

## MASSACHUSETTS LABORERS' ANNUITY FUND

---

---

**14 NEW ENGLAND EXECUTIVE PARK • SUITE 200  
P.O. BOX 4000, BURLINGTON, MASSACHUSETTS 01803-0900  
TELEPHONE (781) 272-1000 OR (800)-342-3792 FAX (781) 272-2226**

December, 2009

Dear Participant:

The Board of Trustees of the Massachusetts Laborers' Annuity Fund is pleased to announce the following **TEMPORARY** change to the Annuity Plan:

Because of the current state of unemployment, effective for the period of January 1, 2010 through December 31, 2010, the Trustees voted to **temporarily** change the termination of employment rules to reduce the period of absence from work, before the participant can apply for a distribution. Participants who have a period of 6 consecutive months during which no contributions are paid to the Fund on their behalf may apply for a distribution. The 6 consecutive month period must occur between July 1, 2009 and December 31, 2010 and must occur immediately preceding the participant's application for a distribution from the Fund.

The above requirement would be considered as a termination of employment for purposes of eligibility to receive a distribution of his or her account. Under this temporary rule, this means that a participant is eligible for a one-time distribution. **Any participant with an account balance of up to \$10,000 may withdraw up to 100% of the account balance. Any participant with an account balance of up to \$20,000 may withdraw up to \$10,000 maximum. For participants with account balances greater than \$20,000, the participant may withdraw 50% of his or her account balance up to \$50,000 maximum.**

This **temporary** change is meant to assist those who are unemployed during this recessionary period. Upon the end of a six-consecutive month period during which no contributions are made to the Fund on your behalf, you may apply for this distribution. **You may make application for a distribution up until December 31, 2010.**

**IMPORTANT!** The Board of Trustees urges you to use extreme caution in withdrawing your Annuity Fund account, as there are significant tax consequences when you receive the money directly rather than rolling over a distribution to a tax-deferred IRA or other qualified retirement plan. The withdrawal will be subject to federal and state income taxes. **Additionally, if you are under 59 ½ years old at the time you make the withdrawal, the withdrawal will also be subject to an additional 10% penalty tax imposed by the IRS (which you are required to pay to the IRS.) Please note that the Fund will not automatically withhold this additional 10% tax penalty unless the participant requests that we do. Therefore, you may want to consult with a professional tax advisor before you take payment of your benefits from the Plan.**

**TAX EXAMPLES\*:**

**1. You last work in October, 2009. At the end of April, 2010, you have not had contributions made to the Fund for 6 consecutive months. In May, you apply for a distribution from the Fund. Your Distribution in 2010 of \$50,000.00 before age 59 ½ years old:**

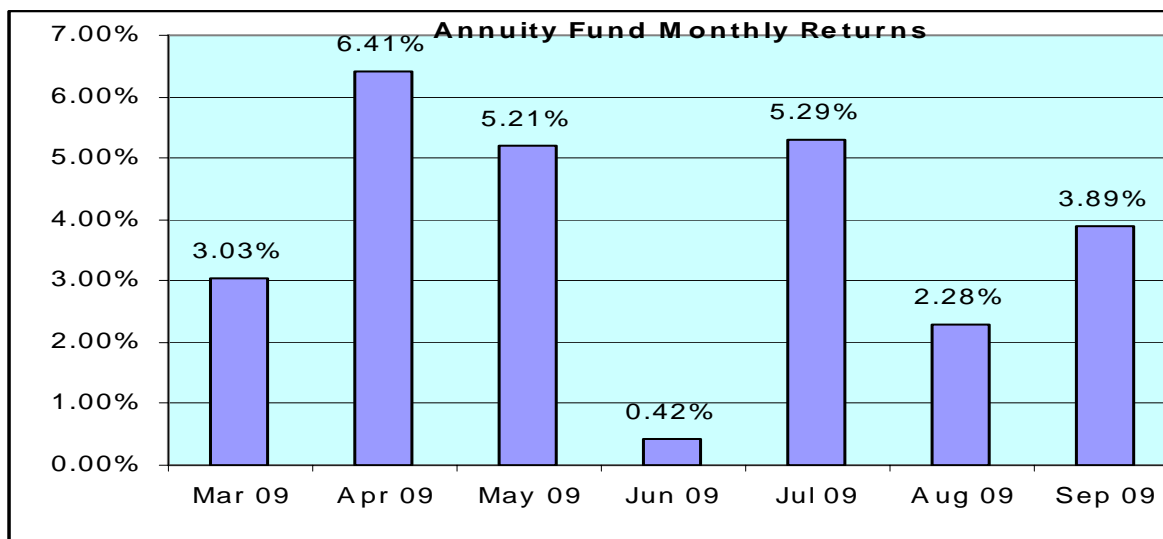
|      |                 |   |
|------|-----------------|---|
|      | \$50,000        | Total distribution from Individual Account                        |
| Less | \$10,000        | 20% federal tax withholding (of the entire \$50,000 distribution) |
| Less | \$ 5,000        | 10% federal early withdrawal penalty tax                          |
| Less | <u>\$ 3,125</u> | State tax withholding (of the entire \$50,000 distribution)       |
|      | <b>\$31,875</b> | <b>Check Received by the Participant</b>                          |

**2. You last work in February, 2010. At the end of August, 2010, you have not had contributions made to the Fund for 6 consecutive months. In September, you apply for a distribution from the Fund. Your Distribution in 2010 of \$10,000.00 before age 59 ½ years old:**

|      |                 |   |
|------|-----------------|---|
|      | \$10,000        | Total distribution from Individual account                        |
| Less | \$ 2,000        | 20% federal tax withholding (of the entire \$10,000 distribution) |
| Less | \$ 1,000        | 10% federal early withdrawal penalty tax                          |
| Less | <u>\$ 625</u>   | State tax withholding (of the entire \$10,000 distribution)       |
|      | <b>\$ 6,375</b> | <b>Check Received by the Participant</b>                          |

**\*These are estimates based on average taxes. However, your personal state tax situation may cause your actual tax percentages to vary.**

Before you apply for your funds, keep in mind that since your Annuity statement balance as of June 30, 2009, the US Stock Market has come back considerably and has yielded returns of over 25% over the last seven months.



If you have any questions about this Notice, please contact:

Annuity Department, Massachusetts Laborers' Benefit Funds, 14 New England Executive Park  
Burlington, MA 01803, (781) 272-1000 or Toll Free (800) 342-3792