

LABORERS NATIONAL PENSION FUND

"Providing Secure Retirement for Over 50 Years"



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ZONE TRANSITION NOTICE

May 2026

**PENSION FUND RETURNS TO "GREEN" FUNDING-ZONE IN 2026.
FUNDING REHABILITATION PLAN ENDS.
NO FURTHER CONTRIBUTION RATE INCREASES NEED TO BE NEGOTIATED.**

To All Participants, Participating Unions, and Contributing Employers:

We are pleased to report that the Funding Rehabilitation Plan ("FRP") has succeeded in returning the Pension Fund to "Green Zone" funding status. The Fund's actuary has officially certified the Fund's new funding status to the Government. This transition to the "Green Zone" from the "Red Zone" is earlier than was expected when the FRP was adopted in 2017.

Your cooperation and patience with the FRP made this achievement possible. Under the FRP, the Pension Fund increased contribution income, protected the core benefits of active participants, maintained pensioners' benefits, and fairly adjusted benefit liabilities to reflect the available resources. Improvements in the investment markets also helped the Fund fill the financial hole created by the investment market crash of 2008 and the Great Recession that followed. Before those historic troubles, the Fund had been soundly funded for decades.

The Board of Trustees has directed the Fund's staff and its actuarial, legal and benefit consulting professionals to develop a zone transition plan that will set a new plan of benefits while keeping the Fund on a sound funding track. That transition plan is still being developed and will be announced to you in a later notice as soon as possible.

The first step is to end the FRP's requirement for annual contribution rate increases. No further FRP-required contribution rate increases need to be negotiated as of May 1, 2026, even if an Employer increased its contribution rate fewer times than the FRP required. The current contribution rates are to remain in place. There should be no reductions in the current rates. The zone transition plan will provide further guidance about contribution rates going forward.

The zone transition plan will also address benefit accrual rates going forward. Not all employers are at the same step in the FRP schedule due to the varying terms of collective bargaining agreements. This means that not all employers have adopted the same number of required contribution rate increases. The transition plan will take this into account so that all groups will be treated fairly based on their contribution rates.

Any questions regarding this notice should be directed to Fund Administrator Michelle Miller at the Fund Office, PO Box 803415, Dallas, TX 75380-3415. Telephone: 1-972-233-4458. Email: info@lnpf.com.

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