

**Notice to Employers and Sponsoring Unions
Central Laborers' Pension Fund
(For the Plan Year Ended December 31, 2022)**

To: All Contributing Employers and Unions that have a collective bargaining agreement with an Employer requiring contributions to be paid to the Central Laborers' Pension Fund

This notice regarding Central Laborers' Pension Fund ("Plan"), E.I.N. 37-6052379, Plan 001, is being provided as required by Section 104(d) of ERISA as amended by the Pension Protection Act of 2006 ("PPA"). The information shown below is for the Plan Year beginning January 1, 2022, and ending December 31, 2022 ("Plan Year 2022"), except as otherwise indicated.

1. Contributions and Benefits:

(a) Contribution Rates:

Vary from \$0.14 to \$31.10 per hour as of January 1, 2022. The average contribution rate for the year beginning January 1, 2022, is \$12.18 per hour, of which \$5.86 per hour is the average amount subject to the pension multiplier.

(b) Benefit Formula (hours worked prior to February 1, 2014):

Participants whose first hour of work in covered employment (or first hour of work in covered employment that follows a prior permanent break in service with the Plan) occurred on or after January 1, 2009 ("New Entrants") earn benefits equal to 0.675% of contributions made on their behalf.* All other participants earn benefits equal to 1.35% of contributions made on their behalf on or after October 1, 2009.*

(c) Benefit Formula (hours worked on and after February 1, 2014, through March 30, 2016, for employers subject to either the Preferred Schedule or the Alternate Schedule of the 2014 Rehabilitation Plan):

New Entrants earn benefits equal to 0.3375% of contributions made on their behalf.* All other participants earn benefits equal to 0.675% of contributions made on their behalf.*

(d) Benefit Formula (hours worked on and after February 1, 2014, through March 30, 2016, for employers subject to the Default Schedule of the 2014 Rehabilitation Plan):

New Entrants earn benefits equal to 0.675% of contributions made on their behalf.* All other participants earn benefits equal to 1% of contributions made on their behalf.*

(e) Funding Improvement Plan:

As of January 1, 2016, the Plan was certified as being in endangered status (PPA "Yellow Zone"). In accordance with the requirements of the PPA, the Trustees adopted a Funding Improvement Plan ("FIP") effective as of March 31, 2016.

Generally, the benefit formula for participants' hours worked on and after March 31, 2016, for employers subject to the FIP Preferred Schedule, is the same as Item 1(c) above.

The benefit formula for participants' hours worked on and after March 31, 2016, for employers subject to the Alternate Schedule of the 2014 Rehabilitation Plan and the FIP Combined Preferred and Default Schedules, is the same as 1(c) above.

The benefit formula for participants' hours worked on and after March 31, 2016, for employers subject to the Default Schedule of the 2014 Rehabilitation Plan and the FIP Combined Preferred and Default Schedules, is the same as 1(d) above.

Participants' hours worked on and after March 31, 2016, for employers subject to one of the FIP Default Schedules do not result in any future benefit accrual.

(f) Benefits accrued prior to October 1, 2009, were accrued in accordance with various schedules.

*(*Not including the portion of contributions designated as supplemental contributions.)*

Please contact the Fund Office at 217-479-3600 for more information on the FIP and its schedules or review the Pension Fund's FIP and Summary Plan Description located at www.central-laborers.com.

2. **Employers:** During Plan Year 2022, a total of 1,255 employers contributed to the Plan.
3. **Employers Contributing More than 5% of Total Contributions During Plan Year 2022:** No contributing employer contributed more than 5% of total contributions during the year.
4. **Number of Deferred Vested and Retired Participants Whose Contributing Employer is No Longer Making Contributions:** There were no participants in Plan Year 2022 for whom no employer contributions were made. There was 1 participant in the 2021 Plan Year and 39 participants in the 2020 Plan Year for whom no employer contributions were made.
5. **Plan Funding Status:** The Plan was first certified as a "critical status" or "Red-Zone" plan as of October 1, 2011. The Trustees adopted a Rehabilitation Plan on January 16, 2012, which was subsequently updated on November 4, 2013.

The Plan was certified to be in "endangered status" or a "Yellow-Zone" plan as of January 1, 2016. A FIP was adopted by the Trustees effective March 31, 2016. The FIP was updated by the Trustees effective November 6, 2017, to enhance the benefits for certain deferred vested participants and inactive non-vested employees. On July 20, 2020, the Trustees amended the FIP to include terms and conditions related to an employer changing contribution methodologies. Accordingly, the FIP has been updated to incorporate the benefit changes. The FIP is designed to allow the Plan to:

- (a) 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 Year for which the Fund is certified to be in endangered status (January 1, 2016), and 100%, and
- (b) avoid any accumulated funding deficiency at the end of the Funding Improvement Period.

The Fund's Funding Improvement Period is the ten (10) year period beginning January 1, 2019, and ending December 31, 2028.

You have the right to obtain a copy of the Plan's FIP adopted under Section 305 of ERISA and the actuarial and financial data that demonstrate any action taken by the Plan toward improvement upon written request to the Fund Office.

6. **Withdrawing Employers in Previous Year:** Three employers withdrew from the Plan during the previous year, January 1, 2021-December 31, 2021. A total withdrawal liability of \$1,381,153 was assessed against these employers.
7. **Mergers:** There were no Plan mergers during Plan Year 2022.
8. **Amortization Extension:** The Plan applied for a five-year amortization extension for the unfunded charge bases as of October 1, 2008, and received approval from the Internal Revenue Service in accordance with Internal Revenue Code Section 431(d)(1). The Plan did not use the shortfall funding method for Plan Year 2022.
9. **Additional Information:** You also have the right to obtain a copy of the 2022 Form 5500 and/or the Summary Plan Description along with the Summary of Material Modifications, if any, upon written request to the Fund Office and payment of a reasonable charge to cover the costs of furnishing copies of such documents. You are only entitled to receive one copy of each of these documents during any 12-month period.

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Central Laborers' Pension Fund

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

NOTICE TO PARTICIPATING EMPLOYERS REGARDING REQUIRED FINANCIAL DISCLOSURES

To: Participating Employers in the Central Laborers' Pension Fund
From: Kenton W. Day, CPA, Plan Administrator
Date: November 14, 2023
Re: Information for Auditors Regarding Financial Statement Disclosures

In September 2011, the Financial Accounting Standards Board issued an accounting standard for disclosure of employer obligations to multiemployer pension plans, such as the plan maintained by the Central Laborers' Pension Fund (the "Fund" or the "Plan"). This standard requires employers participating in multiemployer pension plans to disclose additional information regarding employer commitments and risk involved with participation in multiemployer pension and other postretirement benefit plans. To assist your company in fulfilling its disclosure obligations, the Plan is providing participating employers with the following information needed for these disclosures. Each participating employer should maintain this notice in their records as well as send a copy of this notice to its auditors in order to complete its financial statement disclosure requirements.

The total pension and pension supplemental contributions of all the Plan's participating employers for the Plan year ended December 31, 2022 was \$104,799,796. **If you believe that your company's pension and supplemental pension contributions are at least 5% of the total contributions for your company's fiscal period (i.e., \$5,239,990 or more), please contact Anne Mogg (217-479-3600 or amogg@central-laborers.com) at the Fund office for additional information.**

A general summary of much of the required disclosure information with respect to the Fund is provided below for your reference as well as your auditors'.

1. The legal name of the Plan is the "Central Laborers' Pension Fund."
2. The Plan Identification Number is 37-6052379.
3. The Plan Number is 001.
4. The Pension Plan was in endangered status ("Yellow Zone") for the plan year beginning January 1, 2022.
5. As a result of certification as a Yellow Zone Plan since 2016, the Plan adopted a Funding Improvement Plan effective March 31, 2016. The benefits under the FIP were enhanced by the Trustees effective November 6, 2017, for certain deferred vested participants and inactive non-vested employees. On July 20, 2020, the Trustees amended the FIP to include terms and conditions related to an employer changing contribution methodologies. Accordingly, the FIP has been updated to incorporate the benefit changes.

6. For those employers that do not timely adopt an amendment to their Collective Bargaining Agreements that complies with the Funding Improvement Plan, the Default Schedule under the Funding Improvement Plan shall be imposed according to federal law.
7. The Fund is unaware of any significant changes affecting comparability of total employer contributions, other than contribution rate increases as required under the Funding Improvement Plan referenced above.
8. As a participating employer in the Fund, your company will also need to provide your auditor with the expiration date of your Collective Bargaining Agreement(s).

If you have any questions regarding this matter, please feel free to contact the Fund office at 217-479-3600.

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