Testimony of Harold F. Force, PE

President, Force Construction Company, Inc.

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Subcommittee on Health, Employment, Labor, and Pensions

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Thank you, Chairman Roe, Ranking Member Andrews, and members of the Subcommittee, for the opportunity to testify at this hearing on the "Challenges Facing Multiemployer Pension Plans: Reviewing the Latest Findings by PBGC and GAO ". My Name is Harold Force and I am the President of Force Construction Company, Inc., founded in 1946 and headquartered in my hometown of Columbus, Indiana. My presence here today is in behalf of The Associated General Contractors of America; affiliated Indiana Construction Association; and my company. My company performs institutional, commercial, and industrial building construction, as well as the construction of bridges, dams, and civil construction. Our activities are fairly evenly divided between private and public work sectors, the latter of which may include elements of local, state, and federal funding.

Although we have completed jobs in seven different states over the last five years, the majority of our work is performed within the State of Indiana. Depending upon the type, size, and location of our projects, our direct employed manual workforce includes from 125 to 250 persons, nearly all of them members of one of four construction craft unions. Our salaried non-union technical, administrative, and supervisory personnel number approximately 35 persons.

I. Multiemployer Pension Plans and the Construction Industry

A. Background

Multiemployer plans were initiated in the early 1900s but remained unregulated until 1947 when the Labor-Management Relations Act (informally known as the Taft-Hartley Act) was enacted imposing a number of procedural and substantive standards that unions and employers must meet before they may use employer funds to provide pensions and other employee benefits. The Employee Retirement Income Security Act (ERISA) in 1974, the Multiemployer Pension Plan Amendments (MPPA) in 1980, the Economic Growth and Tax Relief Recovery Act in 2001, the Pension Protection Act (PPA) in 2006 and subsequent relief legislation all provide for distinct and strict funding rules for multiemployer pension plans in recognition of the vastly different nature of multiemployer plans from single employer and public employee defined benefit plans. However, previous legislation has failed to give plan trustees, signatory contractors, and union business representatives all the tools they need to deal with the challenges of managing multiemployer defined benefit plans.

Employers contributing to multiemployer plans are not allowed, under any circumstances, to legally defer payments to their respective pension trust funds, and many of the funding issues for Multiemployer Pension Plans (MEPPs) are entirely out of the hands of individual contributing employers. They are obligated by their labor contracts to contribute a certain amount for each hour of work by a covered employee. If an employer is delinquent in its contributions, the MEPP trustees have a legal, fiduciary responsibility to take all reasonable steps to collect the delinquent amount. Each MEPP is governed by a board of trustees, with equal representation from management and labor, as required by the Taft-Hartley Act. Trustees are fiduciaries required by law to act in the best interests of the MEPP. They make plan decisions based on sophisticated modeling and advice by plan administrators, actuaries and investment advisors.

It is important to keep in mind that contractors signatory to collective bargaining agreements requiring contributions to multiemployer pension plans are firmly and legally bound to make the pension contributions called for by their agreements, and cannot elect to delay or modify such payments or use them for any other purpose while obligated to the collective bargaining agreement.

B. Construction Industry

There are nearly 3.9 million participants in construction-industry multiemployer plans, and most contributing employers to these plans are small businesses. The construction industry is comprised of mostly small employers. MEPPs offer these employers the ability to compete with larger employers and to offer attractive benefits to maintain and preserve a skilled workforce. MEPPs are also attractive to construction employers because of the unique nature of the industry; MEPPs allow construction employers to adapt to a fluctuating workforce from project to project, and facilitate the construction employers' ability to share a pool of qualified employees because the MEPPs offer employees that may work for multiple employers in a region over the course of their working lifetime, and often multiple employers in the same year, the portability to have retirement security without being tied to a particular employer.

Although MEPPs are currently considered as defined benefit plans, this may not have been the case when many of the current plans were first established. As far back as the mid-1950s, payments to the plans were negotiated on a per-hour basis as part of a larger wage and benefits package. The concept of "signing on" for anything other than the hourly contribution was not even a part of the discussion or the negotiation for such plans until the passage of ERISA in the early 1980s. For most contractor members of MEPPs, it is only in the recent past they have come to understand such plans as defined benefit plans, along with the realization that the hourly contributions being made may not cover the liability accruing within the plans and for the benefit of their employees and future (or current) retirees.

The construction industry is populated by firms of many different sizes, with the number of employees who are beneficiaries of the MEPPs varying from a handful to groups numbering in the thousands. The very real and growing issue of pension plan insolvency affects companies large and small.

Construction-industry employers are often represented by a local employers' association that negotiates a multiemployer collective bargaining agreement (CBA) with one or more unions on behalf of its member-employers or other employers that have delegated bargaining rights. For example, Force Construction is a member of Indiana Contractor Association (ICA), a chapter of The Associated General Contractors of America. ICA negotiates multiemployer CBAs with the Carpenters, Cement Masons, Ironworkers, Laborers, Operating Engineers, and Teamsters on behalf of many ICA member companies. While Force has not assigned its bargaining rights to the ICA, and has negotiated directly with some of the craft unions, the benefit provisions are always the same as in the ICA agreements. These CBAs obligate us to contribute to local and/or regional MEPPs. In addition, they obligate us to contribute to other funds, such as multiemployer health and welfare funds, training and apprenticeship funds, and, in some cases, multiemployer defined contribution pension plans. Construction-industry MEPPs often have hundreds or thousands of participating employers.

While 54% of all MEPPs are in the construction industry and 37% of participants are in a construction industry plan. Construction industry plans vary by asset value, number of participants, number of employers, types of participants and funding status.

Seven months after the close of its plan year (ten and a half months, with extension), every qualified pension plan must file a Form 5500 with the Internal Revenue Service (IRS) and the Department of Labor (DOL). According to a report by the Mechanical Contractors Association of America and Horizon Actuarial Services, LLC, Inventory of Construction Industry Pension Plans, 2012 Edition, that analyzed the most recent Form 5500 filings — there were 819 construction-industry multiemployer defined benefit plans in the country, and approximately 20 MEPPs applicable to construction industry employers in the State of Indiana.

The report shows MEPPs vary by asset value with a median asset value of $56 million. Nine percent of the plans had assets above $500 million, 26% between $100 and $500 million and 67% less than $100 million.

MEPPs vary by number of participants with the median number of plan participants being 1,183 (participants include inactive participants with deferred vested benefits, retired participants, and beneficiaries). About 8% of the plans had at least 10,000 participants. About 46% of the plans had fewer than 1,000 participants and 24% had fewer than 500 participants.

MEPPs vary by the number of employers with the median number of participating employers being 64. About 19% of the plans had fewer than 25 employers and 61% had fewer than 100 employers and 78% had fewer than 200 employers. About 4% of the plans had more than 1,000 employers.

MEPPs vary by the types of participants with the median number of participants with deferred vested benefits increasing from 984 in 2001 to 1,152 in 2010 with most of the increase coming from inactive participants. Overall, plan populations are growing larger with the number of active participants declining while the number of inactive participants getting larger. Five percent of plans had at least 4 inactive participants for every 1 actively working participants – very unhealthy—while 5% of plans had almost 2 active participants for every 1 inactive participant. The median construction industry plan had 4 inactive participants to every 3 active participants.

Finally, MEPPs vary by funding status with median industry plan at 80% funded in 2010. Half of plans were within 71% and 88% funded, 5% were 107% funded or better and 5% of plans were 50% funded or worse. Using the PPA certification status: 57% were “Green Zone”, 19% were Endangered, 4% were Seriously Endangered and 20% were Critical. [1]

II. How did Construction Get to this Place

A. Pension Funding Rules

Employers contributing to MEPPs are often asked how did the plans get into this situation. The stock market made a lot of money for quite a few years. Why didn’t plans bank returns in the big years to save for the day when stock market returns were down? They were constrained by federal tax policy.

Importantly, sponsors of single-employer plans could respond to overfunding by simply suspending their contributions to plans. Unfortunately, employers contributing to MEPPs were legally bound by their collective bargaining agreements to continue to contribute to MEPPs that became overfunded. Yet, when those contributions exceeded the “maximum deductible” limit permitted by tax laws, the contributing employers ran the risk of losing their current deduction for the contributions and of being assessed an excise tax on top of the contributions.

MEPP trustees, in actions that seemed to make sense at the time, responded to such potential overfunding by making additional benefit improvements. Stopping contributions entirely would have been much more complicated because of the collective bargaining process that would have required renegotiation of collective bargaining agreements to accomplish it. And, after all, the MEPPs had not had significant funding issues in the past

Tax law that imposed the maximum deductible limits focused on small professional companies that might be inclined to shelter income. It was not designed for construction employers who were bound by their collective bargaining agreements to make the contributions and who could in no way shelter income in the multiemployer plan to which they were contributing.

The funding provisions of the PPA expire on December 31, 2014. The PPA helped MEPPs in some respects, but it has also proven to be inflexible and insufficient to meet today’s demands.

On the positive side, the PPA requires timely and extensive reporting so all employers know the status of funds and their obligation – which, regrettably, was often not the case before the PPA. The PPA has also allowed a MEPP needing corrective action to take 10 or 15 years to bring it to a better funded position; before the PPA, employers could have been required to make up deficiencies in one year and

[1] Inventory of Construction Industry Pension Plans, 2012 Edition
http://www.horizonactuarial.com/blog/uploads/2012/08/MCAA_Horizon_2012PensionInventory_web.pdf

face IRS levies. The PPA has also permitted some reduction in accrued benefits by plans in the worst shape.

B. Financial Crisis

The 2008 economic downturn highlighted the inherent risks that the current system poses for contributing employers and the unpredictable costs and risks for employers. The reduction in construction activity meant since then has meant fewer hours are being worked, reducing directly that amount of money being contributed to MEPPs. At the same time, the loss of value in invested assets that occurred when the stock markets plummeted reduced the funding position of the MEPPs as well. The ***median*** construction-industry MEPP was 80% funded at the end of 2010. Even under the best of circumstances it would take 10 years or more for plans to recover from the 25%-plus market losses in 2008.

The PPA continued to be inflexible while the events that resulted in that underfunding played out. The PPA did not take into account the market cycle or the equity market downturn, which the second historic equity market plunge and industry downturn exposed.

C. Industry Demographics

Plans are facing a shrinking ratio of workers to retirees. Pension plan demographics have steadily worsened over the past decade, with sharp declines after 2008. Inactive participants (i.e., retirees in payout status) now outnumber active participants, and that trend is accelerating. It has become more difficult to improve plans' funding status merely by increasing the employers' contribution rate or decreasing the participants' future benefit accruals. In 2010, the ratio was four inactive workers for every three active workers in construction-industry MEPPs, and the number of retired participants drawing benefits is growing.

D. Industry Downturn

As referenced earlier, construction-industry MEPPs are dependent on hour-based contributions for active workers and on attracting new employers into the system; however, both of those factors are shrinking. The unprecedented downturn in construction demand in recent years has left the hours of work significantly down and fewer active participants performing work. Some construction-industry MEPPs are being funded based on 40% fewer hours of work now. The industry has two million fewer workers today compared with the start of the recession and continues to have the highest industry unemployment rate of any industry.

III. Force Construction Company Multiemployer Pension Plan Contributions:

For the State of Indiana, Force has records going back as far as 1984, at which time all plans were fully funded and with many plans have funding ratios of 110% to 115% or more. As recently as 2000, all of the plans to which our firm is signatory were fully funded, meaning that there was no allocable unfunded vested liability or withdrawal liability. Because of MEPP plan consolidation, the number of individual plans to which our firm contributes has drastically reduced, from approximately 25 plans 30 years ago; to approximately 15 plans 15 years ago; to a total of 6 plans today (for the same geographic area and for the same number of crafts). Those 6 plans are all currently underfunded and in the PPA's red zone, meaning that these plans are critically underfunded *on a current basis*.

Attached to this report is the most currently available information on plan status for general construction trades in the State of Indiana.

IV. Impact on Construction Employers

Unfortunately, employers can be adversely affected by participating in a multiemployer plan. When an employer participates in a MEPP it expects that its contributions will fluctuate depending on the employer's business conditions – and, particularly, that contributions based on hours worked will decline as hours of work decline. But when a plan experiences funding difficulties, contributions may still need to rise – even though, and actually because, hours on which contributions are made have dropped. In this respect, an employer participating in a MEPP is subject to many of the same vagaries of the economy as a single employer with a defined benefit plan. Small employers are often less able to absorb fluctuating contribution rate increases than a large employer. When companies bid for work, accounting for this can often inflate a given company's bid costs, which, in turn makes that company less competitive in a highly competitive market. Reduced work activity thus reduces funding, but the overall funded status problem of MEPPs is exacerbated by the fact that many participants are now "orphans." That is, the employers for whom they worked are now out of business or out of the MEPP, but the benefits accrued while the participants worked for those employers were not fully funded by the former employers' contributions. Employers are often astounded, and their plans often thwarted, by extraordinary withdrawal liability created by such funding shortfalls when they are ready to sell their business or change their operations. The prospect of withdrawal liability can discourage a potential buyer from acquiring a business when its current owners want to sell and retire.

The higher pension contributions needed to work on eliminating the underfunding are detrimental to the contributing employers in their already competitive environment for signatory contractors, but they can hurt employees too. Often in the construction industry, collective bargaining parties negotiate over a wage-and-benefits package. In order to alleviate pension underfunding, a greater portion of that package must be allocated to pension plan contributions because it cannot be passed along as a cost to the construction user. This leaves less money available for wage increases and other benefits. In short, the total amount of money available for wages and benefits is finite, so one consequence of underfunded pension plans is that employee take-home pay remains stagnant or, worse, is reduced.

V. Recommendations for Congress

Trustees of a plan must be given the flexibility to make changes. New tools are needed to try to revolutionize the pension system and save the defined benefit system—both for the directly interested parties such as employers and participants, but also for the PBGC.

The PPA's current funding rules for multiemployer pension plans sunset in 2014 which will create additional challenges for distressed plans. A plan that is currently in the green zone but might face funding problems after December 31, 2014, would not be able to use the current PPA rules to improve its position. After December 31, 2014, a plan that is in red status will continue to be in that status, a plan that is in yellow or orange status will continue to remain in that status, but a plan that is in green status will not be able to go into red, orange or yellow status and take advantages of the tools that such status now permits.

The Retirement Security Review Commission (the Commission) was a labor-management, cross-industry group of stakeholders established by the National Coordinating Committee of Multiemployer Plans to develop a long-term solution to the multiemployer pension problems discussed above. The Commission has developed recommendations for legislative changes that Force Construction and the Associated General Contractors of America support. These changes are needed to give plan trustees and collective bargaining parties more tools to take prompt action to correct funding shortfalls and avoid future shortfalls, to distribute costs and risks more equitably among all stakeholders in the plan, and to secure the retirement income of employee participants in multiemployer plans.

A. Preservation: Proposals to Strengthen the Current System

Some of the Commission's proposals represent technical refinements to the PPA, while others address shortcomings of the system outside of the PPA. These recommendations are designed to provide additional security for (a) the majority of plans that have successfully weathered the recent economic crises; (b) those that are on the path to recovery as measured against the objectives set forth in their funding improvement and/or rehabilitation plans; and (c) those that, with expanded access to tools provided in the PPA and subsequent relief legislation, will be able to achieve their statutorily mandated funding goals.

B. Remediation: Measures to Assist Deeply Troubled Plans

Under current law, a small minority of deeply troubled plans are projected to become insolvent. For the limited number of plans that, despite the adoption of all reasonable measures available to the plans' settlors and fiduciaries, are projected to become insolvent, the Commission recommends that limited authority be granted to plan trustees to take early corrective actions, including the partial suspension of accrued benefits for active and inactive vested participants, and the partial suspension of benefits in pay status for retirees. Such suspensions would be limited to the extent necessary to prevent insolvency, but in no event could benefits go below 110% of the Pension Benefit Guaranty Corporation (PBGC) guaranteed amounts. To protect participants against potential abuse of these additional tools, the Commission further recommends the adoption of special protections for vulnerable populations including PBGC oversight and approval of any proposed actions, taking into consideration certain specified criteria.

C. Innovation: New Structures to Foster Innovative Plan Designs

To encourage innovative approaches that meet the evolving needs of certain plans and industries, the Commission recommends the enactment of statutory language and/or promulgation of regulations that will facilitate the creation of new plan designs that will provide secure lifetime retirement income for participants, while significantly reducing or eliminating the financial exposure to contributing employers. While the development of new flexible plan designs -- including, but not limited to, variable annuity and "Target Benefit" plans -- would permit adjustment of accrued benefits, in order to protect plan participants from this risk, these models would impose greater funding discipline than is required under current defined benefit rules. The adoption of such new models would be entirely voluntary and subject to the collective bargaining process.

I believe that the assessments and recommendations outlined in the Commission's report are well-developed and necessary to consider. The condition of many, and perhaps most, plans is such that their recovery is virtually impossible under current laws and rules. Something must be done to avoid failure of the plans and the catastrophic consequences which such failures would entail.

VI. Conclusion

In conclusion, the challenges confronting the sponsors of multiemployer plans are unprecedented. Without bold, decisive action, plan sponsors will no longer be able to provide these benefits, construction company employers will be forced to recapitalize the plans or the plans will be forced to become wards of the PBGC. Changes are needed to save the businesses of many contributing employers and to protect the retirement security of their hardworking employees. Multiemployer pension plan relief is not a union bailout, as **contributions to these plans are *funded entirely by employers***, not unions. Reform based on the Commission's recommendations will minimize government risk and alleviate the financial challenges facing the PBGC's multiemployer guaranty fund. Without implementing the recommendations, the future failure of large plans will jeopardize the PBGC's long-term viability and will put taxpayers on the hook. Enacting reforms will take pressure off the government for financial exposure while continuing to provide retirement security for participants.

I want to close with a few succinct points about the nature of the problem:

1. I am concerned that the status of many MEPP plans will rapidly pass a tipping point where the issues of a deficit plan, increasing retirements, reduced numbers of new employees under the plan, and withdrawal of employers will occur in a coincident manner that will accelerate the failure of many plans. Such convergence of factors could precipitate failure of the MEPPs and of the contributing employers. The prospect is made worse because delays in plan reporting could prevent trustees and employers from learning of the crisis, and result in delays in trying to devise a comprehensive solution.
2. Available data on the status of plans to which our firm is signatory suggest that the plans cannot be restored to a healthy status by addressing only the funding side of the situation. We have tried that.

3. One of the principal underlying assumptions concerning funding for construction MEPPs, i.e. a relatively steady flow of contractors and employees/beneficiaries, is simply not taking place. Prospective employees consider the high contribution rate combined with minimal benefit they accrue due to attempts to have an affordable plan, and conclude that the MEPP provides a low benefit return for them. Prospective employers who are not currently signatory to a plan are electing to stay out of such plans to avoid the growing accrual of an undefinable eventual withdrawal liability. Contractors who are signatory to construction MEPPs are increasingly deciding to wind down and close their business rather than continue the growth of an unfunded liability and risk collapse or possible mass withdrawal from the plans. Employees who are fully vested and have the opportunity to take early retirement are doing so in record numbers, out of fear that plans may fail before their normal retirement age and that their benefits will be lost.
4. Continuing efforts by the Treasury Department and the Federal Reserve system to maintain low interest rates exacerbate problems that MEPP fund managers and trustees have, making it nearly impossible for fund earnings to reach the investment earning assumptions which drive the calculations for retiree benefits.
5. Because of employer liability issues associated with MEPPs, potential signatory contractors avoid signing union craft agreements, with the result that their employees are denied access to skills training, apprenticeships, and portability of benefits, all of which are necessary to attract and retain a competent pool of employees for our industry.

I would be pleased to answer any question that the members of the Subcommittee may have. Thank you.

Pension Fund Financial Tracking Chart for Multi-Employer Pensions that are funded through collectively bargained agreements in Indiana

Fund	Date Report Filed	Report Year	Tot # Plan Participants (line 2b(4) column (1))	Total # Active Participants (line 2b(3)(c))	Total Current Unfunded Liability $ (= line 2b(4) column (2) - line 2a)	Total Current Liability $ (line 2b(4) column (2))	Current Liability Funded Percentage (refer to Note (1))	Funded percentage for monitoring plan status (refer to Note (2))	$ per Hr Contrib Rate	$ per Hr Contrib Rate	$ per Hr Contrib Rate
									H-H State (xcpt 41/81)	H-H Lcl 41/81	
Indiana State District Council of Laborers & Hod Carriers	1/10/2013	√ 2011	23,783	8,211	$ 1,170,985,810	$ 1,949,013,337	39.92%	69.79%	$ 4.80	$ 4.80	
Pension Fund	12/22/2011	2010	23,896	8,519	$ 1,408,917,457	$ 2,095,864,896	32.78%	70.72%	$ 4.55	$ 4.55	
Covers entire state of Indiana except Locals 41 & 81	1/28/2011	2009	24,715	9,738	$ 1,428,263,391	$ 2,071,359,707	31.05%	67.58%	$ 4.30	$ 4.45	
(specifically IN Counties Lake, Porter, LaPorte, Starke, Newton & Jasper)		2008	24,765	10,270	$ 1,123,433,300	$ 1,931,563,690	41.84%	74.94%	$ 4.05	$ 4.45	
("20xx" Plan Year June 1 thru May 31, 20xx)		2007	24,764	10,269	$ 649,957,265	$ 1,481,727,037	56.14%		$ 3.30	$ 3.85	
EIN: 35-6027150		2006	24,412	10,338	$ 634,196,094	$ 1,365,388,077	53.55%		$ 2.70	$ 3.25	
"		2005	23,815	9,193	$ 384,078,165	$ 1,075,541,861	64.29%		$ 2.15	$ 2.65	
"		2004	23,241	10,902	$ 336,659,292	$ 999,366,247	66.31%		$ 2.00	$ 2.00	
"		2003			$ (624,695,149)				$ 1.85	$ 1.85	
"		2002	23,651	11,208	$ 904,639,083	$ 904,639,083	unknown		$ 1.85	$ 1.85	
"		2001	23,890	11,861	$ 158,728,762	$ 824,544,457	80.75%		$ 1.85	$ 1.85	
"		2000									
									H-H State xcp	H-H Lcl 41 /81	
Construction Workers Pension Fund of Lake County and Vicinity	3/13/2012	2010	4,955	1,807	$ 306,220,537	$ 513,336,597	40.35%	82.15%	$ 4.55	$ 4.55	
(Laborers Local 41/81 Pension Fund)	3/8/2011	2009	5,227	2,020	$ 299,107,768	$ 486,840,513	38.56%	76.84%	$ 4.30	$ 4.45	
(Plan Year June 1 thru May 31)		2008	5,189	1,991	$ 211,343,348	$ 437,633,619	51.71%	82.43%	$ 4.05	$ 4.45	
EIN: 35-6030666		2007	5,177	2,552	$ 126,789,865	$ 352,924,264	64.07%		$ 3.30	$ 3.85	
"		2006	4,516	1,846	$ 104,352,350	$ 300,583,857	65.28%		$ 2.70	$ 3.25	
"		2005	5,206	2,199	$ 97,888,586	$ 281,461,926	65.22%		$ 2.15	$ 2.65	
"		2004	4,379	2,181	$ 76,818,647	$ 252,918,209	69.63%		$ 2.00	$ 2.00	
"		2003	4,808	1,434	$ 70,139,400	$ 238,827,986	70.63%		$ 1.85	$ 1.85	
"		2002	4,015	1,954	$ 34,707,002	$ 213,385,549	83.74%		$ 1.85	$ 1.85	
"		2001			$ -				$ 1.85	$ 1.85	
"		2000	5,405	1,593	$ (11,324,917)	$ 182,698,759	106.20%		$ 1.80	$ 1.80	
									103 H-H	181 H-H	841 H-H
Central Pension Fund of the IUOE & Participating Employers	11/13/2012	√ 2011	180,948	79,365	$ 11,355,873,390	$ 22,275,000,126	49.02%	86.74%	$ 6.75	$ 5.25	$ 6.00
(Indiana IUOE Locals 103, 181, 841)	11/11/2011	2010	180,773	81,443	$ 11,686,024,854	$ 21,129,675,052	44.69%	85.59%	$ 6.45	$ 5.00	$ 5.50
(Plan Year Feb 1 thru Jan 31)	11/12/2010	2009	182,909	87,567	$ 12,513,955,816	$ 19,828,008,347	36.89%	70.96%	$ 6.25	$ 5.00	$ 5.50
EIN: 36-6052390		2008	177,573	84,573	$ 7,586,712,542	$ 17,572,588,597	56.83%	91.30%	$ 6.05	$ 5.00	$ 5.00
"		2007	183,069	130,320	$ 4,797,620,996	$ 14,579,021,822	67.09%		$ 5.80	$ 4.75	$ 4.75
"		2006	177,590	125,226	$ 3,688,189,245	$ 12,627,636,526	70.79%		$ 5.55	$ 4.75	$ 4.50
"		2005	172,592	120,890	$ 2,936,325,090	$ 11,140,345,090	73.64%		$ 5.30	$ 4.75	$ 4.25
"		2004	169,598	117,266	$ 2,426,597,362	$ 10,209,377,362	76.23%		$ 5.05	$ 4.50	$ 4.00
"		2003	165,713	115,527	$ 2,724,513,195	$ 8,970,234,195	69.63%		$ 4.80	$ 4.25	$ 3.80
"		2002	163,604	113,052	$ 2,980,948,129	$ 9,899,333,129	69.89%		$ 4.50	$ 4.00	$ 3.60
"		2001	148,668	112,607	$ 1,461,212,820	$ 8,575,690,820	82.96%		$ 4.20	$ 4.00	$ 3.40
"		2000							$ 3.90	$ 3.25	$ 3.20

Note: Feb 2006 Letter from CPF states: "... as of February 1, 2005 the date of the most recent actuarial valuation of the Fund, the CPS's actuarial value of assets is greater than the Fund's vested liabilities and, therefore no withdrawal liability will be assessed ... plan year ending Jan 1, 2006."

Fund	Date Report Filed	Report Year	Tot # Plan Participants	Total # Active Participants	Total Current Unfunded Liability $	Total Current Liability $	Current Liability Funded Percentage	Funded percentage for monitoring plan status	$ per Hr Contrib Rate	$ per Hr Contrib Rate
									150-10	150-4
Midwest Operating Engineers Pension Fund (150)	1/8/2013	√ 2011	27,369	11,542	$ 3,664,001,177	$ 6,587,078,386	44.38%	80.65%	$ 5.25	$ 7.75
	1/11/2012	2010	27,405	12,350	$ 3,495,347,848	$ 6,231,817,756	43.91%	82.35%	$ 5.25	$ 7.75
(Plan Year April 1 thru March 31)	1/12/2011	2009	27,754	14,736	$ 3,737,739,961	$ 5,922,777,068	36.89%	74.88%	$ 4.95	$ 7.50
EIN: 36-6140097		2008	27,425	15,640	$ 3,017,626,244	$ 5,202,663,351	42.00%	91.05%	$ 4.65	$ 7.00
"		2007	27,212	15,650	$ 1,218,141,181	$ 4,294,776,108	71.64%		$ 4.35	$ 6.50
"		2006	27,212	15,546	$ 1,008,284,118	$ 3,805,422,933	73.50%		$ 4.05	$ 6.00
"		2005	25,197	15,028	$ 834,402,843	$ 3,347,755,344	75.08%		$ 3.75	$ 5.50
"		2004	24,376	14,227	$ 558,456,432	$ 2,930,655,258	80.94%		$ 3.55	$ 5.00
"		2003	23,747	13,903	$ 629,736,513	$ 2,559,122,608	75.39%		$ 3.35	$ 4.50
"		2002							$ 3.15	$ 4.25
"		2001							$ 2.95	$ 4.00
"		2000							$ 2.75	$ 3.75

Pension Fund Financial Tracking Chart for Multi-Employer Pensions that are funded through collectively bargained agreements in Indiana

Fund	Date Report Filed	Report Year	Tot # Plan Participants (line 2b(4) column (1))	Total # Active Participants (line 2b(3)(c))	Total Current Unfunded Liability $ (= line 2b(4) column (2) - line 2a)	Total Current Liability $ (line 2b(4) column (2))	Current Liability Funded Percentage (refer to Note (1))	Funded percentage for monitoring plan status (refer to Note (2))	$ per Hr Contrib Rate	$ per Hr Contrib Rate	$ per Hr Contrib Rate
									Hwy wkly		
Central States SE & SW Areas Pension Fund											
(Teamsters)	10/10/2012	√ 2011	416,190	73,800	$ 29,744,917,756	$ 49,588,877,112	40.02%	58.89%	$115.60/wk		
(In Indiana the H-H Contract covers all Counties except for Lake and	10/13/2011	2010	422,473	80,961	$ 30,317,238,578	$ 49,859,280,682	39.19%	63.41%	$107/wk		
Porter Counties)	10/15/2010	2009	433,199	98,799	$ 31,264,471,536	$ 48,623,124,034	35.70%	58.02%	$99.10/wk		
(Plan Year Jan 1 thru Dec 31)		2008	439,955	106,169	$ 20,246,249,018	$ 47,052,096,018	56.97%	73.20%	$91.80/wk		
EIN: 36-6044243		2007	451,625	106,169	$ 23,741,411,614	$ 44,414,159,614	46.55%		$85/wk		
EIN: 36-6044243		2006	451,623	154,926	$ 22,498,175,000	$ 41,794,504,000	46.17%		$85/wk		
"		2005	450,812	156,744	$ 20,936,185,000	$ 39,653,718,000	47.20%		$85/wk		
"		2004	454,322	157,306	$ 17,425,705,000	$ 35,150,841,000	50.43%		$85/wk		
"		2003	459,947	164,767	$ 18,320,948,000	$ 33,701,366,000	45.64%		$85/wk		
"		2002							$85/wk		
"		2001	464,944	187,229	$ 11,176,581,000	$ 31,652,006,000	64.69%		$85/wk		
"		2000							$85/wk		

Fund	Date Report Filed	Report Year	Tot # Plan Participants	Total # Active Participants	Total Current Unfunded Liability $	Total Current Liability $	Current Liability Funded Percentage	Funded percentage for monitoring plan status	$ per Hr Contrib Rate	$ per Hr Contrib Rate	$ per Hr Contrib Rate
Northwest Indiana Regional Council of Carpenters Pension Fund	4/9/2012	2010	3,739	1,979	$ 412,752,320	$ 684,265,858	39.68%	76.34%			
Indiana Hwy Zone 1A (not part of Hwy Contract)	4/7/2011	2009	3,860	2,198	$ 395,109,572	$ 642,215,122	38.48%	73.73%	unknown		
Indiana Bldg Zone Z1		2008	3,840	2,196	$ 291,485,416	$ 576,509,587	49.44%	80.21%	unknown		
(Plan Year July 1 thru June 30)		2007	3,840	2,196	$ 169,261,772	$ 460,539,024	63.25%		unknown		
EIN: 51-6123713		2006	3,621	1,979	$ 133,979,608	$ 387,779,765	65.45%		unknown		
"		2005	3,601	1,887	$ 111,144,403	$ 353,491,180	68.56%		unknown		
"		2004	3,350	1,846	$ 74,608,825	$ 308,697,190	75.83%		unknown		
"		2003	3,314	1,731	$ 60,515,176	$ 289,059,078	79.06%		unknown		
"		2002	3,399	1,798	$ 65,475,774	$ 280,774,548	76.68%		unknown		
"		2001	3,211	1,897	$ 24,057,562	$ 256,045,926	90.60%		unknown		
"		2000	3,185	1,746	$ (3,625,691)	$ 223,482,391	101.62%		unknown		

Fund	Date Report Filed	Report Year	Tot # Plan Participants	Total # Active Participants	Total Current Unfunded Liability $	Total Current Liability $	Current Liability Funded Percentage	Funded percentage for monitoring plan status	$ per Hr Contrib Rate	$ per Hr Contrib Rate	$ per Hr Contrib Rate
							Hwy/Bldg **		2-A / Z1	2-B / Z2	2-C / Z3
Indiana State Council of Carpenters	1/14/2013	√ 2011	6,926	2,610	$ 502,000,310	$ 845,069,080	40.60%	74.00%	$ 6.55	$ 6.55	$ 6.55
Indiana Hwy Zones 2A, 2B, 2C, 4A, 4B, 4C & 4D	1/17/2012	2010	6,799	2,532	$ 574,760,518	$ 883,378,164	34.94%	73.83%	$ 6.47	$ 6.02	$ 6.01
Indiana Bldg Zones Z1, Z2, Z3, Z4, Z5, Z6, Z7A, Z7B & Z8	1/14/2011	2009	7,117	3,020	$ 472,750,070	$ 720,744,701	34.41%	65.43%	$ 5.48	$ 5.03	$ 5.02
(Plan Year April 1 thru March 31)		2008	7,046	2,961	$ 230,041,737	$ 573,979,415	59.92%	85.11%	$ 4.64	$ 4.21	$ 4.20
EIN: 35-6060378		2007	6,987	2,961	$ 172,946,339	$ 521,507,180	66.84%		$ 3.92	$ 3.77	$ 3.63
"		2006	6,375	3,364	$ 108,334,390	$ 403,374,463	73.14%		$ 3.90	$ 3.64	$ 3.55
"		2005	6,547	2,693	$ 147,444,971	$ 436,216,529	66.20%		$ 3.35	$ 3.35	$ 3.35
"		2004	6,489	2,646	$ 98,594,337	$ 375,191,593	73.72%		$ 3.10	$ 3.10	$ 3.10
"		2003	6,616	2,671	$ 144,548,539	$ 366,881,926	60.60%		$ 2.90	$ 2.90	$ 2.90
"		2002							$ 2.80	$ 2.80	$ 2.80
"		2001							$ 2.60	$ 2.60	$ 2.60
"		2000							$ 2.30	$ 2.30	$ 2.30

Notes regarding Indiana State Council of Carpenters Pension Plan:

This pension plan is funded through contributions from Zones 2A, 2B & 2C of the Carpenters Statewide Highway and Heavy Agreement, Zones 1, 2 & 3 of the two Northeast Indiana Building Agreements and Zones 5, 6, 7A, 7B & 8 of the Southern Indiana Building Agreement.

Pension Fund Financial Tracking Chart for Multi-Employer Pensions that are funded through collectively bargained agreements in Indiana

Fund	Date Report Filed	Report Year	Tot # Plan Participants (line 2b(4) column (1))	Total # Active Participants (line 2b(3)(c))	Total Current Unfunded Liability $ (= line 2b(4) column (2) - line 2a)	Total Current Liability $ (line 2b(4) column (2))	Current Liability Funded Percentage (refer to Note (1))	Funded percentage for monitoring plan status (refer to Note (2))	$ per Hr Contrib Rate	$ per Hr Contrib Rate	$ per Hr Contrib Rate
Carpenters Local Union 215 Pension Fund	12/11/2012	√ 2011	463	178	$ 34,702,690	$ 64,023,659	45.80%	80.72%	$ 6.46		
Indiana Hwy Zone 1B	11/21/2011	2010	507	229	$ 33,642,306	$ 60,630,586	44.51%	81.48%	$ 6.46		
Indiana Bldg Zone Z2	1/5/2011	2009	603	355	$ 32,707,055	$ 54,809,825	40.33%	66.58%	$ 5.62		
(Covers Pulaski, Benton, White, Carroll, Warren, Tippecanoe &		2008	517	273	$ 16,464,235	$ 47,204,876	65.12%	n/a	$ 4.87		
Clinton Counties in Indiana)		2007	646	417	$ 15,767,997	$ 45,029,120	64.98%		$ 4.74		
(Plan Year April 1 thru March 31)		2006	508	278	$ 13,392,900	$ 40,848,217	67.21%		$ 4.59		
EIN: 35-6244812		2005	471	239	$ 12,769,087	$ 37,322,852	65.79%		$ 4.37		
"		2004	491	257	$ 10,889,194	$ 34,500,368	68.44%		$ 4.10		
"		2003	501	284	$ 9,257,959	$ 28,450,665	67.46%		$ 4.05		
"		2002	472	316	$ 3,949,722	$ 24,609,094	83.95%		$ 3.65		
"		2001	434	297	$ 3,387,035	$ 22,996,217	85.27%		$ 3.50		
"		2000							$ 3.25		
Indiana Carpenters Pension Fund	10/9/2012	√ 2011	6,541	2,576	$ 473,828,508	$ 782,853,106	39.47%	81.49%	$ 7.05		
Statewide Indiana Hwy and Hvy Agreement Zones 3A, 3B, 3C & 3D	10/5/2011	2010	6,513	2,693	$ 438,644,654	$ 726,306,427	39.61%	84.88%	$ 6.52		
Central Indiana Bldg Agreement Zones 1, 2, 3 & 4	10/13/2010	2009	6,849	3,384	$ 272,001,403	$ 525,869,067	48.28%	81.73%	$ 5.49		
(Plan Year Jan 1 thru Dec 31)		2008	6,857	3,528	$ 145,803,711	$ 478,851,494	69.55%	101.05%	$ 4.66		
EIN: 35-6057648 Plan 001		2007	6,857	3,528	$ 124,901,570	$ 452,854,045	72.42%		$ 4.15		
		2006	6,375	3,364	$ 108,334,390	$ 403,374,463	73.14%		$ 3.85		
		2005	6,529	3,086	$ 94,919,644	$ 377,614,979	74.86%		$ 3.85		
"		2004	5,718	3,488	$ 53,874,672	$ 316,889,892	83.00%		$ 3.55		
"		2003	5,891	2,755	$ 63,034,595	$ 283,750,142	77.79%		$ 3.40		
"		2002	5,835	3,045	$ (5,219,644)	$ 252,432,356	102.07%		$ 3.00		
"		2001	5,765	3,102	$ (10,898,360)	$ 256,968,001	104.24%		$ 2.60		
"		2000							$ 2.25		
Lower Ohio Valley District Council Pension	7/10/2012	√ 2010	931	253	$ 36,140,640	$ 80,723,245	55.23%	unknown	tbd		
Trust Fund	6/23/2011	2009	1,336	662	$ 30,167,613	$ 74,274,455	59.38%	unknown	tbd		
(Carpenters)	3/16/2010	2008	1,408	769	$ 29,241,677	$ 77,552,177	62.29%		tbd		
(Plan Year Oct 1 thru Sept 30)		2007	942	303	$ 15,111,851	$ 74,314,522	79.67%		$ -		
EIN: 35-6077238		2006	1,164	536	$ 17,554,439	$ 73,862,781	76.23%		$ -		
"		2005	1,189	562	$ 13,694,741	$ 69,565,052	80.31%		$ -		
"		2004	1,432	758	$ 11,129,648	$ 64,068,514	82.63%		$ -		
"		2003	1,474	838	$ 5,616,982	$ 57,083,402	90.16%		$ -		
"		2002	1,840	912	$ 4,822,622	$ 51,824,865	90.69%		$ -		
"		2001	1,805	1,220	$ 5,025,602	$ 54,963,028	90.86%		$ -		
"		2000	1,737	1,292	$ (314,653)	$ 56,013,049	100.56%		$ -		
Iron Workers District Council of Southern Ohio &	11/12/2012	√ 2011	8,481	3,273	$ 893,767,072	$ 1,496,576,907	40.28%	71.79%			
Vicinity Pension Trust	10/26/2011	2010	8,652	3,645	$ 933,152,478	$ 1,477,035,118	36.82%	69.43%	$ 7.70		
(Plan Year Feb 1 thru Jan 31)	11/9/2010	2009	8,905	4,161	$ 952,970,890	$ 1,422,361,092	33.00%	62.70%	$ 7.50		
EIN: 31-6127229		2008	8,697	4,049	$ 680,125,350	$ 1,320,912,823	48.51%	75.95%	$ 7.20		
		2007	8,695	4,049	$ 490,691,628	$ 1,136,474,984	56.82%		$ -		
"		2006	8,386	4,327	$ 471,202,345	$ 1,071,328,863	56.02%		$ -		
"		2005	8,315	3,862	$ 417,830,253	$ 999,906,453	58.21%		$ -		
"		2004	8,390	3,876	$ 343,788,115	$ 925,222,020	62.84%		$ -		
"		2003	8,300	4,041	$ 382,299,470	$ 882,539,007	56.68%		$ -		
"		2002	7,958	4,313	$ 264,525,287	$ 834,893,490	68.32%		$ -		
"		2001							$ -		
"		2000	8,235	4,419	$ 282,177,913	$ 863,719,077	67.33%		$ -		

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Notes:

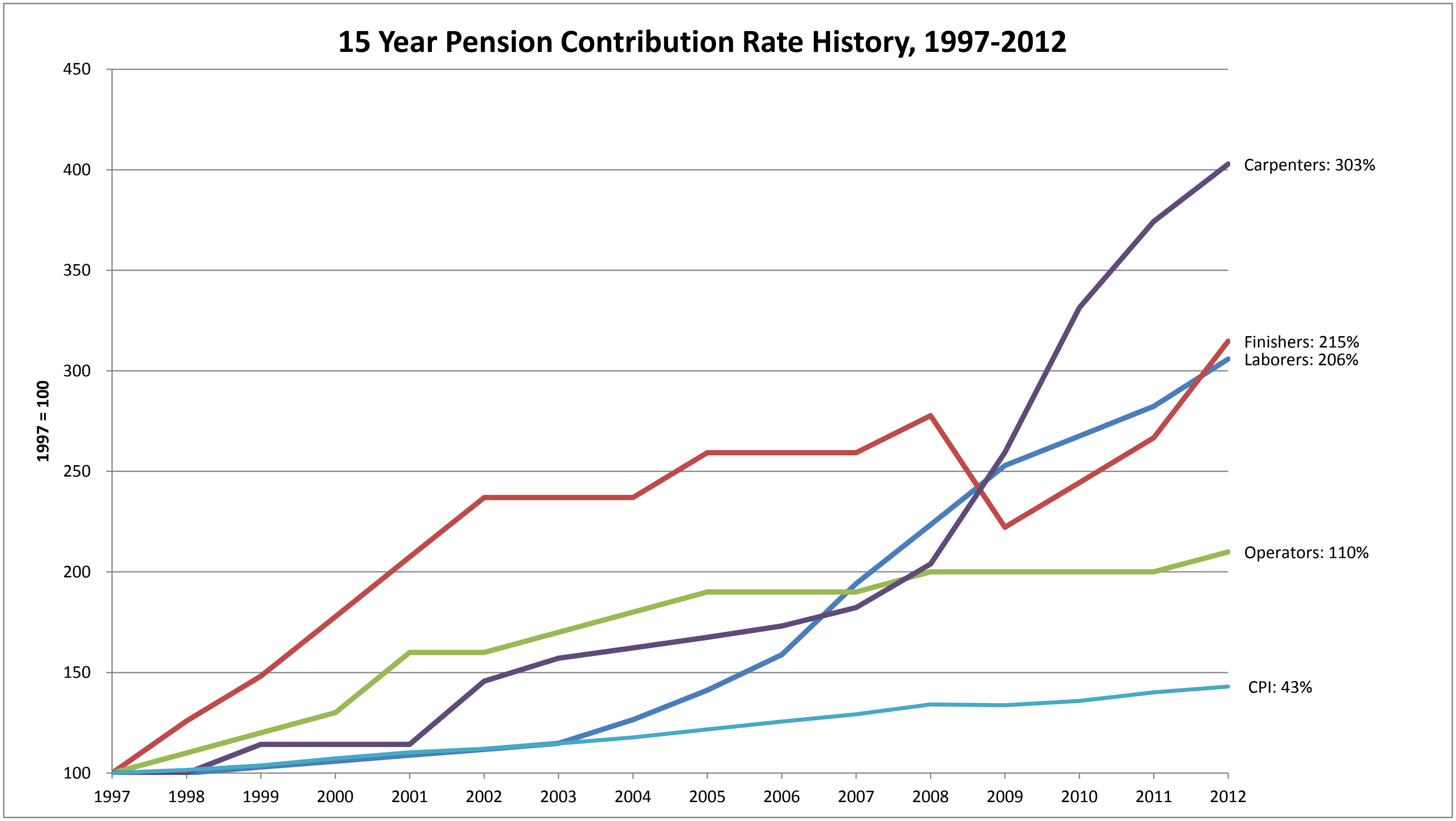
Weblink to Pension Plan Reform Legislation (PPA 2006) http://www.dol.gov/EBSA/pensionreform.html

Plans with funding levels as follows shall be treated as fully funded 2008: over 90%, 2009: over 92%, 2010: over 94%, 2011: over 96%

Plan Status	Definition of:	Length of funding improvement plan	Surcharge until FIP In place
Green Zone (Green)	Liabilities at least 80% or more funded	Not required	
Endangered (Yellow)	Liabilities less than 80% funded but greater than 65% funded.	10 yrs	
Seriously Endangered (Yellow)	Less than 80% funded and there is a projected funding deficiency within 7 years.	15 yrs	
Critical (Red)	Less than 65% funded	10 yrs	1st yr 5%, 2nd yr and up 10%

Endangered Status is defined as a plan that is NOT Critical AND it is described as either: (1) Funded percentage is less than 80% or (2) there is a projected funding deficiency within 7 years.
Seriously Endangered Status is described as a plan that is NOT critical and it is both (1) Funded percentage is less than 80% or (2) there is a projected funding deficiency within 7 years.
Critical Status is defined as meeting one or more of the following: (1) Funded percentage less than 65% and there is a projected funding deficit within 5 yrs or an inability to pay benefits for next 7 years or (2) Projected funding deficiency within 4 yrs, or (3) Inability to pay benefits for next 5 yrs, or (4) Value of benefits for non-actives is greater than for actives; contributions are less than current year costs (ie "normal cost"); and projected funding deficiency within 5 yrs.

Notes:
(1) **Funded current liability percentage**: Is a ratio of the "Current value of assets" (Line 2a of IRS Schedule MB (Form 5500)) to line 2b(4) "Total" column "(2) Current liability", as of the valuation date, expressed percentage.
(2) **Funded percentage for monitoring plan status**: Is a ratio of the "Actuarial value of assets for funding standard account" (Line 1b(2) of IRS Schedule MB (Form 5500)) to "Accrued liability under unit credit as a cost method" (Line 1c(3), as of the valuation date, expressed as a percentage.
All financial and number of participants information was sourced from Department of Treasury, Internal Revenue Service Schedule MB (Form 5500) Annual Return/Report of Employee Benefit Plan documents, filed by the respective pension plans and publicly available. Applicable Form 5500 line numbers are noted.
√ = Recently updated information
Attached to the "Adobe Acrobat" (pdf) version of this spreadsheet (for reference purposes only) is a copy of the IRS Schedule MB (Form 5500) as filed by the Indiana State District Council of Laborers & Hod Carriers Pension Fund for Plan Year 2010.


15 Year Pension Contribution Rate History, 1997-2012
1997 = 100
450
400
350
300
250
200
150
100
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Carpenters: 303%
Finishers: 215%
Laborers: 206%
Operators: 110%
CPI: 43%