



# **Laborers' COMBINED FUNDS OF WESTERN PENNSYLVANIA**

*Serving the Laborers' District Council of Western Pennsylvania  
Pension Fund, Welfare Fund and other affiliated Funds*

12 EIGHTH STREET • SUITE 500 • PITTSBURGH, PENNSYLVANIA 15222  
PHONE: 412-263-0900 • WEBSITE: [www.lcfowpa.com](http://www.lcfowpa.com)



April 15, 2023

Dear Pension Fund Participants and Beneficiaries:

Enclosed are two Notices regarding the funding status of the Laborers' District Council of Western Pennsylvania Pension Fund. The Notices are being sent as required by Federal law. Although, the Notices may be difficult to understand, the Pension Fund must issue them using language and terms required by the law.

The Federal law creates a number of requirements regarding defined benefit retirement plans like the Pension Fund. Among these, the law creates "zones" to describe the funding status of funds like our Pension Fund. Depending on the zone into which it falls, a pension fund is required to apply different rules. Each year our Pension Fund's actuary calculates the funding status of the Pension Fund and certifies that status to the Fund's Board of Trustees and the Federal government. The actuary for our Fund has determined that the Fund is in the endangered status zone for the 2023 plan year. This is the same status the Fund was in last year, and an improvement from the critical status zone the plan has been in since 2010.

As indicated in the enclosed Notice of Endangered Status, when a pension plan is determined to be in an endangered status, the plan's board of trustees must develop a strategy known as a funding improvement plan, including benefit and contribution changes designed to restore the financial good health of the plan and get it out of endangered status. The Pension Fund's Trustees developed a Funding Improvement Plan in January 2018, designed to assure the financial viability of the Fund over the long haul.

As we have told you in the past, if you are already receiving monthly pension benefits from the Fund, your monthly benefit will not change as a result of the Notices or the Fund's endangered status.

If you have questions regarding this letter or enclosed Notices, please contact the Laborers' Combined Funds Office, located at 12 Eighth Street, Suite 500, Pittsburgh, Pennsylvania 15222. The Pittsburgh area telephone number is 412-263-0900, and in other areas the number is 1-800-242-2538.

Sincerely,

Board of Trustees

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**For Calls Made in Pennsylvania but Outside Metropolitan Pittsburgh, Use Toll Free Number: 1-800-242-2538**  
**FAX NUMBERS: Benefits Dept. – 412-263-2813 • Reports Dept. – 412-263-2825 • Administrative Dept. – 412-263-2084**



**Notice of Endangered Status  
for the  
Laborers' District Council of Western Pennsylvania Pension Plan  
EIN: 25-6135576  
PN: 001**

This is to inform you that in accordance with applicable Federal law, on March 30, 2023 the Pension Fund Benefit 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 January 1, 2023. Federal law also requires that you receive this notice.

**Endangered Status**

A plan is considered to be in endangered status because it has funding problems. More specifically, the Pension Plan's actuary determined that the Plan's funded percentage for the fiscal year beginning January 1, 2023 is less than 80% (a comparison of the assets to the present value of accumulated benefits).

**Funding Improvement Plan**

Federal law requires pension plans in endangered status to adopt a funding improvement plan within 240 days of the certification date. A funding improvement plan is aimed at restoring the financial health of the plan. The law permits pension plans to reduce certain future benefits as part of a funding improvement plan as well as increase contributions. The Board adopted a funding improvement plan, with no changes to benefits or contributions as structured under the Rehabilitation Plan, on January 31, 2018.

**Where to Get More Information**

For more information about this Notice, you may contact the Fund Office at 12 Eighth Street, Suite 500, Pittsburgh, PA 15222, or call 412-263-0900 in Pittsburgh, or 1-800-242-2538 in other areas. You have a right to receive a copy from the Plan of any rehabilitation plan adopted by the Board of Trustees of the Plan.

April 15, 2023

**ANNUAL FUNDING NOTICE  
FOR  
LABORERS DISTRICT COUNCIL OF WESTERN PA PENSION FUND**

**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 01/01/2022 and ending 12/31/2022 (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 set forth in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

**Funded Percentage**

	<b>2022 Plan Year</b>	<b>2021 Plan Year</b>	<b>2020 Plan Year</b>
Valuation Date	01/01/2022	01/01/2021	01/01/2020
Funded Percentage	66.62%	63.50%	61.91%
Value of Assets	\$858,538,105	\$801,680,506	\$762,992,182
Value of Liabilities	\$1,288,695,748	\$1,262,477,275	\$1,232,432,717

**Year-End Fair Market Value of Assets**

The asset values in the chart above are measured as of the Valuation Date. They are also "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.

	<b>12/31/2022</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Fair Market Value of Assets	\$803,727,321	\$926,406,619	\$817,998,454

### **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 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 12/31/2022 because the Plan was less than 80% funded at the end of the 2021 Plan Year. In an effort to improve the Plan's funding situation, the Trustees adopted a Funding Improvement Plan. You may obtain a copy of the Plan's funding improvement, 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, critical or critical and declining status for the plan year ending 12/31/2023, separate notification of that status has or will be provided.

### **Participant Information**

The total number of participants and beneficiaries covered by the Plan on the valuation date was 16,136. Of this number, 7,299 were current employees, 5,295 were retired and receiving benefits, and 3,542 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 for establishing 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 to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws and to comply with applicable collective bargaining agreements.

Pension plans also have investment policies. These generally are guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to invest the assets held under the Plan on a going-concern basis by a) maximizing returns within reasonable and prudent levels of risk, and b) controlling administrative and management costs.

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:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Cash (Interest-bearing and non-interest bearing)	0%
2. U.S. Government securities	7.7%
3. Corporate debt instruments (other than employer securities):	
Preferred	7.1%
All other	0%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	0%
5. Partnership/joint venture interests	6.1%
6. Real estate (other than employer real property)	1.7%
7. Loans (other than to participants)	0%
8. Participant loans	0%
9. Value of interest in common/collective trusts	59.0%
10. Value of interest in pooled separate accounts	0%
11. Value of interest in master trust investment accounts	0%
12. Value of interest in 103-12 investment entities	7.5%
13. Value of interest in registered investment companies (e.g., mutual funds)	10.9%
14. Value of funds held in insurance co. general account (unallocated contracts)	0%
15. Employer-related investments:	
Employer Securities	0%
Employer real property	0%
16. Buildings and other property used in plan operation	0%
Other	0%

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact:

Laborers' District Council of Western  
 Pennsylvania Pension Fund  
 12 Eighth Street  
 Suite 500  
 Pittsburgh, PA 15222  
 (412) 263-0900 (in Pittsburgh)  
 (800) 242-2538 (other areas)

**Right to Request a Copy of the Annual Report**

Pension plans must file annual reports with the U.S. Department of Labor. The report is called the "Form 5500". These reports contain financial and other information. You may obtain an electronic copy of the plan's annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the Form 5500 search tool. Annual reports also are available from the U.S. 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 benefits. You may 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 Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plan 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 benefits 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. 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 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 and multiemployer plans. Your Plan is covered by the 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 ( $\$35.75 \times 10$ ).

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 ( $\$17.75 \times 10$ ).

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 the 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 the PBGC's website at [www.pb.gc.gov/multiemployer](http://www.pb.gc.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:

Laborers' District Council of Western  
Pennsylvania Pension Fund  
12 Eighth Street  
Suite 500  
Pittsburgh, PA 15222  
(412) 263-0900 (in Pittsburgh)  
(800) 242-2538 (other areas)

For identification purposes, the official Plan number is 001 and the Plan sponsor's name and employer identification number or "EIN" are Laborers' District Council of Western Pennsylvania Fund and 25-6135576.



# Laborers Combined Funds

12 EIGHTH STREET  
SUITE 500

PITTSBURGH, PENNSYLVANIA 15222



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## Laborers Combined Funds of Western Pennsylvania Administrative Office Directory

### ADMINISTRATIVE DEPARTMENT

Toll Free Number: 1-800-762-1288

Fax Number: (412) 263-2084

Administrator . . . . . KEVIN HRIBAR . . . . . (412) 263-2178  
Administrative Secretary . . . . . ERIN QUINN . . . . . (412) 263-2177  
Controller . . . . . RICHARD MILLER . . . . . (412) 263-2179  
Office Manager . . . . . MARK SANTUCCI . . . . . (412) 263-0420

### BENEFITS DEPARTMENT

Toll Free Number: 1-800-242-2538

Fax Number: (412) 263-2813

Benefits Manager . . . . . DANIELLE SANTUCCI . . . . . (412) 263-2657  
Medical Supervisor . . . . . JAN JOHNSON . . . . . (412) 263-2658  
Medical Personnel . . . . . TEMPLE BENNETT . . . . . (412) 263-0900  
Pension Supervisor . . . . . MICHAEL HARTMAN . . . . . (412) 263-2173  
Pension Personnel . . . . . DAVE DOCCHIO . . . . . (412) 263-2652  
KIMBERLY HAYS . . . . . (412) 263-2174  
MATTHEW BURKE . . . . . (412) 263-0628

### REPORTS DEPARTMENT

Toll Free Number: 1-800-762-1296

Fax Number: (412) 263-2825

Reports Manager . . . . . KIM MURIN . . . . . (412) 263-2170  
CHRISTA MARTIN . . . . . (412) 263-2172

Website: [www.lcfowpa.com](http://www.lcfowpa.com)