

LABORERS PENSION TRUST FUND FOR NORTHERN CALIFORNIA

220 Campus Lane

Fairfield, California 94534-1498

Telephone: (707) 864-2800 or Toll-Free: (800) 244-4530

PENSION PLAN FUNDING

TO: ALL PLAN PARTICIPANTS:

Pension Plan Participants currently earn benefits based on a percentage of hourly Employer Contributions made for work in Covered Employment. For hours worked in Covered Employment since August 1, 2003, the percentage factor has been 2.30%.

Here is an example of how it works:

A Participant works 1,000 hours in a Plan Credit Year after August 1, 2003 and the Collective Bargaining Agreement with his Employer calls for an hourly Contribution rate of \$2.16. As a result, he has \$2,160.00 contributed on his behalf to the Pension Plan for that year. Under the 2.30% formula, his pension benefit earned for that year will be \$49.68 (2.30% of \$2,160.00).

Effective July 1, 2005, the hourly Employer Contribution rate will increase. However, the increased amount of the Contribution will be directed toward improving the funding of the Plan and will not be used in the calculation of Participant accrued benefits. At the same time, Participants will not see any reduction in the rate at which they earn benefits since the Contribution rate used in the benefit calculation is not reduced.

Note: A Participant is not entitled to the benefit described above unless he is vested and otherwise meets the eligibility requirements for one of the pension benefits provided under the Pension Plan.

The Board of Trustees has taken this action to help ensure the financial health of the Pension Plan. While no one can predict how the economy will perform in the future, please be assured that the Board makes every effort to continually monitor the investment markets, the actuarial experience of the Plan and the needs of Plan Participants in order to provide Participants with secure retirement benefits.

Questions?

Read your summary plan description booklet carefully to see which rules apply to you. If you have any questions, please contact the Fund Office at (707) 864-2800 or (800) 244-4530 or you may E-mail us at customerservice@norcalaborers.org. *This notice is part of and should be kept with your Summary Plan Description booklet.*

Sincerely,

BOARD OF TRUSTEES

This notice is no more than a brief summary of the Plan changes adopted by the Board of Trustees. As such, it is not intended to address all of the Plan provisions that may affect your eligibility for benefits, the amount of your benefit and your rights and obligations under the Plan. You should refer to your summary plan description booklet and the Pension Plan document to more fully understand your benefits.

JULY 2005

INSERT 12 to 10/01/99 BOOKLET

PLEASE PLACE THIS NOTICE IN YOUR PENSION PLAN BOOKLET