

Contractors, Laborers, Teamsters and Engineers Pension Plan

TO: **Plan Participants/Retirees**

RE: The CLT&E Pension Plan -- Financial Status

Federal law requires all multi-employer plans to provide its participants with information relating to the financial condition of the plan. For the Pension Plan, such information is provided in two documents, the Summary Annual Report and the Annual Funding Notice. Both of these documents are enclosed for your review.

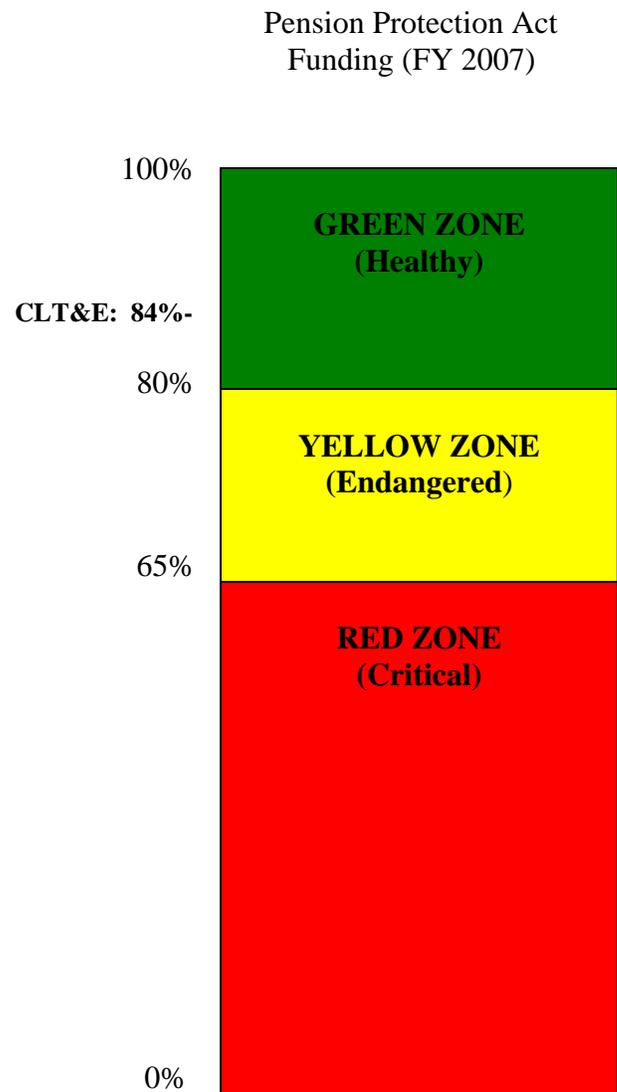
The information provided in these reports is dictated by law, as is the format for which they are presented.

In addition to the enclosed information, the Board of Trustees wants you to know that they continue to monitor the financial status of the Plan and that they strive to ensure that the Plan will have the financial resources needed to meet future obligations.

The Pension Protection Act (PPA) of 2006 mandates that the Plan provide participants with the enclosed Funding Notice. In addition to this notice however, the CLT&E Board of Trustees thought it might be helpful to provide the adjacent chart to better illustrate where the fund ranks as defined by the Act.

The PPA ranks the funded status of multi-employer pension plans depending upon a plan's current and projected funding levels. A plan is considered Critical (Red Zone) if it has a current funded percentage of less than 65%. A plan is considered Endangered (Yellow Zone) if it has a current funded percentage of less than 80% or if it projects a credit balance deficit within seven years. A plan is considered Healthy (Green Zone) if it has a current funded percentage greater than 80% and does not have a projected credit balance deficit within seven years.

Based upon the most recent actuarial valuation, the CLT&E Pension Fund falls within the Green Zone (Healthy) of the PPA, with a funding percentage of 84% and no credit balance deficit projected within seven years.



**2007
Annual Funding Notice
For**

Contractors, Laborers, Teamsters and Engineers Pension Plan

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the Contractors, Laborers, Teamsters and Engineers Pension Plan, Plan Number 001, and EIN: 47-6049397 (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 January 1, 2007 and ending December 31, 2007 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 84 percent. 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.

Plan's Financial Information

The market value of the Plan's assets as of January 1, 2007 was \$119,863,187. The total amount of benefit payments for the Plan Year was \$6,864,487. The ratio of assets to benefit payments is 17.46. This ratio suggests that the current Plan's assets could provide for approximately 17 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 and changes to plan assets including additional contributions or future investment income.

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.

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 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 purpose 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 Larry Murray at (402) 491-3751, at 10334 Ellison Circle, Omaha, NE 68134. For more information about the PBGC and multiemployer benefits 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).