MASSACHUSETTS LABORERS' PENSION FUND

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Important Notice of Changes in Your Benefits

December, 2009

To: Participants in the Massachusetts Laborers' Pension Plan (the "Plan")

Re: Notice of Plan change that will result in a reduction in the rate of future benefit accruals under the Plan

This notice is being provided to comply with the requirements of Section 204(h) of the Employee Retirement Income Security Act of 1974 (ERISA) and its regulations and to notify you of an amendment to the Plan that will reduce the rate of future benefit accruals under the Plan.

Why is this Amendment Necessary?

These Plan changes, which are described throughout this document, are intended to enable the Fund to continue providing a level of benefits that is competitive despite the economic downturn of the past 18 months.

This notice, which is called a Summary of Material Modifications (and also called a "204(h) Notice"), explains this Plan amendment and is intended to comply with the requirements of federal law. Please keep this notice with your Summary Plan Description (SPD), which is the booklet that describes the rules of the Plan.

When is the Amendment Effective?

The amendment is effective January 1, 2010.

Who is affected by the amendment?

Participants who earn pension credit after January 1, 2010

What does the amendment do?

A. Normal Retirement Age and Early Retirement Reduction Changes

Effective January 1, 2010, for pension credits earned after January 1, 2010, the Plan's Normal Retirement Age will increase from age 62 to age 65.

B. Early Retirement Reduction Changes

In addition, the two-stepped reduction for Early Retirement applied to your pension credits earned after January 1, 2010 will change from 1/4% for each month your pension starting date occurs before age 60 and 1/6% for each month the pension is paid after age 60 but before age 62 to an across-the-board 1/4% for each month your pension starting date occurs before age 65.

Example #1:

Thomas takes an Early Retirement at age 59 on January 1, 2010. At retirement, his Pension Credits total 20 and the Benefit Rate in effect is $100. Thomas is not married. His monthly payments will be reduced by 7% to account for the fact he is retiring 3 years and 0 months before age 62. Thomas will receive 93% of his Normal Retirement Benefit. The plan change does not affect his Early Retirement Benefit because he has not earned pension credit after January 1, 2010.

His Early Retirement Benefit on January 1, 2010 will be:

20 x $100 x 93% = $1,860.00.

Instead of retiring at age 59, Thomas works three more years, earns 3 additional pension credits and retires at age 62 on January 1, 2013. Before the plan change, he would have 23 pension credits and would have received 100% of his Normal Retirement Benefit. After the plan change, he would receive 100% of his Normal Retirement Benefit based on his 20 Pension Credits earned prior to January 1, 2010 and 91% of his Normal Retirement Benefit Based on his 3 Pension Credits earned after January 1, 2010 as shown below:

His Early Retirement Benefit on January 1, 2013 before plan change:

23 x $100 x 100% = $2,300.00.

His Early Retirement Benefit on January 1, 2013 after plan change:

20 x $100 x 100% + 3 x $100 x 91% = $2,273.00

C. Hours Bank Changes

The Hours Bank rules will also change on January 1, 2010. Hours banked after January 1, 2010 may be applied to years in which you earned at least 250 hours, but less than 1,000 hours. However, hours banked after January 1, 2010 may no longer be converted to additional pension credits. Hours banked after January 1, 2010 will be used before hours banked before January 1, 2010 to fill in years in which you do not earn one pension credit. Hours banked before January 1, 2010 that are converted to pension credit will be treated like pension credits earned before January 1, 2010.

Example #2:

David has worked 20 years as of January 1, 2010. Each year he has earned a full pension credit and he has banked 4,500 hours. His benefit as of January 1, 2010 is based on 21 pension credits (20 credits plus 1 additional credit from the conversion of the 4,500 banked hours).

David works three more years (2010, 2011 and 2012), earns three pension credits, and banks an additional 1,000 hours. His banked hours total 5,500. Prior to the plan change, his benefit as of January 1, 2013 would be based on 24 ¼ pension credits (23 credits plus 1 ¼ additional credits for the conversion of the 5,500 banked hours).

After the plan change, David would receive a benefit based on 24 pension credits (23 credits plus 1 additional credit for the conversion of the 4,500 hours banked prior to January 1, 2010). The hours banked after January 1, 2010 are not converted to pension credits.

David works an additional two years (2013 and 2014). Each year, he works 750 hours and earns ¾ pension credit. Prior to the plan change, 500 hours would be withdrawn from the bank (leaving 5,000 hours in the bank) to fill in the years he earned only ¾ pension credit. David would have 25 pension credits plus an additional 1 ¼ credit for the remaining 5,000 banked hours, for a total of 26 ¼ pension credits.

After the plan change, 500 hours will be withdrawn from the bank. Hours are first withdrawn from hours banked after January 1, 2010 and then from hours banked prior to January 1, 2010 to the extent necessary, leaving 4,500 hours banked prior to January 1, 2010 and 500 hours banked after January 1, 2010. David would have 25 pension credits plus an additional 1 credit for the remaining 4,500 hours banked prior to January 1, 2010, for a total of 26 pension credits.

D. Joint and Survivor Benefit Changes

Also effective January 1, 2010, the adjustment factors applied to your pension credits earned after January 1, 2010 for the 50%, 75% and 100% Husband and Wife Pension Options for non-disability pensions will change. The adjustment factors applied to your credits earned before January 1, 2010 (which are not changing) and the new adjustment factors to be applied to credits earned after January 1, 2010 are as follows:

Example #3:

John is 56 on January 1, 2010. He has 32 pension credits and the Benefit Rate in effect is $100. John is married and elects the 100% Husband and Wife Pension. His wife is two years younger than he is. John can retire on a Service Pension on January 1, 2010.

His monthly pension of $3,200 is multiplied by 89.2% (90% minus 0.4% for each year his spouse is younger than he is):

$3,200.00 x 89.2% = $2,854.40 = $2,854.50 (rounded to nearest 50 cents)

John will receive a monthly benefit of $2,854.50. Upon his death, his wife will continue to receive $2,854.50 per month for her lifetime.

If John works five more years, earns five additional pension credits, and retires on January 1, 2015, his monthly benefit before and after the plan change are as follows:

100% Husband and Wife Pension on January 1, 2015 before plan change:

37 x $100 x 89.2% = $3,300.40 = $3,300.50

100% Husband and Wife Pension on January 1, 2015 after plan change:

32 x $100 x 89.2% + 5 x $100 x 83% = $3,269.40 = $3,269.50

	Prior to January 1, 2010		After January 1, 2010	
Type of Payment Option	**Basic Adjustment**	**Adjustment for Age Difference***	**Basic Adjustment**	**Adjustment for Age Difference***
50% Husband and Wife Pension	None	None	Multiply by 92%	.3%
75% Husband and Wife Pension	Multiply by 94.5%	.3%	Multiply by 88%	.4%
100% Husband and Wife Pension	Multiply by 90%	.4%	Multiply by 84%	.5%

* Multiply adjustment for age difference by number of full years that your age differs from your spouse's age. If your spouse is younger than you are, subtract from the basic adjustment. If your spouse is older than you are, add to the basic adjustment. Maximum adjustment is 99%.

If you have any questions about this notice, please contact:

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