



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA
NATIONAL (INDUSTRIAL) PENSION FUND

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December 10, 2007

**IMPORTANT NOTICE REGARDING CHANGES IN
THE BENEFITS PROGRAM FOR FUTURE EMPLOYMENT**

**TO: ALL ACTIVE PARTICIPANTS & ALTERNATE PAYEES OF THE FUND
ALL PARTICIPATING LOCAL UNIONS & DISTRICT COUNCILS**

Greetings:

We are writing to notify you that certain changes are being made in the Pension Fund's benefit program, effective January 1, 2008, so that the Fund will remain financially sound for the future. These changes may result in a participant earning lower benefits for covered employment on and after January 1, 2008 than for earlier covered employment.

These changes will not reduce or otherwise affect any benefits earned for employment before January 1, 2008. These changes will not affect the benefits of any pensioner who is currently receiving benefits.

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First Change: Benefit Schedule Reductions

The benefit schedule determines the monthly benefit after retirement earned by a participant for a year of Pension Credit (credit earned by hours of covered employment). The benefit amount depends on the rate(s) at which employers made contributions to the Pension Fund for the participant during the year. The higher the contribution rate for a participant, the higher the benefit he earns. At retirement, the benefits earned for each year of Pension Credit are added to determine the eligible participant's regular pension amount. Pension benefits are paid monthly for the rest of the retiree's lifetime and thereafter for the lifetime of his surviving spouse, if surviving spouse protection applies.

The first change is to introduce a new benefit schedule applicable for covered employment after December 31, 2007. This new benefit schedule applies only to participants for whom employer contributions are required, and does not apply to the self-contribution program.

Generally, the new benefit schedule reduces the benefit provided for each rate of employer contributions to the Pension Fund starting January 1, 2008. In other words, the same contribution rate in 2008 will produce a lower benefit than it did in 2007. If the contribution rate for 2008 is increased and is higher than the contribution rate for 2007, some or all of the reduction in the benefit level can be avoided. Of course, the rate at which any employer contributes to the Pension Fund for its employees is set by the collective bargaining agreement between the employer and the Union.

For an individual participant, this means that if the rate of contributions made to the Fund for him in 2008 is the same as the contribution rate for 2007, the benefit he will earn for 2008 will be lower than the benefit he earned for 2007, assuming he earned a full year of Pension Credit in each year. If, however, the 2008 contribution rate is higher than the 2007 contribution rate, he will earn a higher benefit for 2008 than he would have earned if the contribution rate stayed the same as in 2007. If the contribution rate for him is increased enough for 2008, he could even earn a benefit at the same level as in 2007.

The following chart compares the benefit schedule that applies to Pension Credit earned for 2007 with the new benefit schedule that will apply to Pension Credit earned in 2008 and subsequent years. This chart shows contribution rates in 10 cent increments. A copy of the entire new benefit schedule showing the contribution rates in one cent increments and the corresponding benefit levels is attached to this Notice and will be available on the Fund's website (www.lnlpf.org).

Hourly Contribution Rate	Monthly Benefit Earned for Year of Pension Credit in 2007	Monthly Benefit Earned for Year of Pension Credit in 2008 and Years After
\$0.06	\$2.73	\$1.32
0.10	4.55	2.20
0.20	9.09	4.40
0.30	13.64	6.60
0.40	18.19	8.80
0.50	22.00	11.00
0.60	25.63	13.20
0.70	29.26	15.40
0.80	32.89	17.60
0.90	36.52	19.80
1.00	40.15	22.00
1.10	43.78	24.20
1.20	47.41	26.40
1.30	51.04	28.60
1.40	54.59	30.80
1.50	57.85	33.00
1.60	60.72	35.20
1.70	63.03	37.40
1.80	65.34	39.60
1.90	67.29	41.80
2.00	68.69	44.00
2.10	70.09	46.20
2.20	71.49	48.40
2.30	72.89	50.60
2.40	74.29	52.80
2.50	75.69*	55.00
2.60		57.20
2.70		59.40
2.80		61.60
2.90		63.80
3.00		66.00
3.10		68.20
3.20		70.40
3.30		72.60
3.40		74.80
3.45		75.90

* Highest contribution rate permitted through 2007.

Note: Approval from the Fund Office must be obtained before a group's contribution rate can be set at or increased to a rate higher than 72 cents, except if the increase is no higher than to the contribution rate needed to maintain the same level of benefits after January 1, 2008 that the group was earning as of December 31, 2007.

Second Change: Year-By-Year Benefit Accruals

Generally, the benefit level used to calculate an eligible participant's pension benefit upon retirement is the benefit level that corresponds to the highest contribution rate at which the participant earned at least one Pension Credit. This rule has allowed a group to increase the value of all previously earned Pension Credits, as well as future Pension Credits, by negotiating with their employer to increase its contribution rate. An exception applied if the contribution rate for the group was reduced and later increased.

This rule will be discontinued for 2008 and subsequent years. Starting January 1, 2008, the benefit earned by an active participant will be determined on a year-by-year basis. The benefit earned for a calendar year will be the benefit level that corresponds under the amended benefit schedule to the average rate of employer contributions made for the participant during that year. If a participant works more than 1800 hours in covered employment in a calendar year, his average contribution rate in that year will be based on the highest contribution rate in effect for 1800 hours. If the contribution rate for a participant changes during a calendar year, the contribution rates are averaged based on the number of hours at each rate.

Upon retirement, the benefit earned for each year of Pension Credit for 2008 and subsequent years will be added together to determine the participant's pension benefit. If the participant also earned Pension Credits for years prior to 2008, the total benefit for all of those years will be determined under the rules then in effect and will be added to the participant's benefit for 2008 and subsequent years.

This change applies to the self-contribution program participants, as well as to the participants in the regular employer contribution program.

Third Change: Later Retirement Age For New Participants

Individuals for whom the Pension Fund first receives contributions on or after January 1, 2008 ("new participants") will have to wait longer to retire on a full pension than current participants. This will not affect individuals who are already participants in the Pension Fund as of December 31, 2007. It will apply to a new employee hired into a group that is already participating in the Fund, as well as to a new group joining the Fund on or after January 1, 2008. This change also applies to participants in the self-contribution program.

The required age for a full Regular Pension for new participants will be age 65. The earliest age at which a new participant could retire on an Early Retirement Pension will be age 55. If a new participant retires before age 65, his or her benefit amount will be reduced by 6% for each year that he or she is younger than age 65 (to account for the longer period for which benefits will be paid).

For current participants, the required age for a full Regular Pension will remain age 62, and the reduction for Early Retirement between age 55 and 62 remains at 3% for each year that he or she is younger than age 62 at retirement.

Examples Of Effects Of The Changes

Example 1: Participant X has been working at least 1800 hours in covered employment every year since January 1, 2000, and his employers have been contributing to the Pension Fund at the rate of 50 cents per hour for him for all of those years. As of December 31, 2007, he has earned 8 years of Pension Credit. His earned pension benefit for just those years of Pension Credit is \$176.00 per month at normal retirement age (8 multiplied by \$22.00). This benefit is vested and is not affected by the change in the benefit schedule on January 1, 2008.

Participant X continues to work in covered employment in 2008 and earns another year of Pension Credit. The hourly contribution rate is still 50 cents. He will earn an additional vested pension benefit of \$11.00 per month for this additional year of Pension Credit under the new benefit schedule. Under the old benefit schedule, he would have earned a \$22.00 per month benefit for this additional year. The additional \$11.00 will be added to the \$176.00 per month he earned for his 2000-2007 Pension Credits so that his total earned benefit for 2000-2008 would be \$187.00 at normal retirement age. He would receive additional benefits for Pension Credits he earns in years after 2008 under the new benefit schedule.

Example 2: Instead of the 50 cents per hour contribution rate, Participant X's employer(s) during 2008 contribute to the Fund \$1.00 per hour for him. He will earn an additional pension benefit of \$22.00 per month for this additional year of Pension Credit under the new benefit schedule. That is, he will receive the same benefit under the new schedule that he received for 2007 under the old schedule because the contribution rate for 2008 is higher than in 2007. Under the old benefit schedule, he would have earned an additional \$40.15 for the \$1.00 contribution rate.

Example 3: Participant X continues to work in covered employment and to earn a full year of Pension Credit in 2009, 2010 and 2011. Contributions are made for him at the 50 cents rate for 2009 and 2010. But, as of January 1, 2011, the Participant's employer increases the contribution rate to \$1.00. The monthly benefit he has earned through the end of 2011 would be calculated as follows: \$176.00 (2000-2007 earned benefit) + \$11.00 (2008 earned benefit) + \$11.00 (2009 earned benefit) + \$11.00 (2010 earned benefit) + \$22.00 (2011 earned benefit) = \$231 per month for life commencing at normal retirement age. Under the rules in effect prior to January 1, 2008, an increase in the contribution rate from 50 cents to \$1.00 would have increased the benefit level for all previously earned years of Pension Credits. Under the new rules, the increased contribution rate does not affect any previously earned benefits.

Reasons For The Changes

These changes are necessary to maintain the financial soundness of the Pension Fund and ensure that the Fund will be able to meet all of its benefit promises for decades to come.

Since 1967, the Pension Fund has paid more than \$500 million in pension benefits to participants and their beneficiaries. The Fund currently pays more than \$50 million per year in benefits. More than 59,000 employees, former employees, retirees, and family members depend on the Fund for retirement income.

The Pension Fund meets and exceeds all of the funding requirements of applicable federal law, the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (Code). The Board of Trustees set policies long ago to ensure that the Fund would be funded at a faster rate than required by law to provide benefit security for the participants. The Fund's investment program is prudently diversified and productive.

However, certain developments have caused the current benefit levels to fall out of balance with the rates of contributions received by the Pension Fund. The number of active employees covered by the Fund has more than doubled since the mid-1990s. In addition, using a longstanding rule of the Pension Fund, many participating groups were able to increase their benefit levels for previously earned Pension Credits by negotiating a contribution rate increase with their employers. These two developments substantially increased the Fund's benefit liabilities. The Board was able to effectively manage these liabilities while the investment program continued to perform well and produce investment gains to cover the liabilities. But, during 2000-2002, the Nation's investment markets produced three consecutive negative years for the first time since the 1930s. The Pension Fund, like all investors, suffered investment losses during those years. The effects of those losses are still being felt despite good investment performance over the past few years.

In August 2006, Congress enacted the "Pension Protection Act" that, effective January 1, 2008, imposes additional pension funding requirements. That new federal law would compel the Board to take action to re-balance benefit levels if the Board had not already acted voluntarily.

Benefit reductions have already been made by most other pension funds in the United States. The Board had hoped that the Pension Fund would not have to take this action, but it must now do so.

The Board has the authority, and intention, to increase benefit levels in the future if the Pension Fund's circumstances improve to the point that prudence permits such action without risking the Fund's financial soundness.

If you have any questions about this Notice, feel free to contact the Fund Administrator whose contact information is at the top of the first page of this Notice.

THE BOARD OF TRUSTEES

Note: This Notice is being sent to you in accordance with ERISA Section 204(h) and Code Section 4980F. This Notice also constitutes a Summary of Material Modifications required by ERISA Section 104(b). It should be kept with your copy of the Pension Fund's Rules and Regulations and Summary Plan Description. The Fund's Rules and Regulations, as amended, govern all benefits, rights and obligations.

***POR FAVOR CONTACTE EL FONDO PARA OBTENER ESTE AVISO EN
ESPANOL. LA INFORMACION PARA CONTACTAR EL FONDO SE
ENCUENTRA EN LA PRIMERA PAGINA DE ESTE AVISO.***

EXHIBIT A

BENEFIT LEVELS FOR CAREER AVERAGE BENEFITS EFFECTIVE JANUARY 1, 2008

Contribution Rate Per Hour	Per Year of Pension Credit as of December 31, 2007*	Per Year of Pension Credit January 1, 2008 and later*	Contribution Rate Per Hour	Per Year of Pension Credit as of December 31, 2007*	Per Year of Pension Credit January 1, 2008 and later*
0.06	\$2.73	\$1.32	\$0.64	\$27.08	\$14.08
0.07	3.18	1.54	0.65	27.45	14.30
0.08	3.64	1.76	0.66	27.81	14.52
0.09	4.09	1.98	0.67	28.17	14.74
0.10	4.55	2.20	0.68	28.53	14.96
0.11	5.00	2.42	0.69	28.90	15.18
0.12	5.46	2.64	0.70	29.26	15.40
0.13	5.91	2.86	0.71	29.62	15.62
0.14	6.37	3.08	0.72	29.99	15.84
0.15	6.82	3.30	0.73	30.35	16.06
0.16	7.27	3.52	0.74	30.71	16.28
0.17	7.73	3.74	0.75	31.08	16.50
0.18	8.18	3.96	0.76	31.44	16.72
0.19	8.64	4.18	0.77	31.80	16.94
0.20	9.09	4.40	0.78	32.16	17.16
0.21	9.55	4.62	0.79	32.53	17.38
0.22	10.00	4.84	0.80	32.89	17.60
0.23	10.46	5.06	0.81	33.25	17.82
0.24	10.91	5.28	0.82	33.62	18.04
0.25	11.37	5.50	0.83	33.98	18.26
0.26	11.82	5.72	0.84	34.34	18.48
0.27	12.28	5.94	0.85	34.71	18.70
0.28	12.73	6.16	0.86	35.07	18.92
0.29	13.19	6.38	0.87	35.43	19.14
0.30	13.64	6.60	0.88	35.79	19.36
0.31	14.09	6.82	0.89	36.16	19.58
0.32	14.55	7.04	0.90	36.52	19.80
0.33	15.00	7.26	0.91	36.88	20.02
0.34	15.46	7.48	0.92	37.25	20.24
0.35	15.91	7.70	0.93	37.61	20.46
0.36	16.37	7.92	0.94	37.97	20.68
0.37	16.82	8.14	0.95	38.34	20.90
0.38	17.28	8.36	0.96	38.70	21.12
0.39	17.73	8.58	0.97	39.06	21.34
0.40	18.19	8.80	0.98	39.42	21.56
0.41	18.64	9.02	0.99	39.79	21.78
0.42	19.10	9.24	1.00	40.15	22.00
0.43	19.46	9.46	1.01	40.51	22.22
0.44	19.82	9.68	1.02	40.88	22.44
0.45	20.19	9.90	1.03	41.24	22.66
0.46	20.55	10.12	1.04	41.60	22.88
0.47	20.91	10.34	1.05	41.97	23.10
0.48	21.27	10.56	1.06	42.33	23.32
0.49	21.64	10.78	1.07	42.69	23.54
0.50	22.00	11.00	1.08	43.05	23.76
0.51	22.36	11.22	1.09	43.42	23.98
0.52	22.73	11.44	1.10	43.78	24.20
0.53	23.09	11.66	1.11	44.14	24.42
0.54	23.45	11.88	1.12	44.51	24.64
0.55	23.82	12.10	1.13	44.87	24.86
0.56	24.18	12.32	1.14	45.23	25.08
0.57	24.54	12.54	1.15	45.60	25.30
0.58	24.90	12.76	1.16	45.96	25.52
0.59	25.27	12.98	1.17	46.32	25.74
0.60	25.63	13.20	1.18	46.68	25.96
0.61	25.99	13.42	1.19	47.05	26.18
0.62	26.36	13.64	1.20	47.41	26.40
0.63	26.72	13.86	1.21	47.77	26.62

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BENEFIT LEVELS FOR CAREER AVERAGE BENEFITS EFFECTIVE JANUARY 1, 2008

Contribution Rate Per Hour	Per Year of Pension Credit as of December 31, 2007*	Per Year of Pension Credit January 1, 2008 and later*	Contribution Rate Per Hour	Per Year of Pension Credit as of December 31, 2007*	Per Year of Pension Credit January 1, 2008 and later*
\$1.22	\$48.14	\$26.84	\$1.80	\$65.34	\$39.60
1.23	48.50	27.06	1.81	65.57	39.82
1.24	48.86	27.28	1.82	65.80	40.04
1.25	49.23	27.50	1.83	66.03	40.26
1.26	49.59	27.72	1.84	66.26	40.48
1.27	49.95	27.94	1.85	66.50	40.70
1.28	50.31	28.16	1.86	66.73	40.92
1.29	50.68	28.38	1.87	66.87	41.14
1.30	51.04	28.60	1.88	67.01	41.36
1.31	51.40	28.82	1.89	67.15	41.58
1.32	51.77	29.04	1.90	67.29	41.80
1.33	52.13	29.26	1.91	67.43	42.02
1.34	52.49	29.48	1.92	67.57	42.24
1.35	52.86	29.70	1.93	67.71	42.46
1.36	53.22	29.92	1.94	67.85	42.68
1.37	53.58	30.14	1.95	67.99	42.90
1.38	53.94	30.36	1.96	68.13	43.12
1.39	54.27	30.58	1.97	68.27	43.34
1.40	54.59	30.80	1.98	68.41	43.56
1.41	54.92	31.02	1.99	68.55	43.78
1.42	55.24	31.24	2.00	68.69	44.00
1.43	55.57	31.46	2.01	68.83	44.22
1.44	55.90	31.68	2.02	68.97	44.44
1.45	56.23	31.90	2.03	69.11	44.66
1.46	56.55	32.12	2.04	69.25	44.88
1.47	56.88	32.34	2.05	69.39	45.10
1.48	57.20	32.56	2.06	69.53	45.32
1.49	57.53	32.78	2.07	69.67	45.54
1.50	57.85	33.00	2.08	69.81	45.76
1.51	58.18	33.22	2.09	69.95	45.98
1.52	58.50	33.44	2.10	70.09	46.20
1.53	58.83	33.66	2.11	70.23	46.42
1.54	59.15	33.88	2.12	70.37	46.64
1.55	59.48	34.10	2.13	70.51	46.86
1.56	59.80	34.32	2.14	70.65	47.08
1.57	60.03	34.54	2.15	70.79	47.30
1.58	60.26	34.76	2.16	70.93	47.52
1.59	60.49	34.98	2.17	71.07	47.74
1.60	60.72	35.20	2.18	71.21	47.96
1.61	60.95	35.42	2.19	71.35	48.18
1.62	61.18	35.64	2.20	71.49	48.40
1.63	61.41	35.86	2.21	71.63	48.62
1.64	61.64	36.08	2.22	71.77	48.84
1.65	61.88	36.30	2.23	71.91	49.06
1.66	62.11	36.52	2.24	72.05	49.28
1.67	62.34	36.74	2.25	72.19	49.50
1.68	62.57	36.96	2.26	72.33	49.72
1.69	62.80	37.18	2.27	72.47	49.94
1.70	63.03	37.40	2.28	72.61	50.16
1.71	63.26	37.62	2.29	72.75	50.38
1.72	63.49	37.84	2.30	72.89	50.60
1.73	63.72	38.06	2.31	73.03	50.82
1.74	63.95	38.28	2.32	73.17	51.04
1.75	64.19	38.50	2.33	73.31	51.26
1.76	64.42	38.72	2.34	73.45	51.48
1.77	64.65	38.94	2.35	73.59	51.70
1.78	64.88	39.16	2.36	73.73	51.92
1.79	65.11	39.38	2.37	73.87	52.14

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Contribution Rate Per Hour	Per Year of Pension Credit as of December 31, 2007*	Per Year of Pension Credit January 1, 2008 and later*	Contribution Rate Per Hour	Per Year of Pension Credit as of December 31, 2007*	Per Year of Pension Credit January 1, 2008 and later*
\$2.38	\$74.01	\$52.36	\$2.92	n/a	\$64.24
2.39	74.15	52.58	2.93	n/a	64.46
2.40	74.29	52.80	2.94	n/a	64.68
2.41	74.43	53.02	2.95	n/a	64.90
2.42	74.57	53.24	2.96	n/a	65.12
2.43	74.71	53.46	2.97	n/a	65.34
2.44	74.85	53.68	2.98	n/a	65.56
2.45	74.99	53.90	2.99	n/a	65.78
2.46	75.13	54.12	3.00	n/a	66.00
2.47	75.27	54.34	3.01	n/a	66.22
2.48	75.41	54.56	3.02	n/a	66.44
2.49	75.55	54.78	3.03	n/a	66.66
2.50	75.69	55.00	3.04	n/a	66.88
2.51	n/a	55.22	3.05	n/a	67.10
2.52	n/a	55.44	3.06	n/a	67.32
2.53	n/a	55.66	3.07	n/a	67.54
2.54	n/a	55.88	3.08	n/a	67.76
2.55	n/a	56.10	3.09	n/a	67.98
2.56	n/a	56.32	3.10	n/a	68.20
2.57	n/a	56.54	3.11	n/a	68.42
2.58	n/a	56.76	3.12	n/a	68.64
2.59	n/a	56.98	3.13	n/a	68.86
2.60	n/a	57.20	3.14	n/a	69.08
2.61	n/a	57.42	3.15	n/a	69.30
2.62	n/a	57.64	3.16	n/a	69.52
2.63	n/a	57.86	3.17	n/a	69.74
2.64	n/a	58.08	3.18	n/a	69.96
2.65	n/a	58.30	3.19	n/a	70.18
2.66	n/a	58.52	3.20	n/a	70.40
2.67	n/a	58.74	3.21	n/a	70.62
2.68	n/a	58.96	3.22	n/a	70.84
2.69	n/a	59.18	3.23	n/a	71.06
2.70	n/a	59.40	3.24	n/a	71.28
2.71	n/a	59.62	3.25	n/a	71.50
2.72	n/a	59.84	3.26	n/a	71.72
2.73	n/a	60.06	3.27	n/a	71.94
2.74	n/a	60.28	3.28	n/a	72.16
2.75	n/a	60.50	3.29	n/a	72.38
2.76	n/a	60.72	3.30	n/a	72.60
2.77	n/a	60.94	3.31	n/a	72.82
2.78	n/a	61.16	3.32	n/a	73.04
2.79	n/a	61.38	3.33	n/a	73.26
2.80	n/a	61.60	3.34	n/a	73.48
2.81	n/a	61.82	3.35	n/a	73.70
2.82	n/a	62.04	3.36	n/a	73.92
2.83	n/a	62.26	3.37	n/a	74.14
2.84	n/a	62.48	3.38	n/a	74.36
2.85	n/a	62.70	3.39	n/a	74.58
2.86	n/a	62.92	3.40	n/a	74.80
2.87	n/a	63.14	3.41	n/a	75.02
2.88	n/a	63.36	3.42	n/a	75.24
2.89	n/a	63.58	3.43	n/a	75.46
2.90	n/a	63.80	3.44	n/a	75.68
2.91	n/a	64.02	3.45	n/a	75.90