MICHIGAN LABORERS' PENSION FUND
2010 REHABILITATION PLAN
Rehabilitation Period: September 1, 2012 – August 31, 2022

This federal law-required Rehabilitation Plan includes important information about the funding level of the Michigan Laborers' Pension Fund (Fund or Plan), Plan number 001, Employer Identification Number 38-6233976 (Plan and Plan Sponsor).

I. Introduction

In 2006, the Pension Protection Act (PPA) was enacted and amended the Employee Retirement Income Security Act of 1974 (ERISA). Beginning with the 2008 Plan Year, the law requires the annual certification of the Plan's funding status as "critical", "endangered" or neither.

On November 27, 2009, the Fund's actuary certified that the Fund is in Critical Status for the Fund's current Plan Year, which began on September 1, 2009. The Fund was determined to be in "critical" status because the actuary projected that (1) projected benefits to be earned in the current year and interest on unfunded Fund benefits exceeded expected employer contributions to the Fund, (2) the present value of benefits for inactive participants exceeds the present value of benefits for active participants, and (3) the fund is projected to have an "accumulated funding deficiency" for its 2013 Plan Year. ERISA, as amended by the PPA, requires that the Fund's Trustees and parties to collective bargaining agreements that require contributions to the Fund take actions to improve the Fund's financial condition to assure that the Fund will continue to be able to meet its required benefit obligations.

Notice of Critical Status and Employer Surcharge

On December 23, 2009, the Board of Trustees sent a Notice of Critical Status to interested parties informing them, in part, that (1) the Fund is in Critical Status for the 2009 Plan Year; (2) that certain adjustable benefits might be reduced or removed; (3) that employers participating in the Fund ("Employers") would be obligated to pay a 5% contribution surcharge to the Fund during the initial Critical year, and (4) that the 5% surcharge would increase to 10% in subsequent years.

The 5% contribution surcharge applies to an Employer's contributions for work performed on and after January 23, 2010. It will continue to apply to an Employer until the earliest of (1) the date the Fund emerges from Critical Status; (2) the date the Employer enters into a new collective bargaining agreement ("CBA") with the local union (the "Union") based on this Rehabilitation Plan and the attached Schedules, as amended from time to time; or (3) the date the Default Schedule described below becomes effective with respect to the Employer as a result of the bargaining parties failing to agree on the Schedule to be applied.

Duration of Rehabilitation Plan

The Fund generally will be considered to have emerged from Critical Status when the Fund actuary certifies that the Fund is not projected to have an accumulated funding deficiency for a Plan Year or any of the next nine Plan Years, using specified actuarial assumptions and that the criteria that caused its Critical Status has been corrected.

OPTION 2

The Fund must emerge from Critical Status by the end of its Rehabilitation Period. The Fund's Rehabilitation Period will begin on September 1, 2012 and will end ten years later on August 31, 2022.

Rehabilitation Plan Assumptions

This Rehabilitation Plan, and its attached Schedules are based upon (1) the actuarial valuation as of September 1, 2008, (2) Fund asset information as of September 1, 2009, and (3) reasonable assumptions about how the Fund's assets and liabilities will change in the coming years, particularly as a result of changes in the Fund's investment returns, which are dependent on the financial markets. The Rehabilitation Plan also takes into account assumptions regarding expected future levels of covered work based on the information provided by the Fund's Board of Trustees.

Rehabilitation Plan Revisions and Effect on Collective Bargaining Agreements

The Michigan Laborers' Pension Plan 2010 Rehabilitation Plan and its attached Schedules apply to all Collective Bargaining Agreements adopted after its effective date, January 1 __, 2010. The Rehabilitation Plan will be reviewed each year after it is adopted. If necessary, the Rehabilitation Plan Schedules will be revised to make sure that adequate progress is being made in achieving its goals.

Revised Rehabilitation Plan Schedules will not affect any Collective Bargaining Agreement that has previously been negotiated under the Rehabilitation Plan unless specified in such agreement. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan and its Schedules.

II. Schedules

A. General Information.

The Preferred Schedule and the Default Schedule described in this Rehabilitation Plan will be provided to the Union and Employers no later than the thirtieth day after the Board of Trustees adopts this Rehabilitation Plan. Current contribution rates (plus any applicable Employer Surcharge) continue to apply until either the Preferred Schedule or the Default Schedule takes effect with respect to an Employer. The Trustees will send any updated Schedules to the Unions and the Employers, as required. Every new CBA entered into by the Union and an Employer calling for participation in the Fund must reflect the terms of either the most recently issued Preferred Schedule or the Default Schedule. The Schedule (Preferred or Default) will become effective as of the date agreed upon by the Union and Employer. If the Union and Employer cannot reach an agreement as to the Schedule that will apply to the Employer's participating Employees, the Default Schedule generally will become effective 180 days after the parties' collective bargaining agreement expires.

B. Preferred Schedule

1. **General Description.** The Preferred Schedule eliminates or modifies certain "adjustable benefits" permitted under law and contains annual increases in the contribution rate for the next five years that results in the Fund exiting "Critical Status" by the end of its Rehabilitation Period if Fund performance equals or exceeds in aggregate the assumptions in creating this Rehabilitation Plan.

2. **Contributions.** The following contribution rate increases will apply to Employers that adopt the Preferred Schedule, beginning immediately upon adoption of the Preferred Schedule and continuing annually thereafter:

Effective Date of Increase	Amount of Increase	Hourly Rate
June 1, 2010	$ 0.29	$ 5.84
June 1, 2011	$ 0.29	$ 6.13
June 1, 2012	$ 0.29	$ 6.42
June 1, 2013	$ 0.29	$ 6.71
June 1, 2014	$ 0.29	$ 7.00

3. **Benefits.** For any participant working under the "Preferred Schedule", the participant's Normal Retirement Benefit will continue to accrue based on the Plan, as it is currently in effect. Plan benefits including "adjustable benefits" that will be eliminated or modified effective March 1, 2010 are as follows:
   - **a.** Payment of an unreduced Early Retirement Benefit (ERB) at age 60 for Inactive Vested participants is eliminated. Payment of the ERB for such participants will take place upon attainment of age 65. Inactive Vested participants with 10 years of service who wish to commence benefits before age 65 will receive their ERB actuarially reduced from age 65.
   - **b.** Payment of Temporary Supplemental Benefits to active participants who become eligible to receive a Total and Permanent Disability Benefit is eliminated;
   - **c.** Total and Permanent Disability Benefit Payments greater than $1,000 per month for active participants who become disabled and have fewer than 20 years of Benefit Service are eliminated.
   - **d.** Future accruals of the Temporary Supplemental Benefit are eliminated; and
   - **e.** Payment of Temporary Supplemental Benefits before age 55 is eliminated, subject to a 5-year phase-in.

C. Default Schedule

1. **General Description.** The Default Schedule is triggered if the Union and an Employer cannot reach an agreement regarding the benefit reductions and contribution rate increases detailed in the Preferred Schedule above or if they agree to the default schedule in a collective bargaining agreement. The Default Schedule becomes effective automatically 180 days after the expiration of the collective bargaining agreement absent a new collective bargaining agreement that incorporates either the Default or Preferred Schedule.
2. **Contributions.** For current members of the bargaining unit, contribution rates (including the 5% surcharge, if applicable) will remain unchanged.
3. **Benefits.** A participant working under the Default Schedule will continue to accrue a Normal Retirement Benefit based upon the Plan, as it is currently in effect. The Plan benefits that will be eliminated or modified effective March 1, 2010 are as follows:
   - **a.** Payment of an unreduced Early Retirement Benefit (ERB) at age 60 for Inactive Vested participants is eliminated. Payment of the ERB for such participants will take place upon attainment of age 65. Inactive Vested participants with 10

years of service who wish to commence benefits before age 65 will receive their ERB actuarially reduced from age 65.

b. Payment of all Temporary Supplemental Benefits not currently in pay status;

c. Payment of all Total and Permanent Disability Benefits not currently in pay status is eliminated.

d. the Fund's early retirement subsidy for Active Participants is modified for benefits accrued on or after March 1, 2010. The subsidy now provides Active Participants with unreduced benefits at age 60, and an early retirement reduction of ½% for each month by which the participant is under age 60 at the time his ERB commences. Benefits accrued on or after March 1, 2010 will be reduced at the rate of ¼% for each month by which the Active Participant is under age 65, plus an additional ½% for each month by which the Active Participant is under age 60 at the time his ERB commences.

III. Actions to be Taken by the Board of Trustees

The Fund's Board of Trustees will review the Fund's Rehabilitation Plan, including both Schedules, as required by law but at least annually, and will update the Rehabilitation Plan as required by. In addition, the Board of Trustees will consider other options available to the Fund that may assist the Fund in emerging from Critical Status.

IV. Annual Standards for Meeting the Requirements of this Rehabilitation Plan

The Fund will make adequate progress, to the extent reasonable based on financial markets activity and other relevant factors, toward enabling the Fund to emerge from Critical Status by the end of its Rehabilitation Period, or a later date, if the Trustees determine, based on reasonable actuarial assumptions and upon the exhaustion of all reasonable measures, that the Fund cannot reasonably be expected to emerge from Critical Status by the end of its Rehabilitation Period.

The Chairman and Secretary are executing this Rehabilitation Plan effective January 1, 2010, as directed by the Board of Trustees at its December 4, 2009 Board of Trustees meeting.

____________________	____________________
Chairman	Secretary
____________________	____________________
Date	Date

OPTION 2