

**LABORERS'
PENSION
FUND**

LABORERS' PENSION FUND
(CHICAGO and VICINITY)

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Notice of Election of Funding Relief

November 19, 2010

To All Participants and Retired Beneficiaries of the Construction and General Laborers' District Council of Chicago and Vicinity Pension Fund:

Earlier this year, Congress passed a law that relaxes certain minimum funding requirements for eligible multiemployer pension plans, if their trustees choose to follow the new rules. The relief gives pension plans a longer period of time to overcome the investment losses that they suffered in late 2008 and early 2009. For a plan to qualify for the relief, its actuary has to certify that the plan is projected to have enough funds to cover all benefit payments and expenses for the extended funding period.

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We are pleased to report that, based on our actuary's report, our Plan qualifies for the relief. We have decided to use the new funding relief as follows:

- The investment losses that the Plan incurred for the 2008 and 2009 plan years will be amortized over 29 years, rather than the 15-year period that the regular rules would have required;
- The Plan will adjust the asset value that is used for funding purposes, to recognize the losses in the 2008 and 2009 plan years over a 10-year period and make other adjustments to smooth out the immediate effect on the assets, rather than using the Plan's regular smoothing policy, which calls for 5-year recognition; and
- The maximum actuarial value of assets used for the actuarial valuations as of June 1, 2009 and June 1, 2010 will be limited to 130% of the market value of assets as of the same date.

By choosing to use this funding relief, we are able to keep the Plan in the Green Zone and, to the greatest extent possible, minimize future contribution increases. The decision to use the relief means that, for the next two plan years, the Plan cannot be amended to increase benefits unless there are new contributions to pay for those increases.

If you have questions about this or any other aspect of your Pension Plan, please be in touch with:

Mr. James S. Jorgensen
Fund Administrator

EIN: 36-2514514 PN: 002