

Michigan Laborers' Health Care Fund
Michigan Laborers' Pension Fund
Michigan Laborers' Annuity Fund
Michigan Laborers' Vacation Fund
Michigan Laborers' Training and
Apprenticeship Fund
Michigan Laborers' and Employers'
Cooperation & Education Trust Funds
Managed for the Trustees by:
TIC International Corporation

Michigan Laborers' Fringe Benefit Funds

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Notice of “Endangered” Status For

Michigan Laborers' Pension Plan

EIN: 38-6233976

PN: 001

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This is to inform you that on November 20, 2020 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, that the Plan is in “Endangered” status for the plan year beginning September 1, 2020. Federal law requires that you receive this notice.

“Endangered” Status

A plan is in “Endangered” status if it fails to meet certain specified benchmarks added by the Pension Protection Act (PPA) designed to identify plans that could develop funding problems in the future and require the parties to take action now to prevent that from occurring. A plan is in “Endangered” status if the ratio of assets to liabilities (funded ratio) is less than 80% in the current plan year or if it has a projected funding deficiency over the next 7 plan years. The Fund is currently 79.90% funded.

Funding Improvement Plan

For the plan year beginning September 1, 2012, the plan actuary certified the Fund as being in “Endangered” status. Consequently, the Fund adopted a Funding Improvement Plan effective February 6, 2013 aimed at improving the funded percentage and restoring the financial health of the Plan. For the plan year beginning September 1, 2020, the Plan remains in “Endangered” status. The Funding Improvement Plan adopted in February 2013 is expected to help the Plan emerge from “Endangered” status by the end of a 10-year funding improvement period, and will be reviewed by the Trustees annually to determine whether any adjustments are necessary. If any changes are made to the funding improvement plan, you will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

For more information about this Notice, you may contact TIC International Corporation at (517) 321-7502 or 6525 Centurion Drive, Lansing, MI 48917-9275. You have a right to receive a copy of the funding improvement plan from the Plan.

Annual Funding Notice

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the “Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning September 1, 2019 and ending August 31, 2020 (referred to hereafter as “Plan Year”).

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funded percentage.” The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

	2019	2018	2017
Valuation Date	9/1/2019	9/1/2018	9/1/2017
Funded Percentage	77.1%	76.2%	75.4%
Value of Assets	\$926,941,691	\$888,217,226	\$851,403,905
Value of Liabilities	\$1,201,908,533	\$1,165,074,102	\$1,128,935,737

Year End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are “actuarial values.” Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan’s funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan’s assets for each of the two preceding plan years.

	August 31, 2020*	August 31, 2019	August 31, 2018
Fair Market Value of Assets	\$989,877,302	\$920,340,891	\$892,680,917

* This amount is preliminary and unaudited.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in “endangered” status if its funded percentage is less than 80 percent. A plan is in “critical” status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in “critical and declining” status if it is in critical status

and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters “endangered” status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters “critical” status or “critical and declining” status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in “critical and declining” status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in “endangered” status in the Plan Year ending August 31, 2020 because the ratio of assets to liabilities was less than 80% on the first day of the Plan Year. In an effort to improve the Plan’s funding situation, the trustees adopted a Funding Improvement Plan on February 6, 2013 to address the Plan’s future funding needs. The Funding Improvement Plan will be reviewed annually to determine whether any adjustments are necessary as long as the Plan is “endangered.”

You may obtain a copy of the Plan’s funding improvement plan any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the plan administrator.

If the Plan is in “endangered” or “critical” status for the plan year ending August 31, 2021, separate notification of that status will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 19,350. Of this number, 5,656 were current employees, 5,843 were retired and receiving benefits, and 7,851 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is as follows:

1. Annual employer contributions to the Plan will equal or exceed the minimum amount that will be in compliance with the minimum funding requirement of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Protection Act of 2006 (PPA) and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), including all amendments to these Acts.
2. Annual employer contributions to the Plan will not exceed the tax deductible limits according to Section 404 of the Internal Revenue Code as amended.

Pension plans also have investment policies. These generally are written guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is, generally, to invest the assets of the Plan among several asset classes and within permitted allocation ranges. The long-term goal of the Plan is to: (1) generate a net of fee return in excess of the Plan’s actuarial assumed rate of return within acceptable levels of volatility, (2) maintain sufficient liquidity to fund benefit payments, and (3) preserve the principal value of the Plan.

Under the Plan’s investment policy, the Plan’s assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	1.0%
2. U.S. Government securities	5.7%
3. Corporate debt instruments (other than employer securities):	4.8%
4. Corporate stocks (other than employer securities):	15.2%
5. Partnership/joint venture interests	19.5%
6. Value of interest in common/collective trusts	16.1%
7. Value of interest in registered investment companies (e.g., mutual funds)	37.7%
8. Total	100%

For information about the Plan’s investment in any of the following types of investments – common/collective trusts, pooled separate accounts, or 103-12 investment entities – contact Board of Trustees Michigan Laborers’ Pension Fund, at (517) 321-7502, TIC International Corporation, 6525 Centurion Drive, Lansing, MI 48917-9275.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the “Form 5500.” These reports contain financial and other information. You may obtain an electronic copy of your Plan’s annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan’s annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may want to contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under “Where To Get More Information.”

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In

addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact Board of Trustees Michigan Laborers' Pension Fund, at (517) 321-7502, TIC International Corporation, 6525 Centurion Drive, Lansing, MI 48917-9275. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 38-6233976. For more information about the PBGC, go to PBGC's website, www.pbgc.gov.

**Michigan Laborers'
Pension Fund**

6525 Centurion Drive
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PLEASE RETAIN:
Important Fund Information Enclosed