

June 2009

To: **ALL PLAN PARTICIPANTS, ALTERNATE PAYEES
AND CONTRIBUTING EMPLOYERS OF THE
MICHIGAN LABORERS' HEALTH CARE FUND,
MICHIGAN LABORERS' PENSION FUND,
MICHIGAN LABORERS' ANNUITY FUND, AND
MICHIGAN LABORERS' VACATION FUND**

Dear Plan Participants:

We have attached the following Important Notices and Annual Reports for your review. These Notices and Reports are required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- Important Notice regarding Health Care Benefits Page 2
- Notice of Privacy Practices Page 3
- Notice on Medicare Part D – Prescription Drug Coverage Pages 4 - 5
- Summary of Material Modifications for
the Health Care Fund Pages 6 - 7
- Summary Annual Report for the Health Care Fund
For 2008 Pages 8 - 9
- Women's Health and Cancer Rights Page 10
- Annual Funding Notice Pages 11 - 13
- Summary of Material Modifications for the Vacation
and the Pension Funds Pages 14 - 16
- Summary Annual Report for the Pension Fund for 2008 Pages 17 - 18
- Notice to Plan Participants approaching
Normal Retirement Age Page 19
- Notice of Suspension of Benefits Provisions to
Retired Participants Page 20
- Notice of Change in the Distribution Procedure Policy Page 21
- Summary of Material Modifications for
the Annuity Fund Pages 22 - 27
- Summary Annual Report for the Annuity Fund for 2008 Pages 28 - 29
- Summary Annual Report for the Vacation Fund for 2008 Pages 30 - 31

If you have any questions, please contact your Local Union office or the Fund Office.

Sincerely,

Boards of Trustees

IMPORTANT NOTICE REGARDING HEALTH CARE BENEFITS

TO: All Eligible Participants of the Michigan Laborers' Health Care Fund

RE: **MICHIGAN LABORERS' HEALTH CARE FUND**

Dear Plan Participant:

If you or an eligible dependent are involved in a motor vehicle accident, the Fund will not pay for services related to an injury which is a direct or indirect result of an automobile accident. This applies whether or not you have no-fault automobile insurance. It is important that you discuss this with your auto insurance company.

To make certain that you have health care coverage if you have a vehicular accident/incident, you should check with your automobile insurance agent and/or insurance carrier to make sure that you are covered under your automobile policy "first and completely" for any claim arising out of a vehicular related accident or incident. You should make it perfectly clear to your agent or carrier that the Fund excludes such coverage from its Schedule of Benefits thus it is imperative that your policy has the proper coverage to protect you and your dependents.

If you have any questions regarding these changes, please do not hesitate to contact the Fund Office.

Sincerely,

Board of Trustees
Michigan Laborers' Health Care Fund

To: All Eligible Participants of the Michigan Laborers' Health Care Fund

Re: **NOTICE OF PRIVACY PRACTICES**

Dear Participant:

This Notice is intended to confirm that the Michigan Laborers' Health Care Fund complies with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations. The law restricts the use and disclosure of the nonpublic "protected health" information of the employee and their dependents (if applicable), with regard to your group health plan benefits. This information generally can only be disclosed by the Fund and its vendors, and your health care provider/s, for payment of claims, treatment of your illness, and for health care operations including administration of your health benefits, as permitted by law and defined in the HIPAA regulations.

For a complete copy of the Fund's Notice of Privacy Policy, please call or write the Fund Office at the address or telephone number listed on the front page of this notice.

If you have any questions regarding this information, please contact the Fund Office.

Sincerely,

Board of Trustees
Michigan Laborers' Health Care Fund

**IMPORTANT NOTICE FROM
MICHIGAN LABORERS' HEALTH CARE FUND
ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Michigan Laborers' Health Care Fund and about your option under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

These are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. The Michigan Laborers' Health Care Fund has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

WHEN CAN YOU JOIN A MEDICARE DRUG PLAN?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

WHAT HAPPENS TO YOUR CURRENT COVERAGE IF YOU DECIDE TO JOIN A MEDICARE DRUG PLAN?

If you decide to enroll in a prescription drug plan and drop the Plan's prescription drug coverage, be aware that you will not be able to get this coverage back.

If you do decide to join a Medicare drug plan and drop your current Michigan Laborers' Health Care Fund coverage, be aware that you and your dependents will not be able to get this coverage back.

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO JOIN A MEDICARE DRUG PLAN?

You should also know that if you drop or lose your current coverage with the Michigan Laborers' Health Care Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE...

Contact the Fund Office at (877) 645-2267 for further information. Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Michigan Laborers' Health Care Fund changes. You also may request a copy of this notice at any time.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE...

For more information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Sincerely,

Michigan Laborers' Health Care Fund
Board of Trustees

TO: PLAN PARTICIPANTS OF THE MICHIGAN LABORERS HEALTH CARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Plan Participant:

This Notice, known as a Summary of Material Modifications ("SMM"), describes changes in the Fund's Plan adopted by the Trustees during the 2008 Plan Year and after the Plan Year ended. It 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 as of today's date is:

Union Trustees:

Gary Jorgensen, Chairman
MI Laborers' District Council
302 S. Waverly Road, Suite 8
Lansing, MI 48917

Michael Aaron
Laborers' Local 1191
2161 West Grand Boulevard
Detroit, MI 48208

Joseph Gallino
Laborers' Local 1329
PO Box 863, North US 2
Iron Mountain, MI 49801

Dan Husted
Laborers' Local 1075
G-7024 N. Dort Highway
Mt. Morris, MI 48458

Robert Malcolm
Laborers' Local 499
3080 Platt Road
Ann Arbor, MI 48104

Alex Zurek
Laborers' Local 355
1500 E. Columbia Avenue
Battle Creek, MI 49014

Management Trustees:

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Saginaw, MI 48608-8440

Michael Nystrom
Michigan Infrastructure &
Transportation Association
P.O. Box 1640
Okemos, MI 48805

TO: ALL PARTICIPANTS OF THE MICHIGAN LABORERS' HEALTH CARE FUND

RE: IMPROVEMENT TO THE RESTORATIVE DENTAL BENEFITS

The Board of Trustees is pleased to announce that effective March 1, 2009, composite resin (white) fillings on the posterior (back) teeth became part of the Funds' standard benefit package. Prior to March 1, 2009 the Fund covered composite resin restorations on anterior (front) teeth, where they are generally visible to others, but has historically covered only amalgam (silver) fillings on posterior teeth.

This change was made because the use of composite material for restoration of posterior teeth is now considered to be within generally accepted standards of dental practice. Recent data from the National Association of Dental Plans confirmed that the use of amalgam for restorations is declining, and that there has been a significant increase in the use of composites on the posterior teeth over the last several years. In addition, composite materials have evolved to become as durable as amalgams for many posterior fillings, and many participants consider composite resin restorations to be an aesthetically pleasing alternative to amalgams because they are tooth-colored and blend in with natural teeth.

Please note that amalgam fillings will continue to be covered. Even though more patients and dentists are choosing to use tooth-colored filling materials, the American Dental Association still supports the use of dental amalgam as a safe, affordable, and durable material. Furthermore, the Food and Drug Administration does not recommend patients have amalgam fillings removed since this could cause harm to the tooth structure and pose other health risks to the patient. Participants should consult with their dentist to determine the best course of treatment for them.

If you have any questions regarding this change in your dental benefits, please do not hesitate to call Delta Dental at 1-800-524-0149 or the Fund Office at 1-877-645-2267.

Sincerely,

Board of Trustees
Michigan Laborers' Health Care Fund

TO: PLAN PARTICIPANTS OF MICHIGAN LABORERS' HEALTH CARE FUND

RE: **SUMMARY ANNUAL REPORT FOR 2008**

Dear Plan Participant:

This is a summary of the Annual Report of the Michigan Laborers' Health Care Fund, Employer Identification Number 38-6058384, Plan No. 501, for the period of September 1, 2007 through August 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay certain medical, surgical and other health care claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The Plan has a contract with Blue Cross Blue Shield of Michigan to pay health care claims incurred under the terms of the Plan. The total premiums paid for the Plan Year ending August 31, 2008 were \$209,990.

FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan was \$39,184,318 as of August 31, 2008, compared to \$38,159,240 as of September 1, 2007. During the Plan Year, the Plan experienced an increase in its Net Assets of \$1,025,078. This increase includes unrealized appreciation and depreciation in the value of Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the Year and the value of the Assets at the beginning of the Year or the cost of Assets acquired during the Year. During the Plan Year, the Plan had Total Income of \$48,726,923 including Employer Contributions of \$40,904,038, Employee Contributions of \$5,976,786, realized Gains of \$331,185 from the sale of Assets, Earnings from Investments of \$1,220,269, and other Income of \$294,645.

Plan Expenses were \$47,701,845. These Expenses included \$5,242,837 in administrative expenses (see Schedule A) and \$42,459,008 in benefits paid to Participants and Beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full Annual Report or any part thereof, on request. The items listed below are included in that Report.

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of Plan Assets;
5. Insurance information, including sales commissions paid by insurance carriers; and
6. Information regarding any common or collective trusts, pooled separate account; master trusts or 103-12 investment entities in which the Plan participates.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan Laborers' Health Care Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, toll free (877) 645-2267 or (517) 321-7502. The charge to cover copying costs will be \$4.25 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan Laborers' Health Care Fund, 6525 Centurion Drive, Lansing, MI 48917-9275), at any other location where the report is available for examination and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely,

Board of Trustees
Michigan Laborers' Health Care Fund

Schedule A: Administrative Expenses

Administrative manager's fees*:

Basic	\$425,486	Legal Fees	\$ 33,259
Dental	165,678	ERISA reporting costs	32,548
Mental health	<u>9,000</u>	Notices to participants	25,157
	600,164	Bank service charges	22,321
BCBSM Claim administration fee	3,408,570	Audit fee	19,050
Employer payroll audit fees	335,719	Actuarial Valuation fee	15,552
Laborers, National health and safety dues	191,085	Summary annual report costs	9,330
Investment expenses	154,876	Trustee and fiduciary liability insurance and bonding	8,091
Delinquent contributions collection fees	147,347	HIPPA-EDI fee	4,800
Printing and miscellaneous	114,726	Labor Agreement monitoring fee	3,750
Collection Coordinator program costs	71,768	Educational foundation dues	<u>875</u>
Trustee meetings and educational Conference expenses	43,849		
			\$5,242,837

*Includes rent, equipment, staffing, regular postage, computer services, etc.

TO: PLAN PARTICIPANTS OF THE MICHIGAN LABORERS' HEALTH CARE FUND

RE: **WOMEN'S HEALTH AND CANCER RIGHTS**

Dear Plan Participant:

Due to changes in Federal Law, the Trustees of your Health and Welfare Fund are issuing this annual notice in compliance with the Women's Health and Cancer Rights Act of 1998. Your Health and Welfare Plan already provides the benefits required by this new law. You have a right to this notice, and the Trustees are providing the notice for your information so that you may be assured that you are treated in accordance with Federal Law if the need arises.

The Federal Law requires that all health care plans that provide medical and surgical benefits for mastectomies provide participants and beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed.**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy including lymph edemas; in a manner determined in consultation with the attending physician and the patient. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage.**

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymph edemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Fund Office.

Sincerely,

Board of Trustees
Michigan Laborers' Health Care Fund

**ANNUAL FUNDING NOTICE
FOR
MICHIGAN LABORERS' PENSION FUND**

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of Michigan Laborers' Pension Fund, Plan #001 and EIN 38-6233976 (Plan). This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning September 1, 2007, and ending August 31, 2008 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 57.4%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefit payments from the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of September 1, 2007, was \$696,248,968. The total amount of benefit payments for the Plan Year was \$47,939,516. The ratio of assets to benefit payments is 14.52. This ratio suggests that the Plan's assets could provide for approximately 14 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit

payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, 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 notification of the insolvency 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 as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. 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 \$500, 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 ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 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 $\$357.50$ ($\$35.75 \times 10$).

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 $\$177.50$ ($\$17.75 \times 10$).

In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, 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.

Where to Get More Information

For more information about this notice, you may contact TIC International Corporation at 6525 Centurion Drive, Lansing, MI, 48917-9275 or by telephone at (517) 321-7502. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's web site, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

Additional Explanation

Frequently Asked Questions:

Q1 Why did I receive this notice?

A1 New government rules require the Pension Fund to issue this notice. The content and wording have been mandated by the government. All multiemployer pension funds are now required to issue similar notices annually.

Q2 The notice says the “funded current liability percentage” for the Plan Year was 57.4%. What does this mean?

A2 The calculation required by this notice compares the cost of providing promised benefits versus the current value of the assets held by the Pension Fund. This figure, called the “funded current liability percentage,” assumes the Fund’s investments will have a rate of return similar to that of bonds. As of September 1, 2007, that yield was 5.86%.

Because the Fund holds a mix of stocks and bonds, it has historically generated investment returns in excess of 5.86%. For its own long-term planning purposes, the Fund assumes annual investment returns of 8.00%. Using an investment return assumption of 8.00%, the funded percentage is 81.8%.

Q3 The notice says, “This ratio suggests that the Plan’s assets could provide for approximately 14 years of benefit payments...” Does this mean the Fund will run out of money in 14 years?

A3 No. The calculation required for the notice does not recognize future contributions or investment income. The Trustees intend that the Fund continue indefinitely.

TO: PLAN PARTICIPANTS OF THE MICHIGAN LABORERS' PENSION FUND
AND MICHIGAN LABORERS' VACATION FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Plan Participant:

This Notice, known as a Summary of Material Modifications ("SMM"), describes changes in the Pension Plan adopted by the Trustees and/or changes in the Vacation Plan since the latest Summary Plan Description has been issued. It is an amendment to the Summary Plan Description ("SPD") you received previously. You should keep this SMM with the SPD for future reference.

The Pension Plan was modified as follows:

- **The Disability Benefit was modified for Participants with at least 5 or more Years of Service who filed an application for Disability Benefits on or after March 1, 2007. The provisions of this modification are as follows:**

Years of Service	Description of Temporary Disability Benefit
5	25% of accrued benefit payable for 5 years
6	30% of accrued benefit payable for 6 years
7	35% of accrued benefit payable for 7 years
8	40% of accrued benefit payable for 8 years
9	45% of accrued benefit payable for 9 years
10	50% of accrued benefit payable to age 60
11	55% of accrued benefit payable to age 60
12	60% of accrued benefit payable to age 60
13	65% of accrued benefit payable to age 60
14	70% of accrued benefit payable to age 60
15	75% of accrued benefit payable to age 60
16	80% of accrued benefit payable to age 60
17	85% of accrued benefit payable to age 60
18	90% of accrued benefit payable to age 60
19	95% of accrued benefit payable to age 60
20 or more	100% of accrued benefit payable to age 60

- ***The following amendment to the Plan involves the review of a proposed or submitted Qualified Domestic Relations Order.***

A "Qualified Domestic Relations Order" or "QDRO" is a state court order that assigns a portion of your Pension benefits to an Alternate Payee, such as a former spouse, your child(ren), or other dependents. When you apply for Pension Plan benefits, the Pension Plan must review each **proposed** QDRO to determine whether the Plan must honor the proposed QDRO. (Your Michigan Laborers' Annuity Plan must also review a proposed QDRO. So, the Annuity Plan will also be sending you a SMM regarding QDROs.)

There are costs involved in these QDRO reviews. Because of these increasing costs to review and implement QDROs, you (or any former spouse to whom your Pension benefits are assigned) will be charged a one-time fee. This fee will be deducted from

your Pension benefit (at the time the proposed QDRO is reviewed, or when benefits are paid, if later) and any Pension benefit assigned to your Alternate Payee(s), as determined by the reviewed QDRO. If the QDRO does not allocate the fee, the Pension Plan will divide the fee proportionately between the parties.

The fee for reviewing proposed QDROs is *effective September 1, 2006*. So, any QDRO orders submitted after *September 1, 2006* will incur this fee.

The Fee To Review QDRO

The fee to review each proposed QDRO is **\$350**. (Your Michigan Laborers' Annuity Plan will charge a similar fee.) Participants with divorce decrees that do not contain a QDRO will not be charged this fee.

Finally, please remember that when you apply for your Pension benefit you must provide the Plan office with *any* divorce decree(s) related to your marriage(s).

- Effective March 1, 2006, the Trustees implemented a *temporary waiver* of the Suspension of Benefits Provision for those Participants who retired prior to January 1, 2006 and who returned to work in Zone 1 for a contributing employer that performs work under the collective bargaining agreement between the Laborers' Union and the Michigan Distribution Contractors Association during the period March 1, 2006 through October 31, 2006.
- Effective April 1, 2005, the Plan was amended to provide that, if a Participant, who had previously been approved for a Lump Sum Disability Benefit based upon Trade Disability, returned to work and subsequently applied for Disability Benefits, his eligibility for said benefits would be based upon a Disability Award from the Social Security Administration.
- Effective October 1, 2004, the Plan was amended to recognize employment with the Laborers' International Union toward eligibility for Unreduced Early Retirement Benefits.

The Pension and Vacation Board of Trustees as of the Date of this newsletter is as follows:

Union Trustees:
Alex Zurek, *Secretary*
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Battle Creek, MI 49014

Geno Alessandrini
Laborers' Local 1329
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Iron Mountain, MI 49801

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Laborers' Local 1076
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Management Trustees:
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AGC of Michigan
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Glenn Bukoski
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Detroit, MI 48208

Marie Stech
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8709 North 32nd
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Richland, MI 49083

TO: PLAN PARTICIPANTS OF THE MICHIGAN LABORERS' PENSION FUND
RE: **SUMMARY ANNUAL REPORT FOR 2008**

Dear Plan Participant:

This is a summary of the Annual Report for the Michigan Laborers' Pension Fund, Employer Identification Number 38-6233976, Plan No. 001, for the period of September 1, 2007 through August 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided through insurance and a trust. Plan Expenses were \$52,913,792. These Expenses included \$4,974,276 in administrative expenses (see Schedule A) and \$47,939,516 in benefits paid to Participants and Beneficiaries. A total of 19,563 persons were Participants in or Beneficiaries of the Plan at the end of the Plan Year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$642,472,087 as of August 31, 2008, compared to \$696,248,968 as of September 1, 2007. During the Plan Year, the Plan experienced a decrease in its Net Assets of \$53,776,881. This decrease includes unrealized appreciation and depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the Year and the value of the Assets at the beginning of the Year or the cost of Assets. During the current Plan Year, the Plan had Total Loss of \$863,089, including Employer Contributions of \$35,630,552, realized Losses of \$62,644,358 from the sale of Assets, Earnings from Investments of \$25,733,687 and other income of \$417,030.

MINIMUM FUNDING STANDARDS

An Actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a right to receive a copy of the full Annual Report or any part thereof, on request. The items listed below are included in that Report.

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan Assets;
5. Insurance information, including sales commissions paid by insurance carriers;
6. Information regarding any common or collective trusts, pooled separate accounts; master trusts or 103-12 investment entities in which the Plan participates; and
7. Actuarial information regarding the funding of the Plan.

To obtain a copy of the full Annual Report, or any part thereof, write or call Michigan Laborers' Pension Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, Toll Free (877) 645-2267 or (517) 321-7502. The charge to cover copying costs will be \$10.75 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Michigan Laborers' Pension Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275), at any other location where the Report is available for examination and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely,

Board of Trustees
Michigan Laborers' Pension Fund

Schedule A: Administrative Expenses

Investment advisory and management fees	\$3,357,878	Bank service charges	\$39,946
Administrative manager's fee*	400,034	Pension benefit checks	38,773
Employer payroll audit fees	337,178	Medical examinations	35,900
Delinquent contribution collection fees	147,347	Educational Conference expense	23,459
Premiums paid Pension Benefit Guaranty Corporation	131,225	Audit fee	17,950
Legal fees	107,989	Summary annual report costs	17,298
Actuarial fees	82,312	Notices to participants	17,091
Collection Coordinator Program Costs	71,768	Trustee meeting expense	12,148
Printing and miscellaneous	64,688	SSA compliance costs	12,000
Trustee and Fiduciary Liability Insurance and bonding	54,663	Contract monitoring	3,750
		Joint delinquency notices	<u>879</u>
			4,974,276

*Includes, rent, equipment, staffing, regular postage, computer services, etc.

**NOTICE TO ALL PENSION
PLAN PARTICIPANTS APPROACHING
THE NORMAL RETIREMENT AGE**

This notice applies only to Plan Participants who do **NOT** elect to retire at the Normal Retirement Age and who choose to continue working at the Trade. "Normal Retirement Age" under the Pension Plan is age 65. Please note that Unreduced Early Retirement Benefits may be paid at earlier ages but for this provision, "Normal Retirement Age" is age 65. If you continue to work after reaching the Normal Retirement Age, your Pension Plan's Suspension of Benefits Provision will be applied even though you have not actually retired.

Under the Suspension of Benefits Provision, no benefits are payable for any month in which you work 40 hours or more in the same industry, same trade or craft, and within the State of Michigan. This suspension is applicable until the April 1st following the calendar year in which you reach age 70 1/2. Thereafter, you may both work and receive your monthly pension.

If you continue to work after reaching the Normal Retirement Age but work less than 40 hours per month or do not work at all, no pension benefits will be paid during such months. However, when you do retire, you may be entitled to additional benefits for those months between your Normal Retirement Age and your actual date of retirement if you did not work at least 40 hours in the same industry, same trade or craft and within the State of Michigan.

Be assured that application of the Suspension of Benefits Provision while you are working after reaching the Normal Retirement Age will in no way affect your current vesting or benefit accrual status under the Plan. When a Participant who continues to work after his Normal Retirement Age decides to actually retire, his normal retirement benefit will be determined in accordance with the regular Plan Provisions. Such Provisions give credit for work performed under the Plan prior to actual retirement if the requirement of a minimum 435 Hours of Work in a Plan Year is met.

If you disagree with how the Suspension of Benefits Provision is being applied to your particular case, you have the right to appeal to the Board of Trustees. The Appeal Procedure is set forth on page S-15 of the Summary Plan Description.

If you have any questions about how the Suspension of Benefits Provision will be applied to your employment situation, be sure to contact the Pension Department at the Fund Office before continuing to work beyond the Normal Retirement Age.

**NOTICE TO ALL RETIRED
PARTICIPANTS OF THE
"RETURN TO WORK" PROVISIONS**

This is a reminder of the provisions of the Pension Plan governing Suspension of Pension Benefits for returning to work at the Laborers' Trade as required under Federal Law. Under these provisions, Pension Benefits being paid to Retired Participants may be suspended only if **ALL** of the following conditions are met:

1. A retiree is working **40 or more** hours during any given month (or during the payroll periods falling within that month); and
2. The work is in the same industry as the type of business activity engaged in by employers who contribute to the Plan even though his employer may not be a contributing employer (e.g. non-union); and
3. The work is either at the same trade or craft in which the Retiree was working when he earned benefits under the Plan. (Self-employed work as well as supervisory or managerial work can be considered as a return to work so long as the Retiree is using the same skill or skills he acquired while he worked under a union collective bargaining agreement); and
4. The work is performed within the *State of Michigan*.

This suspension is applicable until the April 1st following the calendar year in which you reach age 70 1/2. Thereafter, you may both work and receive your monthly pension.

Under the provisions of the Plan, *every retiree is required* to notify the Pension Department at the Fund Office *immediately* if he returns to work in any capacity regardless of whether he returns to work for a non-contributing (e.g. non-union) employer or in a **self-employed** capacity. Failure to notify the Pension Department in a timely manner of a return to work may subject the Retiree to possible suspension of his current and/or future Pension Benefits from the Pension Fund.

TO: ALL PARTICIPANTS OF THE MICHIGAN LABORERS' ANNUITY FUND

RE: CHANGE IN THE DISTRIBUTION PROCEDURE POLICY

Dear Participants:

The Board of Trustees adopted a change in the Fund's distribution rules effective for distributions that occur after April 1, 2009. To help control costs for its Participants and Beneficiaries, the Michigan Laborers' Annuity Fund generally prices its assets once per year, on August 31, the date on which the Fund's fiscal year ends. Investment gains or losses on the Annuity Fund are audited after August 31, and typically are approved and allocated by the Fund's Trustees by the next December, approximately three to four months after the fiscal year end of the Fund.

Effective April 1, 2009, any Participant or Beneficiary who receives a distribution from the Annuity Fund will have 20% of this distribution held back until the audit is completed and the investment allocation is approved. This will help make sure that all Fund Participants and Beneficiaries receive a fair share of Fund gains, losses and charges that arose during the year. The Fund will distribute the held back amount, adjusted for any gains, losses and charges allocable to the Fund account of the Participant or Beneficiary, as soon as practicable after the audit is completed and the investment allocation is approved by the Fund's Trustees.

As you know, the Trustees of the Annuity Fund cannot predict in advance whether the Fund will experience a gain or a loss in any given year. However, the Fund is designed to produce positive returns over long periods of time. For example, over the past five fiscal years, the Annuity Fund has provided an average annual return of 6.4% for its Participants.

This modified distribution procedure will permit the Trustees to allocate Fund gains and losses most fairly among all Participants and Beneficiaries in each fiscal year.

Sincerely,

Board of Trustees
Michigan Laborers' Annuity Fund

TO: PLAN PARTICIPANTS OF THE
MICHIGAN LABORERS' ANNUITY FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Participant:

This is to notify you that we have amended the Michigan Laborers' Annuity Fund (the "Plan") as follows:

Effective December 1, 2008, the Annuity Fund adopted a new Loan Program. The following questions and answers address the Loan Program:

1. What is The Michigan Laborers' Annuity Fund Loan Program?

The Loan Program is a new program under which qualified Annuity Fund Participants can borrow money from their Annuity Fund account.

2. Can I Get A Loan For Any Reason Or Must I Prove "Hardship"?

If you're eligible for a loan, you may take a loan for any reason whatsoever. There is no "hardship" requirement.

3. Are Loans Available To All Annuity Fund Participants?

Generally, yes. But, as discussed below, there are some eligibility requirements that may prohibit some Participants from getting a loan.

Otherwise, loans are available to Participants on a reasonably equivalent basis, at an amount not to exceed fifty percent (50%) of your vested account balance of \$50,000. Under no circumstances, however, will any loan amount exceed the amount permitted by Federal Law.

All loans are subject to the Trustees' approval and are also subject to uniform and non-discriminatory rules as the Trustees may periodically adopt.

4. What Are The Eligibility Requirements For A Loan?

You must be a vested participant with at least \$3,000 in your Annuity Fund account to be eligible for a loan. But, retired participants and Alternate Payees under Qualified Domestic Relations Orders are ineligible to receive loans regardless of the amount in their account.

5. How Many Loans Can I Apply For And How Frequently Can I Apply For A Loan?

You may have only one (1) loan at a time. And, you may **apply** for a new loan only once every twelve (12) months.

6. How Do I Apply For A Loan?

You apply for a loan in writing to the Trustees on a form provided by the Trustees. The Trustees decision with respect to your application shall be final and binding.

7. What Is Required Of Me When I Apply For A Loan?

You must provide the Fund with the following:

- a) A signed Promissory Note – The Fund will provide you with the Promissory Note for your review and signature;
- b) A signed Spousal Consent form – In effect, your spouse must consent to the loan terms. The Fund will provide you with a Spousal Consent form. It must be signed by your Spouse and notarized;
- c) A copy of your Driver's License;
- d) A copy of your spouse's Driver's License;
- e) A Marriage Certificate or equivalent proof of marriage; and
- f) Any and all completed Divorce Decrees and copies of any outstanding Federal Tax liens.

8. What Happens To My Account When I Take A Loan?

Your loan is treated as belonging only to your Fund account.

Each time you take a loan, your Annuity Fund account balance will be reduced by the amount of each loan. Your segregated loan accounts will not be considered when the Fund allocates the Annuity Fund's annual gains, losses and expenses among Participants. Your monthly loan repayment shall be credited to your account, no less than annually.

Fund earnings allocated to your account will be calculated based upon your full account balance, minus any outstanding loan balance, as of August 31 of each Plan Year, plus half (1/2) of all principal and interest payments made by you to your account during the Plan Year and half (1/2) of all employer contributions received during the current Plan Year.

9. What Are The Terms Of The Loan?

You must make monthly loan repayments and you must complete repay your loan in five (5) years. Your monthly loan repayment will be the same amount each month during the entire five (5) year repayment period.

Your monthly payment begins on the 25th day of the month immediately following the month in which your loan was issued.

10. What Is The Interest Rate For My Loan?

The Trustees, who review interest rates annually, determine the interest rate. The interest rate will depend on when you take the loan. The interest rate is fixed for the five (5) year term of your loan by the Trustees according to a standard formula. Currently, the interest rate is six percent (6%) per year.

The Trustees cannot discriminate among Participants in the matter of interest rates. But, loans granted at different times may bear different interest rates if, in the opinion of the Trustees, the difference in rates is justified by a change in general economic conditions. In any event, each loan must bear a reasonable rate of return.

Interest will be calculated on the first day of each month.

11. What Collateral Must I Pledge To Get A Loan?

Each loan shall be secured by your right, title and interest in your Fund account. But remember, no portion of your account may be used as collateral for a loan unless your spouse, if you have a Spouse on the date the loan is made, consents in writing to the use of the account as security for the loan.

12. Can I Make A Pre-Payment Without Any Penalty?

Yes, but there are some restrictions. Pre-payments may be made at any time and, unless you indicate otherwise, will be applied to the outstanding *principal* balance. But, additional payments do not relieve you of your ongoing monthly obligation to remit regular monthly payments. Interest will be adjusted at the time that the loan is fully paid.

You may only make pre-payments by remitting a sum equal to one (1) or more additional monthly payments. You must clearly designate that the payment is a pre-payment.

13. What Happens If I Make A Late Loan Repayment?

A ten dollar (\$10) late charge will be charged for any loan repayment that is not received within fifteen (15) days after the due date. These late charges will continue to be assessed each month until unpaid amounts are received by the Fund or until you default on your loan.

14. How Does A Loan Default Occur?

If you fail to make four (4) loan repayments, your loan will be in default. In other words, if you're four (4) months behind in your loan repayments, you have defaulted on your loan.

15. What Happens If I Default On My Loan?

If you default on your loan, the Fund must inform the Internal Revenue Service that you received a Fund distribution in the amount of the still unpaid principal and

interest accrued on the defaulted loan. The Fund will also send you an IRS Form 1099 and you must report the unpaid amount as regular income. You may also be charged a ten percent (10%) additional tax.

Later, when you are eligible to collect your Annuity Fund account because, for example, you retire, the Trustees will subtract from your account the amount still owed on your loan. The Fund will distribute to you the full amount of your Annuity Fund account balance *minus* the amount you still owe on your loan.

Finally, if you default on your loan, you are automatically *ineligible* for any additional loans.

16. What Happens If I Retire During The Five (5) Years I Am Repaying My Loan?

If you retire during your five-year loan payback period, the Fund will distribute to you your Annuity Fund account balance minus the amount you still owe on your loan.

17. Will The Fund Mail Me Information Regarding My Loan?

Yes. The Fund will send you monthly statements.

18. Do I Have Any Appeal Rights Related To The Loan Program?

Yes. Any appeals with respect to the Loan Program must be made to the Fund Office in writing. All appeals will be presented to the Trustees for consideration at their next meeting.

19. Is There Any Other Cost Associated With The Loan Program?

Yes. All loans are subject to a one-time administration fee. The amount of the fee is determined annually by the Trustees. (Currently, the loan administration fee is \$25.00.) This loan processing fee will be deducted from the loan proceeds at the time the loan amount is paid to you.

Further, if you are divorced, you will be charged an additional \$350.00, which is a cost related to the review of any divorce decree. This fee, which the Trustees will also review annually, is consistent with the fee currently charged by the Michigan Laborers' Pension Fund for the review of divorce decrees. In no case, however, will you be charged twice for the review of your divorce decree(s).

This next change, which is described below, involves the costs related to the Plan's review of any Qualified Domestic Relations Order (QDRO). Keep this SMM with your Annuity Plan Summary Plan Description (SPD).

Qualified Domestic Relations Order

A "Qualified Domestic Relations Order" or "QDRO" is a state court order that assigns a portion of your Annuity benefits to an Alternate Payee, such as a former spouse, your child(ren), or other dependents. When you apply for Annuity Plan benefits, the Annuity Plan must review each **proposed** QDRO to determine whether the Plan must honor the proposed QDRO. (Your Michigan Laborers' Pension Plan must also review a proposed QDRO. So, the Pension Plan will also be sending you a SMM regarding QDROs.)

There are costs involved in these QDRO reviews. Because of these increasing costs to review and implement QDROs, you (or any former spouse to whom your Annuity benefits are assigned) will be charged a one-time fee. This fee will be deducted from your Annuity benefit (at the time the proposed QDRO is reviewed) and any Annuity benefit assigned to your Alternate Payee(s), as determined by the reviewed QDRO. If the QDRO does not allocate the fee, the Annuity Plan will divide the fee proportionately between the parties.

The fee for reviewing proposed QDROs is *effective September 1, 2006*. So, any QDRO orders submitted after *September 1, 2006* will incur this fee.

The Fee To Review QDRO

The fee to review each proposed QDRO is **\$350**. (Your Michigan Laborers' Pension Fund will charge a similar fee.) But, your Annuity Plan will waive this fee if your Annuity Balance is less than \$2,000 *prior to any reduction contained in the proposed QDRO*.

Participants with divorce decrees that do not contain a QDRO will not be charged this fee.

Finally, please remember that when you apply for your Annuity benefit you must provide the Plan office with *any* divorce decree(s) related to your marriage(s).

The next amendment was effective September 1, 2003 and applies only to those who first perform laborers' work on or after September 1, 2003. Specifically, we have amended the plan as follows:

- Effective September 1, 2003, only for employees who first are credited with an Hour of Work after August 31, 2003, the eligibility requirement to become a Plan Participant of the Annuity Fund will be 700 Hours of Work in 12 consecutive months. A Plan Year runs from September 1st to the following August 31st. The eligibility requirement to become a Plan Participant prior to September 1, 2003 was 200 Hours of Work in 12 consecutive months.
- Effective September 1, 2003, only for employees who first are credited with an Hour of Work after August 31, 2003, a Participant shall become vested in his or her Accrued Benefit Account balance when the Participant is credited with three (3) Years of Service before he/she suffers a Permanent Break in Service. A Year of Service is earned by working 700 or more Hours of Work in a Plan Year. A Plan Year runs from September

1, through the following August 31. Participants automatically become fully vested when they reach age 65, the Plan's Normal Retirement Age.

- A Participant who first is credited with an Hour of Work after August 31, 2003 and who is credited with a Year of Service will lose that credit if the Participant has five consecutive One-Year Breaks in Service before becoming fully vested. (The Plan calls this a "Permanent Break in Service.") A Participant experiences a One Year Break in Service when he or she does not work at least 501 Hours of Work in a Plan Year. A Participant who experiences a Permanent Break in Service forfeits his or her Plan Account Balance on the first day of the next Plan Year.
- If an employee becomes a Participant but either receives a distribution of his or her entire Plan benefit or experiences a Permanent Break in Service on or after September 1, 2003, that employee will need to re-qualify as a Plan Participant under the 700 Hours of Work provision and re-vest, with 3 Years of Service or 3 Plan Years with at least 700 Hours of Work in each Year, in his or her Plan account balance before being entitled to any Plan benefits.

The Board of Trustees as of today's date is:

Union Trustees:

Gary Jorgensen, *Chairman*
Michigan Laborers'
District Council
302 S. Waverly Road, Suite 8
Lansing, MI 48917

Chris Chwalek
Michigan Laborers'
District Council
302 S. Waverly Road, Suite 8
Lansing, MI 48917

Management Trustees:

Bart Carrigan, *Secretary*
AGC of Michigan
2323 North Larch Street
P.O. Box 27005
Lansing, MI 48906

Don Bovre
AGC of Michigan
2323 North Larch Street
P.O. Box 27005
Lansing, MI 48906

TO: ALL PARTICIPANTS IN THE
MICHIGAN LABORERS' ANNUITY FUND

RE: SUMMARY ANNUAL REPORT FOR 2008

Dear Plan Participant:

This is a summary of the Annual Report of the Michigan Laborers' Annuity Plan, Employer Identification Number 38-3345443, Plan No. 001, for the period September 1, 2007 through August 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided through a trust. Plan Expenses were \$4,239,225. These Expenses included \$384,941 in administrative expenses (See Schedule A) and \$3,854,284 in benefits paid to Participants and Beneficiaries. A total of 30,756 persons were Participants in or Beneficiaries of the Plan at the end of the Plan Year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$83,987,393 as of August 31, 2008 as compared to \$81,762,639 as of September 1, 2007. During the Plan Year, the Plan experienced an increase in its net assets of \$2,224,754. This increase includes unrealized appreciation and depreciation in the value of Plan Assets; that is the difference between the value of the Plan's Assets at the end of the year and the value of the Assets at the beginning of the year, or the cost of Assets acquired during the year. The Plan had Total Income of \$6,463,979, including Employer Contributions of \$7,053,712, realized Gains of \$564,873 from the sale of Assets, Losses from Investments of \$1,184,702 and other Income of \$30,096.

MINIMUM FUNDING STANDARDS

An Actuary's statement shows that enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full Annual Report or any part thereof, on request. The items listed below are included in that Report:

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investments;
4. Transactions in excess of 5 percent of Plan Assets; and
5. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan Laborers' Annuity Fund, 6525 Centurion Drive, Lansing, MI 48917-9275, or at Toll Free (877) 645-2267 or (517) 321-7502. The charge to cover copying costs will be \$3.50 for the full Annual Report or 25 cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a statement of the Assets and Liabilities of the Plan and accompanying notes, or a statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given does not include a charge for the copying of these portions of the Report because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan Laborers' Annuity Fund, 6525 Centurion Drive; Lansing, MI 48917-9275), at any other locations where the Report is available for examination and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the U.S. Department of Labor should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Sincerely,

Board of Trustees
Michigan Laborers' Annuity Fund

Schedule A: Administrative Expenses

Investment expenses	\$246,309	Annual interest processing cost	\$6,581
Administrative manager fee*	40,124	Collection fees	6,325
Legal fees	20,472	Bank charges	5,763
Participant communications	18,708	Printing and miscellaneous	4,817
Employer payroll audit fees	14,655	Collection program costs	3,120
Annual Audit fee	9,800	Meeting expense	<u>132</u>
Trustee and fiduciary liability			
Insurance and bonding	8,135		\$384,941

* Includes, rent, equipment, staffing, regular postage, computer services, etc.

To: PLAN PARTICIPANTS IN THE
MICHIGAN LABORERS' VACATION FUND

Re: SUMMARY ANNUAL REPORT FOR 2008

Dear Participant:

This is a summary of the Annual Report of the Michigan Laborers' Vacation Fund, Employer Identification Number 38-2106864, Plan No. 501, for the period of September 1, 2007 through August 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$1,552,234 as of August 31, 2008, compared to \$1,666,188 as of September 1, 2007. During the Plan Year, the Plan experienced a decrease in its Net Assets of \$113,954. This decrease included unrealized appreciation or depreciation in the value of Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the year and the value of Plan Assets at the beginning of the year, or the cost of the Assets acquired during the year. During the current Plan Year, the Plan had Total Income of \$19,513,433, including Employer Contributions of \$18,963,239, realized gains of \$98,100 from the sale of Assets, Earnings from Investments of \$313,705, and other Income of \$138,389.

Plan Expenses were \$19,627,387. These Expenses included \$240,911 in administrative expenses (see Schedule A) and \$19,386,476 in benefits paid to Participants and Beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a right to receive a copy of the full Annual Report or any part thereof on request. The items listed below are included in that Report:

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment; and
4. Transactions in excess of 5 percent of Plan Assets.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan Laborers' Vacation Fund, 6525 Centurion Drive, Lansing, MI 48917-9275, or at Toll Free (877) 645-2267 or (517) 321-7502. The charge to cover copying costs will be \$3.00 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

Additionally, you also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan Laborers' Vacation Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275), at any other location where the Report is available for examination, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the U.S. Department of Labor should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Sincerely,

Board of Trustees
Michigan Laborers' Vacation Fund

SCHEDULE A: Administrative Expenses

Administrative manager's fee*	\$159,676	Collection Coordinator program costs	\$3,120
Investment expense	16,247	Summary annual report costs	2,908
Employer payroll audit fees	14,644	Website expenses	1,800
Audit fee	11,100	Trustee and fiduciary liability	
Bank service charges	10,201	insurance and bonding	1,761
Printing and miscellaneous	8,233	Notices to participants	666
Legal and collection fees	6,803	Trustee meeting expense	<u>2</u>
Contract monitoring	3,750		
			\$ 240,911

* Includes, rent, equipment, staffing, regular postage, computer services, etc.