

To: Participants of the International Union of Operating Engineers Local 132 Pension Fund

Federal law requires all multiemployer pension plans to distribute the attached Annual Funding Notice. This is the third time such a notice has been required.

The language of the notice was developed by the U.S. Department of Labor. The references to financially troubled plans, plan reorganization, and insolvent plans are part of the standard language. They should ***not*** be taken as any indication that your plan is insolvent.

In particular, the notice contains a funded current liability percentage. To calculate this percentage, the Plan's enrolled actuary must make assumptions about future events. The federal government prescribes the assumptions we are to use regarding how long retirees are expected to live and investment performance. We believe those assumptions are unnecessarily conservative, resulting in an unreasonably low funded percentage. With the signing of the Pension Protection Act of 2006 ("PPA") in August 2006 Congress came to the same conclusion and prescribed a new notice. Under the new rules, we will be permitted to use assumptions we believe are more realistic. If the new rules were in effect today, we would show a funded percentage of 97.6%, rather than the 65.2% contained in the attached notice. The revised notice will first be distributed in 2009.

The Trustees monitor the financial health of your fund very carefully. They are committed to ensuring that the fund will continue to be able to honor all of its obligations.

Sincerely,

The Board of Trustees of the International Union of Operating Engineers Local 132 Pension Fund

Annual Funding Notice
For
International Union of Operating Engineers Local 132 Pension Fund

To: Participants of the International Union of Operating Engineers Local 132 Pension Fund

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of West Virginia Laborers' Pension Trust Fund [EIN/PN: 55-6015364 / 001 (the "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 April 1, 2007 and ending March 31, 2008 (the "Plan Year").

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 65.2% as of April 1, 2007. 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 benefits payments from the fund increase or decline.

Please note that the Plan has met its minimum funding requirement for the plan year ending March 31, 2008 and is projected to meet its minimum funding requirement for the year ending March 31, 2009.

Plan's Financial Information

From the most recently filed Plan audited financial statement, the market value of the Plan's assets as of March 31, 2008 was \$204,222,066. The total amount of benefit payments for the Plan Year was \$12,222,015.

The ratio of benefit payments to the fair market value of assets to all benefit payments is 6.0% (= \$12,222,015 ÷ \$204,222,066). This ratio suggests that the Plan's assets could provide for approximately 16.7 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.

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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.

Please note that based on the current fair market value of Plan assets and projected employer contributions, the Plan is **not** projected to become insolvent. As required by ERISA, projections of the Plan’s solvency must be updated annually.

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

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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 ($\35.75×10).

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

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 the administrator of the Plan:

International Union of Operating Engineers Local 132 Pension Fund
636 Fourth Avenue
Huntington, WV 25701-1321

Phone: 304-525-0482

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).