

## Central Laborers' Pension Fund

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<http://www.central-laborers.com>

April 29, 2016

Dear Bargaining Parties:

In compliance with the Pension Protection Act of 2006 ("PPA"), the Board of Trustees of the Central Laborers' Pension Fund ("Fund") adopted a Funding Improvement Plan ("FIP 2016") effective as of March 31, 2016. The adoption of FIP 2016 is required by PPA and reflects additional measures being taken by the Board of Trustees to protect the financial integrity of the Fund.

The measures that were previously adopted and incorporated in the Fund's Rehabilitation Plans along with other steps taken by the Board of Trustees have resulted in the Fund emerging from "Critical" status (also known as "Red Zone" status) to "Endangered" status (also known as "Yellow Zone" status) for the Fiscal Plan Year beginning January 1, 2016. *The emergence from "Red Zone" to "Yellow Zone" indicates that the Fund's financial condition is improving.* However, PPA continues to impose funding guidelines and mandatory funding benchmarks for "Yellow Zone" plans. Specifically, "Yellow Zone" status requires the Fund to develop and adopt a Funding Improvement Plan; in an effort to comply with PPA-mandated funding guidelines, the Board of Trustees adopted FIP 2016. A copy of FIP 2016, along with the applicable Schedules is enclosed herewith for your review. FIP 2016 is designed to further improve the financial integrity of the Fund and meet PPA-mandated funding guidelines.

Please be advised that FIP 2016 replaces the updated Rehabilitation Plan that was adopted in 2014; however, FIP 2016 requires the same contribution rate increases as the updated Rehabilitation Plan, except in cases where the employer did not elect a Schedule of that Rehabilitation Plan. The required rate increases for those employers are slightly higher. Consequently, the bargaining parties are similarly required to take action to adopt a "Schedule" that includes a specific contribution rate increase schedule and a plan of benefits. From a practical standpoint, this means that you will be required to execute an "Adoption Form" which serves as an addendum to your applicable collective bargaining agreement ("CBA") and which adopts a specific schedule to FIP 2016. Note, if you are party to a CBA, then action must be taken by all of the parties to the applicable CBA. If an employer is party to a participation agreement, then action by the employer alone is sufficient.

The status of your CBA will affect *when* action must be taken. Importantly, one of the Schedules of FIP 2016 must be adopted when your CBA expires or otherwise terminates. If you are remitting contributions pursuant to a participation agreement, then action must be taken on your participation agreement's anniversary date. As mandated by PPA, the failure to adopt a Schedule to this FIP will result in the applicable FIP 2016 Default Schedule being imposed on the applicable CBA and/or participation agreement. To ensure that you are taking the necessary actions, the Fund encourages you to confer with employer associations, contributing employers and unions as soon as possible regarding your obligations under FIP 2016.

If you have any questions regarding this matter, please do not hesitate to contact me. If you have questions regarding the Union's position with respect to FIP 2016, please contact the appropriate Union representative or, if applicable, an employer association.

Sincerely,

*Dan Koepfel*

Dan Koepfel  
Executive Director

# Central Laborers' Pension Fund

## Funding Improvement Plan Effective January 1, 2016

### **I. Introduction**

The Pension Protection Act of 2006 ("PPA") requires the Trustees of a multiemployer "defined benefit" pension plan that has been certified by the plan's actuary as being in "Endangered" (also known as "Yellow Zone") status to develop a Funding Improvement Plan ("FIP"). An FIP must prescribe actions, including recommended possible actions to be taken by the bargaining parties, that are expected to enable the plan to meet stated financial benchmarks by the end of the Funding Improvement Period, based on reasonably anticipated experience and on reasonable actuarial assumptions.

On March 30, 2016, the Central Laborers' Pension Fund ("the Fund") was certified by its actuary to be in "Endangered" status (Yellow Zone) for the Fiscal Plan Year beginning January 1, 2016. The Fund's "Fiscal Plan Year" begins on January 1 and ends on December 31.

According to PPA, an FIP must be designed to accomplish the following:

1. Increase the Fund's funded percentage, as defined in the PPA, by the end of the Funding Improvement Period by at least 33% of the difference between the funded percentage as of the first Fiscal Plan Year for which the Fund is certified to be in endangered status and 100%, and
2. Avoid any accumulated funding deficiency at the end of the Funding Improvement Period.

### **II. Funding Improvement Period**

PPA specifies that the Funding Improvement Period starts on the first day of the first Fiscal Plan Year following the expiration of collective bargaining agreements ("CBAs") in effect on the certification due date that cover at least 75% of active participants as of that date. However, PPA also specifies that in no event shall the Funding Improvement Period start later than January 1, 2019, which is the first day of the Fiscal Plan Year immediately after the second anniversary of the adoption of this FIP. For the Fund, this means that the Funding Improvement Period is the ten (10) year period beginning January 1, 2019, and ending December 31, 2028.

If the actuary certifies before the end of this ten (10) year period that the Fund is no longer in "Endangered" status for a Fiscal Plan Year and is not in "Critical" (also known as "Red Zone") status as defined in the PPA, then the Funding Improvement Period will end as of the close of the preceding Fiscal Plan Year.

### **III. Required Improvement in Funded Percentage by End of the Funding Improvement Period**

Based on the projected funded percentage of 59.9% as of January 1, 2016 as shown in the 2016 actuarial status certificate, the FIP must contain schedules of benefit provisions and/or contribution changes that are projected to (i) enable the funded percentage to improve to 73.1% by December 31, 2028, (59.9% plus 33% of the difference between 59.9% and 100%) and (ii) avoid a projected accumulated funding deficiency on December 31, 2028.

### **IV. Results of Projections**

Based on (i) reasonable assumptions and the current benefit provisions/contribution rate(s) applicable to the individual participants as a result of the benefit reductions, and (ii) contribution rate increases set forth in the schedules to the Pension Fund's updated Rehabilitation Plan, the Fund is not projected to have a funding deficiency by December 31, 2028. However, the Fund's funded percentage is projected to be less than 73.1% by January 1, 2029, which does not meet the requirements of PPA. Therefore, the Trustees are required to reduce benefits and/or increase contributions under different schedules contained in the FIP. According to the PPA, the schedules of the FIP must at least include:

- One that requires increases in future contribution rates but no change in future benefit accruals (Preferred Schedule);
- One that requires decreases in future benefit accrual but no change in contribution rates unless the FIP requirements are not met after the maximum benefit reduction (Default Schedule).

### **V. Plan Changes**

#### **A. Applicable Definitions**

For purposes of this FIP, the following definitions apply:

- Deferred Vested Participant: A "Deferred Vested Participant" is a vested participant who has not commenced receipt of monthly pension payments, has not worked at least one Hour of Work in Covered Employment after September 30, 2015, and before March 30, 2016, and has not worked at least 200 Hours of Work in Covered Employment during the Benefit Plan Year ended September 30, 2015. The Fund's "Benefit Plan Year" begins on October 1 and ends on September 30.
- Inactive Non-Vested Employee: An "Inactive Non-Vested Employee" is a non-vested employee who has not commenced receipt of monthly pension payments, has not worked at least one Hour of Work in Covered Employment after September 30, 2015, and before March 30, 2016, and has not worked at least 200 Hours of Work in Covered Employment during the Benefit Plan Year ended September 30, 2015.

- Active Employee: An “Active Employee” is an employee who is neither a Deferred Vested Participant nor an Inactive Non-Vested Employee, and who works at least one Hour of Work in Covered Employment on and after October 1, 2015, or worked at least 200 Hours of Work in Covered Employment during the Benefit Plan Year ended September 30, 2015.

**B. Changes for Inactive Non-Vested Employees, Deferred Vested Participants, Pensioners or Beneficiaries**

There will not be any additional changes in benefits for participants who are Inactive Non-Vested Employees, Deferred Vested Participants, Pensioners or Beneficiaries who are not Active Employees as of March 30, 2016, or who do not become Active Employees after March 30, 2016.

**C. Changes for Active Employees**

The plan of benefits that an Active Employee is eligible to receive related to service before March 30, 2016, is determined by the type of Rehabilitation Plan schedule adopted by (or automatically applied to) an Active Employee’s employer (or employers) under the Rehabilitation Plan prior to that date. As of March 30, 2016, the Fund has designed different Preferred and Default Schedules of this FIP to correspond to the Rehabilitation Plan status of the Fund’s various contributing employers. The Preferred and Default Schedules of this FIP will be provided to each employer and applicable local union for their review and consideration. The details of these schedules are shown in the designated Exhibits to this FIP. The future benefit provisions of an Active Employee for service on or after March 31, 2016 will be determined by the applicable schedule to this FIP that is adopted by the Active Employee's employer (or which otherwise becomes applicable to the Active Employee's employer).

The following chart illustrates the optional schedules available to contributing employers under this FIP:

Exhibit	Optional FIP Schedule Type	Available to Employers:
A	FIP Preferred	Covered by Preferred Schedule of 2014 Rehabilitation Plan
B	FIP Default	Covered by Preferred Schedule of 2014 Rehabilitation Plan
C	FIP Combined Preferred and Default – Same Schedule	Covered by Default Schedule of 2014 Rehabilitation Plan
D	FIP Combined Preferred and Default – Same Schedule	Covered by Alternate Schedule of 2014 Rehabilitation Plan
E	FIP Preferred	Covered by Preferred Schedule of 2012 Rehabilitation Plan

F	FIP Default	Covered by Preferred Schedule of 2012 Rehabilitation Plan
G	FIP Preferred	Covered by Default Schedule of 2012 Rehabilitation Plan
H	FIP Default	Covered by Default Schedule of 2012 Rehabilitation Plan
I	Preferred	Not covered by any (2012 or 2014) Rehabilitation Plan Schedule
J	Default	Not covered by any (2012 or 2014) Rehabilitation Plan Schedule

A summary of the differences in major benefit provisions and future contribution rate increase requirements is provided in the Appendix of this FIP.

As noted below, these Schedules may be revised in future years if the Trustees determine that such revision is necessary to meet the Fund’s financial goals according to law.

The benefits that an Active Employee accrues on or after March 31, 2016, while employed by any employer, will be treated in accordance with the Schedule applicable to that employer.

If, on or after March 31, 2016, an Active Employee works outside the jurisdiction of the Fund and contributions are remitted to the Fund pursuant to a reciprocal agreement or similar “money follows the man” agreement, the benefits accrued will be determined under the Schedule adopted by the Active Employee’s home local union and employer association governing the same type of work performed by him/her outside such jurisdiction.

**VI. Employer Changes Schedules**

In the event that an employer after adopting a Preferred Schedule of the FIP wants to switch to a Default Schedule of the FIP subsequently, the Board of Trustees may, in its sole discretion, either (1) permit the transition as long as such transition does not negatively affect the financial integrity of the Fund, (2) design and prescribe a specific schedule for that employer or (3) reject the employer’s future participation in the Fund.

**VII. Automatic Implementation of FIP Default Schedule**

If a CBA or Participation Agreement (“PA”) providing for contributions to the Fund that was in effect on March 30, 2016, expires and, after receiving these FIP schedules the bargaining parties fail to adopt a CBA or PA that provides for contribution rates equal to or greater than the rates under one of the Schedules applicable to the concerned employer, the FIP Default Schedule that is applicable to the Schedule adopted by (or automatically applied to) the employer from the 2012 and/or the 2014 Rehabilitation Plan(s) will be automatically implemented and benefits adjusted accordingly effective 180 days after the date on which the CBA or PA expires, provided the employer has not withdrawn from the Fund.

## **VIII. Annual Updating of FIP**

Each year the Fund's actuary will review and certify the status of the Fund and, starting with the beginning of the Funding Improvement Period, determine whether the Fund is making the scheduled progress toward the requirements of this FIP.

If the Trustees determine it to be necessary, in light of then-current information, this FIP will be revised and updated and/or new schedules will be established which may prescribe additional benefit reductions and/or higher contribution rates. In that event, notice of such revisions, updates or new schedules will be sent to Fund participants and bargaining parties.

## **IX. Other Issues**

### ***A. Effective Date***

This FIP shall become effective as soon as legally permissible after this FIP is adopted by the Fund's Board of Trustees. Benefit changes pursuant to the various schedules of this FIP will become effective based upon the actions of the bargaining parties.

### ***B. Reinstatement of Certain Optional Forms of Payment***

Due to the PPA, the Fund was prohibited from paying benefits in the form of a monthly benefit that exceeded a participant's accrued monthly benefit while the Fund was in Critical (Red Zone) status. The Lump Sum Option and Level Income Option were optional forms of benefit payment that fell into this category. As such, these optional forms of payment have not been offered or paid to participants with a pension starting date after January 1, 2012 (after the Fund was certified in the Red Zone on December 29, 2011). Because the Fund has returned to Yellow Zone status on March 30, 2016, the Lump Sum Option and the Level Income Option will be available to eligible participants with a pension starting date on or after April 1, 2016.

### ***C. Bargaining Parties Adopting a Schedule by Conduct***

If the bargaining parties to a collective bargaining agreement (or, if applicable, an employer bound by a participation agreement) fail to adopt a schedule to this FIP but otherwise act in conformity with a schedule to this FIP (e.g., by remitting the contribution rates required by a particular FIP schedule), then the Board of Trustees may determine that the bargaining parties (or, if applicable, an employer) have adopted the FIP schedule that corresponds to the rates being remitted pursuant to such agreement. The Board of Trustees shall notify the bargaining parties (or employer, if applicable) that an agreement has been classified in accordance with this provision.

### ***D. Duration of Schedule***

Notwithstanding subsequent changes in benefit and contribution schedules, a Schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a CBA or PA shall remain in effect for the duration of that CBA or PA. However, a CBA or PA that is renewed or extended while the Fund remains in endangered status will need to

include terms consistent with one of the Schedules in effect at the time of the renewal or extension.

***E. Expiration of CBAs or PAs***

Since CBAs or PAs have a duration shorter than 10 years, it is required that future renewals of CBAs or PAs will be consistent with the then-applicable Preferred Schedule, or Default Schedule. The Trustees may adjust these schedules at any time during the Funding Improvement Period of this FIP.

***F. Amendment of the FIP***

The Trustees have the right to amend this FIP at any time. In addition, the Trustees may also amend the FIP to address issues or circumstances not addressed herein.

**X. Adoption of the FIP**

The Board of Trustees hereby adopts this Funding Improvement Plan for the Central Laborers' Pension Fund effective as of the 31st day of March, 2016.

*John F. Penn*

Chairman

*James P. Bruner*

Secretary

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
PREFERRED SCHEDULE FOR EMPLOYERS COVERED UNDER  
PREFERRED SCHEDULE OF 2014 REHABILITATION PLAN**

**Affected Participants**

The changes described in this Preferred Schedule apply to Active Employees of employers covered under the Preferred Schedule of the 2014 Rehabilitation Plan who agree to increase their future contribution rates according to the schedule described below.

**Benefit Changes**

The plan provisions in effect as of March 30, 2016, including the amount of hourly contribution rate subject to benefit accrual, will continue to apply.

**Contribution Rate Increases**

Contributing employers covered by this Preferred Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- a. 10% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- b. 5% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Preferred Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).



**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
DEFAULT SCHEDULE FOR EMPLOYERS COVERED UNDER  
PREFERRED SCHEDULE OF 2014 REHABILITATION PLAN**

**Affected Participants**

The changes described in this Default Schedule apply to Active Employees of employers covered under the Preferred Schedule of the 2014 Rehabilitation Plan who agree to increase their future contribution rates according to the schedule described below or who otherwise become subject to this schedule in accordance with PPA.

**Benefit Changes**

Unless otherwise specified, all contributions payable, in addition to the rate increases required under this Default Schedule are considered as supplemental contributions and are not subject to benefit accrual effective the later of (1) March 31, 2016, or (2) 30 days after the date the notice described in Code Section 432(e)(8)(C) is provided.

**Contribution Rate Increases**

Contributing employers covered by this Default Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- a. 6.5% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- b. 3.25% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Default Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
COMBINED PREFERRED and DEFAULT SCHEDULE  
FOR EMPLOYERS COVERED UNDER  
DEFAULT SCHEDULE OF 2014 REHABILITATION PLAN**

**Affected Participants**

This Schedule applies to Active Employees of employers covered under the Default Schedule of the 2014 Rehabilitation Plan. Since this Schedule has no additional changes in benefit provisions and requires no changes in contribution rates, employers covered under the Default Schedule of the 2014 Rehabilitation Plan as of March 30, 2016 are deemed to have elected it.

**Benefit Changes**

The plan provisions in effect as of March 30, 2016, including the amount of hourly contribution rate subject to benefit accrual, will continue to apply.

**Contribution Rate Increases**

Contributing employers covered by this Schedule are required to contribute at a rate no less than their contribution rate as of March 30, 2016 for each Hour of Work in Covered Employment under the Fund during the Funding Improvement Period.

Contributing employers covered by this Schedule may elect to increase their contribution rate by an amount more than the rate in effect as of March 30, 2016 while the Fund is in endangered status. Any increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.675% for New Entrants and 1.000% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
COMBINED PREFERRED and DEFAULT SCHEDULE  
FOR EMPLOYERS COVERED UNDER  
ALTERNATE SCHEDULE OF 2014 REHABILITATION PLAN**

**Affected Participants**

This Schedule applies to Active Employees of employers covered under the Alternate Schedule of the 2014 Rehabilitation Plan. Since this Schedule has no additional changes in benefit provisions and requires no changes in contribution rates, employers covered under the Alternate Schedule of the 2014 Rehabilitation Plan as of March 30, 2016 are deemed to have elected it.

**Benefit Changes**

The plan provisions in effect as of March 30, 2016, including the amount of hourly contribution rate subject to benefit accrual, will continue to apply.

**Contribution Rate Increases**

Contributing employers covered by this Schedule are required to contribute at a rate no less than their contribution rate as of March 30, 2016 for each Hour of Work in Covered Employment under the Fund during the Funding Improvement Period.

Contributing employers covered by this Schedule may elect to increase their contribution rate by an amount more than the rate in effect as of March 30, 2016 while the Fund is in endangered status. Any increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
PREFERRED SCHEDULE FOR EMPLOYERS COVERED UNDER  
PREFERRED SCHEDULE OF 2012 REHABILITATION PLAN**

**Affected Participants**

The changes described in this Preferred Schedule apply to Active Employees of employers covered under only the Preferred Schedule of the 2012 Rehabilitation Plan who agree to increase their future contribution rates according to the schedule described below.

**Benefit Changes**

The plan provisions in effect as of March 30, 2016, including the amount of hourly contribution rate subject to benefit accrual, will continue to apply.

**Contribution Rate Increases**

Contributing employers covered by this Preferred Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- a. 10.5% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- b. 5.25% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Preferred Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
DEFAULT SCHEDULE FOR EMPLOYERS COVERED UNDER  
PREFERRED SCHEDULE OF 2012 REHABILITATION PLAN**

**Affected Participants**

The changes described in this Default Schedule apply to Active Employees of employers covered under only the Preferred Schedule of the 2012 Rehabilitation Plan who agree to increase their future contribution rates according to the schedule described below or who otherwise become subject to this schedule in accordance with PPA.

**Benefit Changes**

Unless otherwise specified, all contributions payable, in addition to the increases required under this Default Schedule are considered as supplemental contributions and not subject to benefit accrual effective the later of (1) March 31, 2016, or (2) 30 days after the date the notice described in Code Section 432(e)(8)(C) is provided.

**Contribution Rate Increases**

Contributing employers covered by this Default Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- a. 7.5% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- b. 3.75% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Default Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
PREFERRED SCHEDULE FOR EMPLOYERS COVERED UNDER  
DEFAULT SCHEDULE OF 2012 REHABILITATION PLAN**

**Affected Participants**

The changes described in this Preferred Schedule apply to Active Employees of employers covered under only the Default Schedule of the 2012 Rehabilitation Plan who agree to increase their future contribution rates according to the schedule described below.

**Benefit Changes**

The plan provisions in effect as of March 30, 2016, including the amount of the hourly contribution rate subject to benefit accrual, will continue to apply.

**Contribution Rate Increases**

Contributing employers covered by this Preferred Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- c. 8.5% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- d. 4.25% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Preferred Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
DEFAULT SCHEDULE FOR EMPLOYERS COVERED UNDER  
DEFAULT SCHEDULE OF 2012 REHABILITATION PLAN**

**Affected Participants**

The changes described in this Default Schedule apply to Active Employees of employers covered under only the Default Schedule of the 2012 Rehabilitation Plan who agree to increase their future contribution rates according to the schedule described below or who otherwise become subject to this schedule in accordance with PPA.

**Benefit Changes**

Unless otherwise specified, all contributions payable, in addition to the rate increases required under this Default Schedule are considered as supplemental contributions and not subject to benefit accrual effective the later of (1) March 31, 2016, or (2) 30 days after the date the notice described in Code Section 432(e)(8)(C) is provided.

**Contribution Rate Increases**

Contributing employers covered by this Default Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- c. 6.5% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- d. 3.25% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Default Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
PREFERRED SCHEDULE FOR EMPLOYERS NOT COVERED UNDER  
ANY REHABILITATION PLAN SCHEDULE**

**Affected Participants**

The changes described in this Preferred Schedule apply to Active Employees of employers not covered under any (2012 and/or 2014) Rehabilitation Plan Schedule who agree to increase their future contribution rates according to the schedule described below.

**Benefit Changes**

The plan provisions in effect as of March 30, 2016, including the amount of hourly contribution rate subject to benefit accrual, will continue to apply.

**Contribution Rate Increases**

Contributing employers covered by this Preferred Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- e. 11.0% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- f. 5.5% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Preferred Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).



**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
DEFAULT SCHEDULE FOR EMPLOYERS NOT COVERED UNDER  
ANY REHABILITATION PLAN SCHEDULE**

**Affected Participants**

The changes described in this Default Schedule apply to Active Employees of employers not covered under any (2012 and/or 2014) Rehabilitation Plan Schedule who agree to increase their future contribution rates according to the schedule described below or who otherwise become subject to this schedule in accordance with PPA.

**Benefit Changes**

Unless otherwise specified, all contributions payable, in addition to the rate increases required under this Default Schedule are considered as supplemental contributions and not subject to benefit accrual effective the later of (1) March 31, 2016, or (2) 30 days after the date the notice described in Code Section 432(e)(8)(C) is provided.

**Contribution Rate Increases**

Contributing employers covered by this Default Schedule are required to increase their hourly contribution rate for each Hour of Work in Covered Employment under the Fund by:

- g. 8.5% compounded annually, on each contract anniversary date during the years 2016 and 2017; and
- h. 4.25% compounded annually, on each contract anniversary date during the years 2018 through 2021.

***All of the above contribution rate increases are supplemental contributions that are not subject to benefit accrual.***

Contributing employers covered by this Default Schedule may elect to increase their contribution rate by an amount more than those listed above while the Fund is in endangered status. Any excess increase in the contribution rate will be subject to benefit accrual based on a pension multiplier of 0.3375% for New Entrants and 0.675% for all other participants.

**Future Revisions**

The Trustees are required by ERISA and the Internal Revenue Code to review the progress of their FIP each year and to update and revise the FIP and schedules if necessary. However, any change(s) made to this Schedule will apply only to those CBAs or PAs that are adopted, renewed, or extended on or after the date of such change(s).

**CENTRAL LABORERS' PENSION FUND  
FUNDING IMPROVEMENT PLAN  
SUMMARY OF MAJOR BENEFIT PROVISIONS AND FUTURE CONTRIBUTION RATE INCREASES  
UNDER VARIOUS EXHIBITS**

Exhibit	Current Rehabilitation Plan Schedule	Funding Improvement Plan Schedule	Minimum Age for Service Pension*	Early Retirement Pension Availability	Pension Multiplier		Future Annual Contribution Rate Increases	
					New Entrants	Others	Years 2016-2017	Years 2018-2021
A	2014 Preferred	Preferred	58	Available	0.3375%	0.675%	10.0%	5.0%
B	2014 Preferred	Default	58	Available	0.000%	0.000%	6.5%	3.25%
C	2014 Default	Preferred/Default	Unavailable	Unavailable**	0.675%	1.000%	0.0%	0.0%
D	2014 Alternate	Preferred/Default	Unavailable	Unavailable**	0.3375%	0.675%	0.0%	0.0%
E	2012 Preferred	Preferred	53/55	Available	0.3375%	0.675%	10.5%	5.25%
F	2012 Preferred	Default	53/55	Available	0.000%	0.000%	7.5%	3.75%
G	2012 Default	Preferred	Unavailable	Available	0.3375%	0.675%	8.5%	4.25%
H	2012 Default	Default	Unavailable	Available	0.000%	0.000%	6.5%	3.25%
I	No Schedule	Preferred	53	Available	0.3375%	0.675%	11.0%	5.5%
J	No Schedule	Default	53	Available	0.000%	0.000%	8.5%	4.25%

*\*The Service Pension is not an available benefit under the Fund's New Entrant Plan.*

*\*\*Participants who retire from Covered Employment after age 53 (58 for New Entrants) and five years of vesting service are eligible for an immediate Deferred Pension.*



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