

BENEFIT FUNDS - LABORERS LOCAL UNION NO. 1298

NASSAU & SUFFOLK COUNTIES



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FUND ADMINISTRATOR
ANNALISA C. DEFALCO, ESQ.

FUND OFFICE MANAGER
JAMES E. CORNELL

Notice of Endangered Status

for

Laborers Union Local No. 1298
of Nassau and Suffolk Counties Pension Fund

BOARD OF TRUSTEES
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October, 2014

To: All Participants, Beneficiaries, Participating Unions and Contributing Employers

Under the Pension Protection Act of 2006 (PPA) the Pension Fund's actuary is required to make a determination of the Fund's financial status every plan year, and certify that status to the IRS and the Trustees. If the Fund's status is either "endangered" ("yellow zone") or "critical" ("red zone") the Trustees must notify all plan participants, employers and other stakeholders and take corrective action to restore the financial health of the Fund.

Yellow Zone Status

On September 26, 2014, our Pension Fund's actuary determined and certified that the Fund was in "endangered" status for the 2014 plan year. This determination was made because the Fund was less than 80% funded. "Endangered" is a label that the law requires us to use, but in fact the Fund is meeting its funding goals and is expected to continue doing so into the future.

Funding Improvement Plan

The PPA also requires every pension fund in the yellow zone to adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase a plan's funding percentage and to assure that contributions will be enough to meet the minimum required under the law. The Board of Trustees adopted a FIP on October 27, 2008 and a notice describing the FIP was provided to the bargaining parties shortly after its adoption.

The negotiated contribution rates already in effect for the Laborers Union Local No. 1298 of Nassau and Suffolk Counties Pension Fund are expected to be sufficient to fund the benefits that participants are earning each year, and to pay the Fund's operating costs. At this time, we expect that the Fund's funding percentage will continue to improve, in line with the requirements of the PPA, subject to the investment performance of plan assets.

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The Board has reviewed the FIP and at this time does not expect to make any changes while the current CBA is in effect. However, please note that if circumstances change, additional corrective actions might be necessary in later years that would be reflected in the FIP.

Please note that the PPA requires that our Fund's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our Fund is no longer in the yellow zone. You will also be receiving formal Annual Funding Notices giving other details about the Fund's finances, in addition to other communications about the Fund that the Trustees send out from time to time. While our goal is to remain on track with the Fund's funding schedule noted above, there are several variables beyond our control that we and our advisors are monitoring, including investment market volatility and changes in employment levels and/or the number of contributing employers. Unexpected developments in these or other areas could affect the Fund's status and corrective actions that might be needed in the future.

We understand that legally required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees is working with contributing employers and the unions and taking appropriate actions to improve the financial health of the Fund so that retirement benefits for participants and their families are secure into the future.

In the event you have questions or would like additional information, you may contact the Board of Trustees or the Fund Administrator, Annalisa DeFalco, Esq., at 681 Fulton Avenue, Hempstead, N.Y. 11550, Telephone 516-489-3644.

Sincerely,

The Board of Trustees

cc: US Department of Labor
US Pension Benefit Guaranty Corporation