

DEC - 1 2010

FOR PLAN YEAR COMMENCING SEPTEMBER 1, 2010

**ANNUAL CERTIFICATION OF PLAN STATUS UNDER SECTION 432(b) OF
THE INTERNAL REVENUE CODE, (SEC. 305(b) OF THE EMPLOYEE
RETIREMENT INCOME SECURITY ACT OF 1974)**

FOR

MICHIGAN LABORERS' PENSION FUND

EIN: 38-6233976

Plan No: 001

Plan Contact Information:

Board of Trustees of the Michigan Laborers' Pension Fund

6525 Centurion Drive

Lansing, MI 48917-9275

517-321-7502

November 29, 2010

Trustees of the Michigan Laborers' Pension Fund
6525 Centurion Drive
Lansing, MI 48917-9275

EIN: 38-6233976
PN: 001

Re: Annual Certification of Plan Status under Internal Revenue Code §432(b)
and Employee Retirement Income Security Act of 1974 §305(b)

Dear Board of Trustees:

CERTIFICATION

As required by Section 432(b)(3) of the Internal Revenue Code ("Code") and Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), we certify for the plan year beginning September 1, 2010, that the Plan is classified as being in **Endangered** status, as that term is defined in Section 432(b) of the Code and Section 305(b) of ERISA. The Funding Improvement Period commences September 1, 2012 and scheduled progress will be annually measured thereafter.

This certification incorporates the extension of the amortization periods of the unfunded liabilities of the Plan as of September 1, 2009, granted in accordance with Section 431(d)(1) of the Code. In addition, this certification is based on the Trustees electing to use the funding relief provided in Code §431(b)(8)(A) and §431(b)(8)(B) added by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (PRA2010). Specifically, the portion of experience loss attributable to net investment losses incurred for the plan years ending August 31, 2009 and August 31, 2010 are amortized in equal annual installments (until fully amortized) over the period provided by §431(b)(8)(A)(i). In addition, the difference between expected and actual return on the market value of assets for the plan years ending August 31, 2009 and August 31, 2010 is spread over 10 years as provided by §431(b)(8)(B)(i)(I). It is important to note that the calculations contained in this certification represent a good faith interpretation of the law, but future regulations may specify different interpretations which could have a material effect on the certification.

We hereby certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with the requirements of Section 432 of the Code, Section 305 of ERISA, and generally recognized and accepted actuarial principles and practices which are consistent with the applicable Guides to Professional Conduct, Amplifying Opinions, and Supporting Recommendations and Interpretations of the American Academy of Actuaries.

This report only certifies the condition of the Plan under Code Section 432 as added by the Pension Protection Act of 2006 and should be used only for that purpose. In preparing this report, we have relied without audit, on information supplied by TIC International Corporation and by the Fund's auditor, Benda, Grace, Stulz & Company, P.C.. This information includes, but is not limited to, Plan provisions, employee data, financial information, and expectations of future industry activity.

The attached appendices show the results for the statutory tests and describe the methodologies and assumptions used to perform the tests. Please contact the undersigned with any questions.

Sincerely,



David C. Feinstein, FSA, EA (08-3712)

November 29, 2010

Date



Joseph Mara Jr., ASA, EA (08-6992)

November 29, 2010

Date

cc: Secretary of the Treasury

Attachments: Appendix I: Tests for Status
Appendix II: Values and projections used in tests
Appendix III: Assumptions (extract from most recent valuation)



APPENDIX I – TESTS OF PLAN STATUS

The Pension Protection Act of 2006 (“PPA”) added special rules and requirements for plans that are certified to be Endangered, Seriously Endangered, or Critical.

Critical Status – The Plan will be certified as Critical if it meets the conditions of any one of the five following tests; **Condition Met?**

- | | | |
|---|---|----|
| 1 | The Plan has a funded ratio of less than 65%, and the value of Plan assets plus projected contributions is less than the value of projected Plan benefits and expenses to be paid for the current and six succeeding plan years. | NO |
| 2 | The Plan has a funded ratio of less than 65% and is projected to have an accumulated funding deficiency for the current year or in any of the four succeeding plan years. | NO |
| 3 | The Plan is projected to have an accumulated funding deficiency for the current plan year or in any of the three succeeding plan years. | NO |
| 4 | Normal cost plus interest on the unfunded liabilities exceeds contributions, the present value of the vested benefits of inactive employees exceeds the present value of vested benefits of active employees, and the Plan is projected to have an accumulated funded deficiency for the current plan year or in any of the four succeeding plan years. | NO |
| 5 | The value of Plan assets plus projected contributions is less than the value of projected benefits and expenses to be paid for the current and four succeeding plan years. | NO |

Endangered Status – The Plan will be certified as Endangered if it is not in Critical status and it meets either test 6 or test 7 below;

- | | | |
|---|---|-----|
| 6 | The ratio of assets to liabilities is less than 80% on the first day of the Plan year. | YES |
| 7 | The Plan is projected to have an accumulated funding deficiency for the current plan year or in any of the six succeeding plan years. | NO |

Seriously Endangered Status – The Plan will be certified as Seriously Endangered if it is not in Critical status and meets both test 6 and test 7 above.

The Plan is certified to be in ENDANGERED status for 2010.

APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION

A. DETERMINATION OF 9/1/2010 FUNDED PERCENTAGE (used in Tests 1, 2, and 6)

Assets at Market Value:	
Most recent reported market value of Plan assets ¹	\$ 529,859,547
Assets at Actuarial Value:	\$ 635,831,456
Development of Actuarial Value of Assets:	
Amount Deferred:	
20% of 2006 Gain / (Loss)	\$ 5,372,377
40% of 2007 Gain / (Loss)	(38,171,253)
80% of 2008 Gain / (Loss)	(123,580,066)
90% of 2009 Gain / (Loss)	<u>(11,255,726)</u>
Total Amount not recognized	\$ (167,634,668)
Preliminary Actuarial Value of Assets, September 1, 2010	\$ 697,494,215
Actuarial Value of Assets, September 1, 2010	\$ 635,831,456
(Market Value plus Amount not recognized; limited to 120% of Market Value)	
Unit Credit Liabilities:	
1. Liabilities from Actuarial Valuation as of 9/1/2009	
a. Active liability	\$ 251,350,029
b. Inactive liability	\$ 566,475,070
2. Adjustments ²	
a. To active accrued liability	\$ 9,284,210
b. To inactive accrued liability	<u>20,924,101</u>
3. TOTAL	\$ 848,033,410
FUNDED PERCENTAGE = Actuarial Value of Assets/Liabilities =	
	74.98%

¹ The market value of assets is based on the market value of Plan assets as reported by the preliminary draft audit report on August 31, 2010.

² The accrued liabilities have been adjusted for the following:
 Accrual of benefits
 Accrual of interest
 Benefit payments

**APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION
(continued)**

B. PROJECTIONS

1a. Funding Standard Account Credit Balance, without Amortization Extension under IRC 431(d), with funding relief under §431(b)(8)(A) and §431(b)(8)(B)(i)(I) (used in Tests 2, 3, and 4)

<u>Date</u>	<u>Credit</u>	adjusted with interest to end of year		
	<u>Balance</u>	<u>Charges</u>	<u>Credits</u>	<u>Contributions</u>
9/1/2010	\$135,738,051	\$76,773,118	\$9,689,328	\$36,414,636
9/1/2011	115,927,941	77,392,780	10,081,408	36,414,636
9/1/2012	94,305,441	79,855,768	10,457,128	36,414,636
9/1/2013	68,865,872	82,255,714	10,814,750	36,414,636
9/1/2014	39,348,813	84,767,199	11,152,303	36,414,636
9/1/2015	5,296,458	87,608,526	11,467,546	36,414,636
9/1/2016	-34,006,170	89,432,346	11,757,920	36,414,636
9/1/2017	-77,986,453	91,381,983	12,020,486	36,414,636

1b. Funding Standard Account Credit Balance, with both Amortization Extension under IRC 431(d) and funding relief under §431(b)(8)(A) and §431(b)(8)(B)(i)(I) (used in Test 7)

<u>Date</u>	<u>Credit</u>	adjusted with interest to end of year		
	<u>Balance</u>	<u>Charges</u>	<u>Credits</u>	<u>Contributions</u>
9/1/2010	\$ 145,584,081	\$ 66,927,088	\$ 9,689,328	\$ 36,414,636
9/1/2011	136,407,684	67,546,750	10,081,408	36,414,636
9/1/2012	126,269,593	70,009,738	10,457,128	36,414,636
9/1/2013	113,233,187	72,409,684	10,814,750	36,414,636
9/1/2014	97,111,543	74,921,169	11,152,303	36,414,636
9/1/2015	77,526,237	77,762,496	11,467,546	36,414,636
9/1/2016	53,848,021	79,586,316	11,757,920	36,414,636
9/1/2017	26,742,103	81,535,953	12,020,486	36,414,636

The projected funding standard account is based on the methods and assumptions set out in Appendix III. In addition the projection of future contributions is based on the Trustees' estimate of future industry activity multiplied by the contribution rates contained in the collective bargaining agreements under which the Plan is maintained.

Note: without applying the 431(d) extension, the plan would have been seriously endangered.

**APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION
(continued)**

2. Assets (used in Tests 1 and 5)

<u>Date</u>	<u>Market Value Assets</u>	<u>Projected Contributions</u>	<u>Projected Benefits and Expenses</u>	<u>Projected Investment Earnings</u>
9/1/2010	\$ 529,859,547	\$ 35,040,000	\$ 56,219,269	\$ 41,557,891
9/1/2011	550,238,169	35,040,000	57,057,596	43,155,293
9/1/2012	571,375,865	35,040,000	58,346,364	44,795,749
9/1/2013	592,865,250	35,040,000	60,125,531	46,445,102
9/1/2014	614,224,822	35,040,000	62,135,041	48,075,034
9/1/2015	635,204,815	35,040,000	64,917,906	49,644,260
9/1/2016	654,971,170	35,040,000	67,601,317	51,120,297
9/1/2017	673,530,150	35,040,000	70,528,784	52,490,170

Projected benefit payments reflect both projected changes in industry activity provided by the Trustees and any Plan amendments scheduled to go into effect in a later year. The projections use the assumptions set out in Appendix III.

Projected expenses incorporate an expense inflation assumption of 3% per year.

**C. UNIT CREDIT NORMAL COST, INTEREST, ASSETS AND CONTRIBUTIONS
(used in Test 4)**

	<u>September 1, 2010</u>
1. Normal Cost (Unit Credit Method)	\$ 18,556,323
2. Interest on Unfunded Benefit Liabilities	\$ 16,976,156
3. Present value of anticipated contributions for 2010	\$ 33,717,256
4. Present Value of Vested Benefits	
a. Active Members ³	\$ 153,941,147
b. Inactive Members ⁴	\$ 587,399,171

³ Developed as the ratio of vested active liability to total active liability as of 9/1/2009 multiplied by the sum of line items 1.a. and 2.a. of the development of unit credit liabilities on page 2, Unit Credit Liability development.

⁴ Equal to the sum of line items 1.b. and 2.b. of the development of unit credit liabilities on page 2.

APPENDIX III – METHODOLOGY AND ASSUMPTIONS

Actuarial Assumptions

Valuation Date

September 1, 2009

Interest Rates

Assumed Return on Fund Assets: 8.0% per year after investment expenses.

Operational Expenses

\$1,800,000 per future year

Form of Payment

- 30% of Participants are assumed to elect the joint and 50% survivor payment form;
- 20% of Participants are assumed to elect the joint and 75% survivor payment form;
- 50% of Participants are assumed to elect the joint and 100% survivor payment form.

Mortality

RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment set forward 2 years.

Withdrawal

Select rates for the first 4 years of employment are shown below:

<u>Service</u>	<u>Withdrawal Rate</u>
1 st	0.50
2 nd	0.35
3 rd	0.25
4 th	0.10

Ultimate rates follow T-7 turnover table from “The Actuary’s Pension Handbook” (less GAM-51 mortality). Specimen rates shown below:

<u>Age</u>	<u>Withdrawal Rate</u>
25	0.0959
30	0.0919
35	0.0856
40	0.0753
45	0.0599
50	0.0362
55	0.0054

Disability

1964 OASDI Table. Specimen rates shown below:

<u>Age</u>	<u>Disability Rate</u>
25	0.0009
30	0.0011
35	0.0015
40	0.0022
45	0.0036
50	0.0061
55	0.0101

APPENDIX III – METHODOLOGY AND ASSUMPTIONS (continued)

Future Retirement Rates — Active Lives

When eligible and according to the following schedule:

Age	Retirement Rate if Eligible for:	
	<u>Reduced Benefit</u>	<u>Unreduced Benefit</u>
48-54	N/A	0.25
55	0.15	0.25
56	0.15	0.25
57	0.15	0.25
58	0.15	0.25
59	0.15	0.25
60	0.15	0.25
61	0.35	0.65
62+	1.00	1.00

Retirement Age — Inactive, vested lives

Earliest age eligible for unreduced retirement. Current age if older.

Future Hours Worked

6,000,000 hours per year.

Load for Pop-Up Feature

1% of all non-ancillary benefit costs.

Age of Participants with Unrecorded Birth Dates

Based on average entry age of participants with recorded birth dates and same vesting status.

Section 415 Limit Assumptions

Dollar Limit

\$195,000 per year (\$195,000 in 2010)

Assumed form of payment for those limited by Section 415

Qualified joint and 100% survivor annuity.

Future Contribution Increases

The following contribution increases have been adopted by the Board of Trustees and agreed to by the Bargaining Parties in response to the 2009 Critical Status Certification and requirement under PPA to adopt a Rehabilitation Plan.

Effective Date	Hourly Rate
June 1, 2009	\$ 5.55
June 1, 2010	\$ 5.84

APPENDIX III – METHODOLOGY AND ASSUMPTIONS (continued)

Actuarial Methods

Unit Credit Actuarial Cost Method

The cost method for valuation of liabilities used for this valuation is the unit credit method. This is one of a family of valuation methods known as an accrued benefits method. The chief characteristic of an accrued benefits method is that the funding pattern follows the pattern of benefit accrual. Under the unit credit actuarial cost method, the normal cost is determined as that portion of each Participant's benefit attributable to service expected to be earned in the upcoming plan year. The actuarial liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of the Participant's current accrued benefit as of the valuation date.

One of the significant effects of this funding method is that, depending on the demographics of the population, the unit credit method tends to produce lower costs in the early years. There is a possibility that as the population ages, the annual cost could increase over time.

Asset Valuation Method

Smoothed Market Value Method. The actuarial value of assets is based on the market value with an adjustment to smooth gains or losses in the market value over the past 5 years.

The asset valuation method calculates the expected market value asset return at the current valuation date using the Fund's actual cash flows and the expected long-term rate of return on assets. The investment gain or loss is then determined by subtracting this expected asset value from the actual investment return on the market value. One-fifth (1/5) of the gain (actual returns greater than expected) or loss (actual returns less than expected) is then added to the expected asset value along with recognition of gains/losses over expected return for each of the preceding four years to arrive at the preliminary smoothed actuarial value of assets. If the preliminary smoothed actuarial asset value is outside a corridor of 80% to 120% of market value, the final smoothed value is increased (or reduced) to the bottom (top) of the 80% to 120% market value corridor.

Population Valued

Eligible employees with at least one hour of service on which contributions were made to the Pension Fund during the preceding plan year; inactive vested participants and participants in pay status as of the valuation date.