect the Plan’s funding. The Trustees, with their professional advisors, will be monitoring all relevant factors and, as required by the law, will make adjustments in their plans and recommendations for the Plan’s future as necessary.

The Trustees anticipate requesting the bargainers (the Union and the Employers) to increase contributions in the future, pursuant to collective bargaining, as needed based on the advice of the Plan’s actuarial and consulting firm, for the purpose of satisfying the Plan’s funding requirements and the Pension Protection Act. The law does allow that the Trustees may reduce benefits in order to comply with the Pension Protection Act of 2006—the Trustees hope this will not be necessary. As matters develop, to the extent that benefit reductions are required, you will be so advised. It is not the intention of the Trustees to do this unless the law mandates this occur.

The Trustees desire to operate the Fund to provide benefits that are promised for your retirement. In order to accomplish all of this, the Trustees must satisfy, among other things, governmental laws and regulations. Accordingly, this Notice is being forwarded to you in accordance with the Pension Protection Act.

Sincerely,

Board of Trustees of the
Laborers Local 322 Pension Plan

Copies to:
Laborers Local #322
Contributing employers
PBGC
Secretary of Labor