

*A Publication of the
Central Laborers' Pension, Welfare & Annuity Funds*

I L L I N O I S
L A B O R E R

Summer 2010

**CLPF SUES
GOLDMAN SACHS**



**IMPORTANT ANNUITY AND WELFARE AMENDMENTS & WELFARE
SUMMARY ANNUAL REPORT INSIDE – SEE PAGES 5, 9-11
Read and Retain for Reference**

Illinois Laborer is published by the Central Laborers' Pension, Welfare and Annuity Funds. Trustees of the three funds are, listed alphabetically:

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This newsletter contains information regarding the Central Laborers' Pension, Welfare and Annuity Funds. The actual Funds provisions may be found in the Funds' Plan documents which include the actual Plans and Trust Agreements. In the event of a conflict between the wording in this newsletter and the Plan documents that govern the Plans, the Plan documents shall govern. Please keep this newsletter with your Summary Plan Description (SPD) booklet and other benefit materials for future reference. The Trustees reserve the right to amend, modify, or terminate the Plans at any time.

Send address changes and newsletter questions, comments and ideas to:

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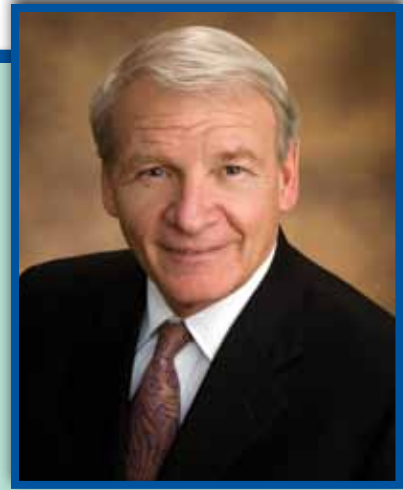
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Stimulating Jobs

“To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits”

- from The American Recovery and Reinvestment Act

Though the stock market is steadily coming back, economists say the best gauge of economic recovery is the creation of jobs. Thanks to President Obama’s American Recovery and Reinvestment Act, commonly called “the Stimulus Plan,” Laborers are returning to worksites nationwide.

In March, Laborers’ Home Development Corporation broke ground in Paris, IL for a new housing development called Maple Ridge Apartments. The project was doomed due to lack of money until the Illinois Housing Development Authority (IHDA) was able to provide funding through the Stimulus Plan. The apartments are now being built 100% Union with a projection of 50 construction workers to be employed on site, including members of Laborers’ Local 159.

The American Recovery and Reinvestment Act is also creating opportunities for members of Laborers’ Local 100 in the Metro East. Funding from the Stimulus Plan has allowed the Illinois Department of Transportation (IDOT) to finally begin demolition work at East St. Louis for the construction of the long awaited I-70 Mississippi River Bridge. The entire project will cost an estimated \$670 million and will be built 100% Union.

The Stimulus Plan is also helping to create jobs in new markets for Laborers. The fastest-growing segment of the construction industry is Clean Energy, and nationally, LIUNA has taken the lead in training Laborers to do skilled retrofits of energy inefficient homes. The American Recovery and Reinvestment Act is providing community grants to implement programs that create weatherization jobs in low-income areas throughout the Midwest.

I’ve always believed that investing in America’s infrastructure ensures the health of this nation’s economy, and now it is proving to be a worthy remedy for an ailing job market. The American Recovery and Reinvestment Act is succeeding and putting Laborers to work.

A handwritten signature in black ink that reads "John F. Penn". The signature is written in a cursive, flowing style.

John F. Penn, Chairman,
Central Laborers’ Pension and Annuity Funds

Fund Sues Goldman Sachs Over Excessive Compensation

You may have seen reports on television or in your local newspaper about extraordinarily excessive compensation and bonuses that were being paid to Wall Street executives. The Central Laborers' Pension Fund recently filed a lawsuit against Goldman Sachs Group, Inc.'s board of directors challenging their excessive compensation practices.

Goldman's board of directors had adhered to a policy of paying approximately 50% of net revenues every year to employees regardless of whether such an award was justified by the performance of the company or the efforts of its employees. Since 1999, Goldman has paid out a staggering \$104.9 billion in compensation to its employees. In contrast, Goldman's net earnings during the same period have been only \$46.8 billion. The Central Laborers' Pension Fund alleged that this policy was a breach of the board's fiduciary obligation to set compensation on a yearly basis based on the facts and circumstances of that year, and not based on an adherence to a decades old policy.

Goldman's board defended its policy by citing its "pay for performance" philosophy. However, the majority of Goldman's reported earnings for 2009 were not built on the successes and achievements of the company's employees. Instead, no less than 67% of Goldman's 2009 revenues were directly attributable to federal government intervention ("bank bail-out"), including a \$13 billion payment from AIG to Goldman which was a direct result of TARP funds.

After the public outcry over excessive compensation on Wall Street and the Pension Fund's lawsuit, Goldman Sachs announced a record profit of \$4.95 billion and reduced its bonus pool to \$16.2 billion. The bonus figure is down from a previously estimated payout of \$22 billion and represents only 35.8% of the firm's revenue, down from last year's 48%.



Annuity Plan Update:
Additional Basis for First, Second, and/or Third Hardship Distribution

Although the Central Laborers' Annuity Plan is designed to help you increase your retirement income, it also gives you access to a portion of the money in your Individual Account before retirement in the event you experience a financial hardship (as shown below). The Central Laborers' Annuity Fund's Board of Trustees amended the Plan as of October 1, 2009, to include funeral expenses of the participant, participant's spouse, participant's parents or participant's dependent children as a basis of hardship.

The Plan limits the dollar amount of hardship withdrawals that you can receive, with the minimum withdrawal amount set at \$1,000. The maximum withdrawal cannot exceed the portion of your account balance attributable to Employer contributions for your hours worked during the period beginning October 1, 1987, and ending not less than 24 months before the date of your withdrawal. As reported in the Autumn 2008 issue of *Illinois Laborer*, participants may receive up to three lifetime hardship withdrawals from the Annuity Plan; the maximum withdrawal amount varies based on how many withdrawals you have taken. For example, your first and second withdrawals cannot exceed 50% of the amount in your Individual Account as of the most recent valuation date prior to the withdrawal. The third withdrawal cannot exceed 95% of your Individual Account balance as of the most recent valuation date before the withdrawal. As a reminder, the Fund's valuation dates are March 31 and September 30 of each year.

Keep in mind that you may make a hardship withdrawal only if you are facing an immediate and heavy financial need in any of the following situations and provide supporting documentation as proof of hardship:

- **To pay medical expenses (described in Section 213(d) of the Internal Revenue Code) that you, your spouse or your dependent children have incurred;**
- **To purchase your principal residence (excluding mortgage payments);**
- **To pay tuition for post-secondary education for you, your spouse, or your dependent children;**
- **To prevent eviction from your principal residence;**
- **To prevent foreclosure on the mortgage of your principal residence; or**
- **To pay funeral expenses of the participant, your spouse, your parent(s), or your dependent child(ren).**

Under federal law, your hardship distribution is taxable as ordinary income, and the Fund office is required to withhold 20% federal income tax from hardship distribution payments. If you are under age 59½, you may also need to pay a 10% federal income tax penalty on early distribution. Please contact the Fund office with any questions about your Annuity Plan benefits or go online to the Fund's website: www.central-laborers.com.

This announcement highlights certain general Annuity Plan information. Full details of the Plan are contained in the documents that establish the Plan provisions. If there is a discrepancy between this announcement and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.



2010 TRAINING UPDATE

Journeyman and Apprentice training is well underway for 2010 at all of the Illinois Laborers' & Contractors Joint Apprenticeship & Training Program Facilities. The Mt. Sterling, Stanford, and Marion facilities are running full schedules for 2010. In addition, ILCJATP is currently doing building renovations on their newest property in Edwardsville, Illinois, with anticipated training to begin there by early summer.



ILCJATP-Edwardsville Training Facility
7277 Marine Road Edwardsville, IL

ILCJATP continues to offer various upgrade training and refresher courses at Local Union Halls and Contractor Businesses throughout the area. Check the current list of all available classes and information/directions on our website:



www.illaborers.org

WEATHERIZATION TRAINING

Illinois Laborers' & Contractors JATP has worked tirelessly in conjunction with the Midwest Region LECET, as well as federal and state organizations for the Laborers to be at the forefront of the new Green Jobs Training. ILCJATP has developed partnerships with several community colleges, where this training will be offered during 2010.



ILCJATP is using curriculum developed by LIUNA Training to provide this training at their initial class at Kankakee Community College.

The LIUNA Weatherization Training Program includes three (3) main areas of focus:

1. Weatherization Technician/Installer
2. Weatherization Supervisor
3. Energy Auditor

Upon conclusion of this pilot course, ILCJATP will assess and evaluate the progress of enrolled students, and work to expand course offerings at the Stanford Training Facility, as well as Heartland Community College-Bloomington, John A Logan College-Carterville, Shawnee Community College-Ullin, and Parkland Community College-Champaign.

Meet Rick Schewe

Rick Schewe is Business Manager of Laborers' Local 459 in Belleville, Illinois.

Illinois Laborer: Rick, tell us a little about yourself.

Rick Schewe: I grew up in Belleville, went to school here and participated in a variety of athletics.

IL: When did you become a Laborer?

Rick: I'm a second generation Laborer. My dad was Business Manager of Local 459, so I've been around the movement my entire life. I started working in the field in 1973, became a Field Representative in 1983, and have served as Business Manager of the Local since 1994.

IL: What other positions do you hold?

Rick: I'm a Trustee for the Central Laborers' Pension Fund and also the administrator for the Southwestern Illinois Laborers' Annuity Fund.

IL: How do you view your role as Trustee for the Pension Fund?

Rick: My job is to be the ears, eyes, and mouth of the Laborers in the field, to represent them and at the same time work to ensure the longevity of the Fund.

IL: What impact has the economy had on the members and their pensions?

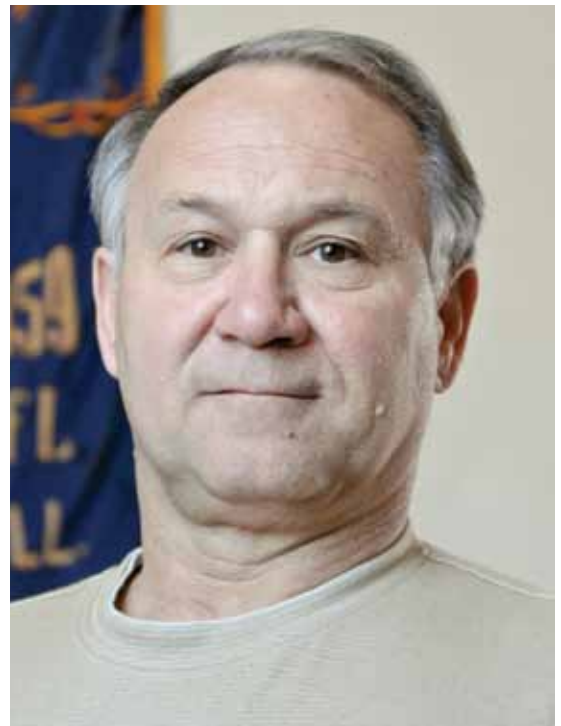
Rick: Unfortunately, many of our younger members are not as attentive to their pension. I can't stress enough how important it is for them to get involved. The members closer to retirement keep an eye on that statement. They pay attention to the news, the economy, and the problems on Wall Street. They understand when adjustments must be made to maintain the Plan.

IL: How is the work in your area?

Rick: Laborers' Local 459 is very fortunate to have two power plants; one getting an overhaul and the other is brand new to the tune of \$2 billion. Hopefully by the time these projects play out, the economy will pick up. I've been here long enough to see that every year doesn't look like anything on the books; it's been gloom and doom, but we seem to make it.

IL: Rick, thank you for your time.

Rick: You're welcome.



Southern & Central IL LECET Sponsors Safety Incentive Day

Local 1197 Member Wins New Truck

On April 17th, hundreds of Laborers from throughout the Southern and Central Illinois Laborers' District Council (SCILDC) traveled to Local 703 in Urbana, IL to celebrate the 4th Annual Safety Incentive Day. Sponsored by Southern and Central Illinois LECET, Safety Incentive Day was designed to emphasize and give recognition to the importance of creating and maintaining a safe work environment with the ultimate goal being zero injuries and zero lost time accidents. To be eligible to win prizes, participants had to have worked at least 1200 hours in the calendar year 2009 and must have had no lost time or recordable event due to a workplace accident.

The highlight of the event remains the truck give-away as the names of ten participants are drawn one at a time as each comes forward and randomly chooses a key, only one of which opens the door to the new 2010 Ford truck. This year's lucky winner was Floyd Waldrop of Laborers' Local 1197.

"The truck contest is a lot of fun," said SCIL LECET Director Flint Taylor, "but this is really a celebration of the safety of these Laborers. Everyone here today gets up every morning, goes to work with their lunch box, does their job right and comes home to their family in the evening," said Taylor, "they're all winners."



SUMMARY ANNUAL REPORT FOR CENTRAL LABORERS' WELFARE FUND

This is a summary of the annual report for the CENTRAL LABORERS' WELFARE FUND (EIN 37-6058345, Plan No. 501), health, life insurance, dental, vision, temporary disability and other benefits for the year October 1, 2008 through September 30, 2009. The annual report has been filed with the Employee Benefits Security Administration, formerly known as the Pension and Welfare Benefits Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan had a contract with the Lafayette Life Insurance Company to pay certain life insurance and accidental death and dismemberment benefit claims incurred under the terms of the Plan. The total premiums paid for the contract year ended November 30, 2008 were \$26,020.

BASIC FINANCIAL STATEMENT

The value of Plan assets, after subtracting liabilities of the Plan, was \$34,693,363 as of September 30, 2009 compared to \$31,303,850 as of October 1, 2008. During the Plan year the Plan experienced an increase in its net assets of \$3,389,513. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The Plan had total income of \$21,303,167 including employer contributions of \$18,707,604, participant contributions of \$1,136,015, earnings from investments of \$1,423,035, and \$36,513 in other income. Plan expenses were \$17,913,654. These expenses included \$16,000,855 in benefits paid to participants and beneficiaries and \$1,912,799 in administrative expenses.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment; and
4. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Central Laborers' Welfare Fund, who is Plan Administrator, at P.O. Box 1267, Jacksonville, IL 62651 (telephone 217/243-8521). The charge to cover copying costs will be \$25.00 for the full annual report or \$.25 per page for any part thereof.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, if any, or a statement of income and expenses of the Plan and accompanying notes, if any, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes, if any, will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, 201 North Main Street, Jacksonville, Illinois and at the U.S. Department of Labor in Washington D.C., or obtain a copy from the Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Central Laborers' Welfare Fund

The Central Laborers' Welfare Fund Plan Document was amended to include the following language changes and/or clarifications, effective September 29, 2009:

[Amending page 19 of the Summary Plan Description]:

Retiree Eligibility

You and your Dependents are eligible for Retiree benefits if you:

- meet the definition of Retiree (see page 83);
- have been eligible for at least 5 consecutive years under the Central Laborers' Welfare Fund immediately before the effective date of your eligibility for a Service Pension, OR, if you received workers' compensation benefits, in lieu of receiving an Occupational Disability Benefit, continuously from your date of disability through the date your service pension starts or until resumption of laborer's (or covered) work during said 5 years immediately before the date of your retirement;
- are not eligible for Medicare; and
- make proper and timely self payments to the Welfare Fund for your coverage.

You must provide an Open Enrollment Application for Retiree benefits and make the required self-payment on or before the deadline date printed on your self-payment notice.

The Trustees determine, from time to time, the cost of self-payments for single/family coverage. You are required to make self-payments on a quarterly basis for Retiree benefits. To maintain coverage, you must make quarterly payments on or before the first day of the quarter (January 1, April 1, July 1, and October 1).

And

[Amending page 21 of the Summary Plan Description]:

Retiree Pre-Funded Subsidy Allowance Program

Eligibility

You may receive a Retiree Pre-Funded Subsidy Allowance to offset your self-payments for Retiree benefits if you:

- initially retire on or after March 1, 2002;
- are at least 53 years of age at the time of your initial retirement; and
- have at least 5 years of uninterrupted active participation in the Central Laborers' Welfare Fund immediately before the date of your initial retirement, OR, if you received workers' compensation benefits, in lieu of receiving an Occupational Disability Benefit, continuously from your date of disability through the date your initial retirement starts or until resumption of covered employment during said 5 years immediately before the date of your retirement.

You are also considered eligible for the Retiree Pre-Funded Subsidy Allowance if you:

- retire due to a Total and Permanent Disability (as defined by the Central Laborer's Pension Plan), on or after March 1, 2002 and you are not eligible for Medicare or other government-sponsored insurance;
- are a spouse of a Participant who became Totally and Permanently Disabled on or after March 1, 2002 who is eligible for Medicare or other government-sponsored insurance;
- are a spouse (at the time of death) of a Plan Participant who dies while eligible for the Retiree Pre-Funded Subsidy Allowance.

[Amending the term “Usual & Customary” to “Allowable Charge”, where “Allowable Charge” is defined as:

1. With respect to a network provider, the Allowable Charge is the negotiated fee/rate set forth in the agreement with the participating network health and/or dental provider, facility, or organization and the Plan.
2. With respect to an out-of-network provider, the Allowable Charge means the amount as determined by the Board of Trustees that the Plan will pay for a particular service or supply. Under no circumstances shall the Plan pay an Allowable Charge for out-of-network services or supplies that are determined by any provider, facility, or other person or organization other than the Board of Trustees.
3. The Board of Trustees has determined Allowable Charge to mean the amount most consistently charged by a licensed Physician or other professional provider for a given service. An Allowable Charge refers to a charge that is within the range of usual charges for a given service billed by most Physicians or other professional providers with similar training and experience in a given geographic area. When considering the range of usual charges, the plans may consider discounted rates allowed by network providers as a basis for Allowable Charges.

[Added the following exclusion, No. 44, under the Comprehensive Major Medical Plan]

44) Any service or supply that is performed concurrently with a cosmetic procedure and/or surgery, unless the billing statement applicable to such service or supply, which would otherwise be considered a covered charge under this Plan, is unbundled from and coded and billed separately from the cosmetic surgery and/or procedure. As noted in exclusion 19, cosmetic surgery is not generally a covered charge eligible for reimbursement unless it is the result of an Injury or congenital disease or anomaly that results in a functional defect from trauma, infection, or other disease of the involved portion of the body.

In addition, the Central Laborers' Welfare Fund Plan Document was amended with the following language changes and/or clarifications, effective November 24, 2009:

[Amending page 42 of the Summary Plan Description re: Accidental Death and Dismemberment (AD&D) Benefit (For Active Employees Only)]:

The Board of Trustees shall determine the eligibility of a claimant for, and the fulfilment of the criteria for a claim under, an Accidental Death and Dismemberment (AD&D) Benefit under the Plan and shall have discretion to reasonably construe the provisions of the Plan in making such determination.

[Amending page 40 of the Summary Plan Description re: Death Benefit (For Active Employees Only)]:

The Board of Trustees shall determine the eligibility of a claimant for, and the fulfilment of the criteria for a claim under, a Death Benefit under the Plan and shall have discretion to reasonably construe the provisions of the Plan in making such determination.

In addition, the Central Laborers' Welfare Fund Plan Document was amended with the following language changes and/or clarifications, effective January 26, 2010:

[Amending the Loss of Time exclusion No. 6, page 56 of the Summary Plan Description]:

6) Any period of disability under this Plan during which you are considered a Retiree under the Central Laborers' Pension Fund and are receiving a monthly pension benefit, or any period of disability under this Plan during which you are considered to be totally and permanently disabled or occupationally disabled by the Central Laborers' Pension Fund and are receiving a monthly disability benefit payment attributable to such total and permanent disability or occupational disability.

ILLINOIS LABORER

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In Memoriam: Mark Hannon

On April 16th, the Laborers' Union lost a great leader and friend with the sudden passing of Central Laborers' Pension/Annuity and Welfare Funds' Trustee Mark Hannon.

Mark, also known as "Flipper", joined Laborers' Local 703, Urbana in September 1976 at the age of 24 and worked as an All-Craft Steward for 20 years at the Clinton Nuclear Power Plant. In 2007, he became Business Manager of Local 703, as well as Executive Board member of the Southern & Central Illinois Laborers' District Council. Mark was also a Trustee of the Illinois Laborers' & Contractors' Joint Apprenticeship & Training Fund and the Laborers' Local 703 Legal Service Fund.

"Mark lived his life with a joy and enthusiasm that was contagious to those around him," said Central Laborers' Chairman John F. Penn. "When you were with him, you couldn't help but be in a good mood." Penn said Hannon's positive outlook and amiable nature made him approachable to other Trustees, Contractors, and most of all, Union Members. "Mark's drive and attitude made him an extremely effective leader, and he will be greatly missed," said Penn, "Our hearts go out to his family and Local 703."

Mark is survived by his son, John Hannon of Lakewood, Colorado; his daughter, Jodi Hannon of Clinton; his parents, Paul and Carolyn Hannon of Farmer City; brothers, Timothy F. Hannon of Thousand Oaks, California, and Matthew J. Hannon of Champaign; sisters, Jane E. Hannon of Champaign and Freyda Staten of Metairie, Louisiana; and granddaughter, Ava Hannon.

