

April 2002

**To: PLAN PARTICIPANTS OF THE
MICHIGAN LABORERS' PENSION FUND**

Re: SUMMARY OF MATERIAL MODIFICATIONS

This is to notify you that the Trustees of the Michigan Laborers' Pension Fund (the "Plan") have amended the Plan. This notice, known as a Summary of Material Modifications ("SMM") is an amendment to the Summary Plan Description ("SPD") you received previously. You should keep this SMM with the SPD for future reference.

The Board of Trustees of the Pension Fund has adopted the following Plan Modifications:

Active Participants

- For those Active Participants who retired on or after September 1, 2000 and who accrued a benefit under the former Flint, Michigan Laborers' Pension Fund, his hours and contributions under that former Pension Fund would be calculated at the Michigan Laborers' Pension Fund benefit schedule.
- Effective retroactive to September 1, 1999, the Future Service Crediting Formula for Participants who were Active Participants on or after September 1, 1999, was increased from \$7.23 per 100 Hours of Work to \$7.31 per 100 Hours of Work for hours worked on or after September 1, 1979.
- Effective September 1, 1999, for benefits accrued under the former Flint, Michigan Laborers' Pension Fund, the Crediting Formula was increased as follows:
 - For the Period January 1, 1980 to December 31, 1987, the Crediting Formula was increased from \$40.50 to \$40.95 per Year of Service.
 - For the Period January 1, 1988 and after, the Crediting Formula was increased from \$44.00 to \$44.50 per Year of Service.

- Effective September 1, 1999, a Five-Year Cliff Vesting Schedule was implemented. If a Participant worked at least one hour after September 1, 1999, and he accrued at least Five (5) Years of Service, he would be 100% Vested in his Accrued Benefit.
- Effective retroactive to September 1, 1998, the Future Service Crediting Formula for Participants who were Active Participants on or after September 1, 1998, was increased from \$6.20 per 100 Hours of Work to \$7.23 per 100 Hours of Work for hours worked on or after September 1, 1979.
- Effective September 1, 1998, for benefits accrued under the former Flint, Michigan Laborers' Pension Fund, the Crediting Formula was increased as follows:
 - For the Period January 1, 1980 to December 31, 1987, the Crediting Formula was increased from \$34.75 to \$40.50 per Year of Service.
 - For the Period January 1, 1988 and after, the Crediting Formula was increased from \$37.75 to \$44.00 per Year of Service.
- Effective September 1, 1997, the Future Service Crediting Formula for Participants, who were Active Participants as of September 1, 1997, was increased from \$5.50 per 100 Hours of Work to \$6.20 per 100 Hours of Work for hours worked on or after September 1, 1979.
- Effective September 1, 1997, for benefits accrued under the former Flint, Michigan Laborers' Pension Fund, the Crediting Formula was increased as follows:
 - For the Period January 1, 1980 to December 31, 1987, the Crediting Formula was increased from \$30.75 to \$34.75 per Year of Service.
 - For the Period January 1, 1987 and after, the Crediting Formula was increased from \$35.00 to \$37.75 per Year of Service.
- Effective June 16, 1998, if a Flint Participant retired and elected a Lump Sum Distribution of his Flint Pension Benefits, he would receive the Actuarial Cash Equivalent Value of his eligible Death Benefit, in addition to the Actuarial Cash Equivalent of his Vested and Supplemental Benefits.
- Years of Service would be granted to Disabled Participants, who subsequently return to work, for each year in which they were disabled and received a monthly Pension Disability Benefit from the Pension Fund.
- Effective September 1, 1996, the effective date or commencement date of monthly Disability Benefits will be the *earlier* of the month following the month an application was received and the first of the month that a Participant was deemed disabled by the Social Security Administration. (Please note that this is the date that is usually 5 months

prior to the date of entitlement or commencement of Disability Benefits from the Social Security Administration.)

- Effective retroactive to September 1, 1998, the Graduated Death Benefit for Active Participants and Retired Participants receiving benefits from the Pension Fund based on their Years of Service under the Plan including Workers' Compensation Credits and non-forfeitable Military Service Credits, but excluding Contiguous Service and Pro-Rata Service were amended as follows:

0 – 4 Years of Service	- 0 -
5 – 9 Years of Service	\$1,000.00
10 – 14 Years of Service	\$2,000.00
15 – 19 Years of Service	\$3,000.00
20 – 24 Years of Service	\$7,000.00
25 – 29 Years of Service	\$7,000.00
29.5 or more Years of Service	\$7,000.00

Additional Benefits

- For those Participants who retired on and after September 1, 2000 and who were eligible for the Supplemental Benefit, the payment of the Supplemental Benefit would end 36 months prior to the Participant's Social Security Normal Retirement Age (65, 66 or 67). Those

Participants who retired prior to September 1, 2000 will have their Supplemental Benefit discontinued the month following the month in which they attain age 62. Please review the stop-dates for those Participants who retired on and after September 1, 2000 with regard to the termination of their Supplemental Benefits. Please refer to the following chart for reference:

<u>Year of Birth</u>	<u>Soc.Sec. Normal Ret. Age</u>	<u>Supplement stops at age</u>
1937 or earlier	65	62
1938 to 1954	66	63
1955 or later	67	64

- For those Participants who retired on and after September 1, 2000 and who were eligible for the Supplemental Benefit, the calculation of the Supplemental Benefit would depend on the Participant's Years of Service according to the following schedule:

<u>Years of Service (Yr of Svs.)</u>	<u>Supplemental Benefit Amount Per Yr of Svs.</u>
5 to 14.9 Years	\$25.00
15 to 24.9 Years	\$30.00
25 or more Years	\$35.00

- Effective September 1, 1999, the reduction for electing a Joint and Survivor Option was amended to provide a percentage reduction: a 5% reduction for electing the Joint and 50% Survivor Option, a 7 ½% reduction for electing the Joint and 75% Survivor Option and a 10% reduction for electing the Joint and 100% Survivor Option plus an adjustment of ¼ of percent for each year that a spouse is older (plus) or younger (minus) than the Participant but no less than an adjustment of .99%.
- Effective September 1, 1999, the Pre-Retirement Death Benefit was amended to provide a Death Benefit for Active Participants who die prior to attaining Vested Status equal to seventy-five percent (75%) of the contributions remitted in Plan Years in which the Deceased Participant earned a Year of Service.
- Effective September 1, 1998, the service definition used for determination of "Years of Service" after a Participant has accumulated 10 Years of Service under the 870 Hours of Work Rule was reduced to 435 Hours of Work for a Year of Service toward eligibility for Index 80 Benefits. This means the first 10 Years of Service require 870 Hours of Work for a Year of Service Credit and all Years of Service earned after the 10th Year of Service would require only 435 Hours of Work for a Year of Service Credit.
- Effective September 1, 1998, the Pre-Retirement Surviving Spouse Benefits was increased from the Joint & 50% Survivor Form to the Joint & 100% Survivor Form.
- Effective retroactive to September 1, 1998, the Reciprocity Agreement between the Michigan Laborers' Pension Fund and the Laborers' Pension Trust Fund – Detroit & Vicinity was changed from a "Money Follows the Man" format to a "Pro-Rata" format.

Retired Participants

- Effective January 1, 2002 through December 31, 2002, a Retired Participant could work for a contributing employer and, at the same time, collect his pension check, provided he met the restrictions established by the Board of Trustees under this *temporary waiver*. The restrictions are:

1. The effective date of your retirement must be prior to January 1, 2002.
 2. The Retired Participant could work only for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Associated Underground Contractors, Inc. (AUC); OR
 3. The Retired Participant could work only for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Michigan Road Builders Association (MRBA); OR
 4. The Retired Participant could work only in Zone 1 (Macomb, Oakland or Wayne Counties) for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Michigan Distribution Contractors Association. (If the Retired Participant worked for a contributing employer who worked under the Distribution Contract in any zone other than Zone 1, his pension benefits would be suspended under the terms of the Suspension of Benefit Provisions of the Plan.)
- Effective March 1, 2001 through December 31, 2001, a Retired Participant could work for a contributing employer and, at the same time, collect his pension check, provided he met the restrictions established by the Board of Trustees under this *temporary waiver*. The restrictions were:
 1. The effective date of your retirement must be prior to January 1, 2001.
 2. The Retired Participant could work only for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Associated Underground Contractors, Inc. (AUC); OR
 3. The Retired Participant could work only for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Michigan Road Builders Association (MRBA); OR
 4. The Retired Participant could work only in Zone 1 (Macomb, Oakland or Wayne Counties) for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Michigan Distribution Contractors Association. (If the Retired Participant worked for a contributing employer who worked under the Distribution Contract in any zone other than Zone 1, his pension benefits would be suspended under the terms of the Suspension of Benefit Provisions of the Plan.)
 - Effective June 1, 2001, a Retired Participant receiving monthly pension benefits from the Michigan Laborers' Pension Fund could authorized the deduction of self-payment premiums for the Metropolitan Laborers' Health Care Fund.
 - Effective September 1, 2000, the Suspension of Benefits Provision was modified to provide that the minimum Hours of Work required for the recalculation of a Retired Participant's monthly pension benefit will be 435. Prior to September 1, 2000, the minimum Hours of Work required for the recalculation was 870.

- Effective retroactive to September 1, 2000, the monthly pension benefit amount payable to Retirees and Beneficiaries who were eligible for benefits under the provisions for Normal Retirement, Early Retirement, Disability Retirement or for the Sixty-Month Survivors Benefits as of September 1, 2000 was increased by two percent (2%) based on their pension benefit amount as of August 1, 1996 or their approved benefit amount at the time of retirement.
- Effective May 1, 2000 through December 31, 2000, a Retired Participant may work for a contributing employer and, at the same time, collect his pension check, provided he met the restrictions established by the Board of Trustees under this *temporary waiver*. The restrictions were:
 1. The Retired Participant would work only for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Associated Underground Contractors, Inc. (AUC); OR
 2. The Retired Participant could work only for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Michigan Road Builders Association (MRBA); OR
 3. The Retired Participant could work only in Zone 1 (Macomb, Oakland or Wayne Counties) for a contributing employer that performed work under the collective bargaining agreement between the Laborers' Union and the Michigan Distribution Contractors Association. (If the Retired Participant worked for a contributions employer who worked under the Distribution Contract in any zone other than Zone 1, his pension benefits would be suspended under the terms of the Suspension of Benefit Provisions of the Plan.)
- Effective retroactive to September 1, 1999, the monthly pension benefit amount payable to Retirees and Beneficiaries who were eligible for benefits under the provisions for Normal Retirement, Early Retirement, Disability Retirement or for the Sixty-Month Survivors Benefits as of August 1, 1999 were increased by two percent (2%) based on their pension benefit amount as of August 1, 1996 or their approved benefit amount at the time of retirement.
- For Retirees, who retired under the Normal, Early or Disability Retirement Provisions and their beneficiaries and who further retired prior to September 1, 1998, they would receive a one-time lump sum payment of \$800.00. These checks were issued September 1, 1999. This provision was not applicable to Retirees who retired under the Vested Retirement Provisions or their beneficiaries.
- Effective September 1, 1998, the monthly pension benefit amount payable to Retirees and Beneficiaries who were eligible for benefits under the provisions for Normal Retirement, Early Retirement, Disability Retirement or for the Sixty-Month Survivors Benefits as of August 1, 1997 was increased two percent (2%) based on their pension benefit amount as of August 1, 1996 or their approved benefit amount at the time of retirement.

- Effective January 1, 1998, for those Retirees who retire on or after January 1, 1998, the Joint & 75% Survivor Optional Form of benefit would be available as well as the Joint and 50% or 100% Survivor, Life 10-Years Certain and Straight Life Options.
- Effective January 1, 1998, Retired Participants would be able to authorize a Union Dues Deduction from their monthly pension checks.

If you have any questions regarding these Plan Modifications, please call the Pension Department at the Fund Office.

BOARD OF TRUSTEES
MICHIGAN LABORERS' PENSION FUND