

**INTERNATIONAL UNION OF OPERATING ENGINEERS  
LOCAL 98 PENSION PLAN**

**SUMMARY PLAN DESCRIPTION**

Dated: January 1, 2014

# SUMMARY PLAN DESCRIPTION

of the

## INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 98 PENSION PLAN

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# PENSION PLAN MANUAL

The following pages are I.U.O.E. Local 98's Pension Plan Summary Plan Description (the Manual). This Manual describes the Plan as of January 1, 2014.

Your Pension Plan was born on April 1, 1959 and the first pensioner received his benefit on April 1, 1960. The main purpose of a Pension Plan, which is in addition to Social Security and any other plan you may have, is to provide you with an income after you retire from the work force so you and your family can enjoy those retirement years in dignity.

In 1978, Local 98 members commenced participation in the Central Pension Fund of the I.U.O.E., in addition to the Local 98 Plan, provided the applicable collective bargaining agreement required contributions.

The Local 98 Pension Plan is governed by a Board of Trustees, comprised of equal representatives from Local 98 and the Employers Association. It is administered through the Fund Office Staff and has been approved by the Internal Revenue Service and U.S. Department of Labor and has adopted all the rules and regulations required by the Employee Retirement Income Security Act of 1974 (ERISA) and other applicable laws. The Trustees reserve the right to amend, modify or discontinue all or part of the Plan whenever, in their judgment, conditions so warrant.

The purpose of this booklet (Summary Plan Description) is to describe the benefits available to you as a Participant in the I.U.O.E. Local 98 Pension Fund. We suggest you read it thoroughly and carefully, so that you will understand the Plan and its many benefits. You may obtain further information from the Pension Fund Office if you have any questions after reading this booklet.

In the next few pages, you will be given answers to questions which we think will first come to your mind and which will give you, in non-technical language, an outline of the most important provisions of the Plan. While we believe the question and answer section describes the Plan faithfully, the Plan must govern, of course, in case of any conflict.

The text of the Plan, including all amendments to date is available for review at the Fund Office. If you have any questions regarding your eligibility or years of service, please contact the Fund Office which is the only official source of information.

Your Board of Trustees

**SUMMARY PLAN DESCRIPTION  
of the  
INTERNATIONAL UNION OF OPERATING ENGINEERS  
LOCAL 98**

**PENSION PLAN**

**A “defined benefit” plan  
Plan Number: 001; Employer I.D. Number: 04-6127765  
Fiscal Year of the Plan: January 1 through December 31**

**PLAN SPONSOR**

**Board of Trustees, International Union of Operating Engineers  
Local 98 Pension Fund**

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The Board of Trustees is considered the "Plan Administrator." The Plan is administered by and for the Trustees through the

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Two Center Square, P.O. Box 217  
East Longmeadow, Massachusetts 01028

**AGENT FOR THE SERVICE  
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Service may also be made on any Individual Trustee

## **IMPORTANT NOTICE**

In the event there appears to be a conflict between the description of any Plan provisions in this booklet and its statement in the Pension Plan itself (which can be inspected at the Fund Office), the language contained in the Pension Plan is the official and governing language.

Nothing in this booklet is meant to interpret or extend or change, in any way, the provisions expressed in the Plan. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan whenever in their judgment, conditions so warrant.

## **CAUTION**

This booklet and the personnel at the Fund Office are authorized sources of Plan information for you. The Trustees of the Plan have not empowered anyone else to speak for them with regard to Pension Plan. No employer, local business agent, supervisor or steward is in a position to discuss your rights under the Plan with authority.

## **COMMUNICATIONS**

If you have a question about any aspect of your participation in the Plan, you should, for your own permanent record, write to the Administrator or Trustees. You will then receive a written reply, which will provide you with a permanent reference.

## **WRITTEN APPLICATION**

Regardless of your entitlements, you must provide the Fund Office with a completed and signed application seeking benefits. Failure to do so prevents the Fund Office from providing benefits, either retroactively or prospectively.



# **RULES OF ELIGIBILITY**

## **WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN...**

All bargaining unit employees working under a Collective Bargaining Agreement negotiated by Local Union 98 requiring contributions to the Plan and all non-bargaining unit employees on whose behalf contributions are required to be made pursuant to a participation agreement shall be eligible for participation in the Plan as hereafter described.

All such Employees who satisfy the following provisions shall be referred to as Participants.

## **WHEN DO EMPLOYEES BECOME PARTICIPANTS...**

An Employee on whose behalf contributions are required to be tendered to the Plan becomes a participant in the Plan by working a minimum of 120 Hours of Service with a Contributing Employer in the first 12 month period of employment or 120 Hours of Service within any subsequent Plan year.

## **CAN MY PARTICIPATION BE TERMINATED...**

If you incur a permanent Break in Service (described later), your participation in the Plan ends. A temporary Break in Service (described later) results in your benefit rate being frozen.

## **WHEN DO PARTICIPANTS BECOME ENTITLED TO RETIREMENT BENEFITS...**

A participant shall be eligible for retirement benefits as follows:

- (1) Normal Retirement. At least sixty-two (62) years of age and completion of five (5) or more years of Vesting Service. However, a Participant shall also be eligible for a Normal Retirement Pension on or after the later of the following dates: his/her 65<sup>th</sup> birthday or the fifth anniversary of the date he or she first became a Participant in the Plan.
- (2) Early Retirement. At least fifty-five (55) years of age, provided you have at least five (5) years of Credited Service; however, participants subject to the Preferred Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan must have at least thirty (30) years of Credited Service to be eligible for Early Retirement.
- (3) Disability. A Participant shall be eligible for Disability Retirement if he or she has accumulated a minimum of ten (10) years of Credited Service at any age and is totally and permanently disabled.

You must terminate your employment with your employer before you can collect Retirement Benefits from the Plan.

## **CREDITED SERVICE**

### **WHAT IS CREDITED SERVICE...**

Credited Service under the Plan is the number of years of Past Service Pension Credit and Future Service Pension Credit earned from your date of Initiation or Participation in the Plan based on your Hours of Service with Contributing Employers.

### **PAST SERVICE PENSION CREDIT...**

Past Service Pension Credit is the number of years of uninterrupted membership PRIOR to April 1, 1959, retroactive to April 1, 1944, up to a maximum of FIFTEEN (15) YEARS.

### **FUTURE SERVICE PENSION CREDIT...**

Future Service Pension Credit is the number of years, to the completed one-tenth (1/10), credited to a Participant after April 1, 1959 for your Hours of Service with a Contributing Employer.

At the present time, a total of 1,200 hours in a Calendar Year will give you one (1) full year of Future Service Pension Credit. If you work less than the 1,200 hours, you will receive partial credit in accordance with the schedule on page 3.

### **WHAT IS AN HOUR OF SERVICE...**

Generally, an Hour of Service is an hour that you work in bargaining unit employment or an hour that you work for which contributions to the Fund are required pursuant to a Participation Agreement between an Employer and the Trustees. Further, you may be entitled to Hour of Service credit for military service that qualifies under Federal law.

### **BANK OF HOURS...**

Effective January 1, 1987, a "Bank of Hours" of up to two (2) years, as a lifetime maximum, was established based on each Participant's work record from January 1, 1976. The maximum Bank was increased to four (4) years effective January 1, 1999. Thus, the maximum Bank for retirements after January 1, 1999 is 4,800 hours (4 years at 1,200 hours per year). The Bank of Hours is built from those Years in which you accumulated more than 1,200 hours and are credited only to those Plan Years in which you worked a minimum of 239 hours in Covered Employment prior to January 1, 1985, or you worked a minimum of 120 hours in Covered Employment after December 31, 1984. No banked hours will be credited to the first or last calendar year in which you worked in Covered Employment. Hours in a Participants' Bank shall

be applied to the calendar years, in descending order, requiring the fewest hours from the Participant's Bank to accrue one (1) full year of Credited Service (1,200 hours). If you suffer any break-in-service (temporary or permanent), you are not eligible for banked service credit.

The credit from the Bank will be calculated and granted at retirement.

### **SCHEDULE OF FUTURE SERVICE PENSION CREDIT...**

HOURS OF SERVICE	FUTURE SERVICE PENSION CREDIT (January 1 to December 31) (Tenths of Year)
Less than 120	.0
120 but less than 240	.1
240 but less than 360	.2
360 but less than 480	.3
480 but less than 600	.4
600 but less than 720	.5
720 but less than 840	.6
840 but less than 960	.7
960 but less than 1,080	.8
1,080 but less than 1,200	.9
1,200 and over	1.0

The above schedule became effective January 1, 1985. The following schedules apply to Hours of Service before January 1, 1985.

Effective April 1, 1959 to December 31, 1975....

HOURS OF SERVICE	FUTURE SERVICE PENSION CREDIT (January 1 to December 31) (Tenths of Years)
Less than 70	.0
70 to 209	.1
210 to 349	.2
350 to 489	.3
490 to 629	.4
630 to 769	.5
770 to 909	.6
910 to 1049	.7
1050 to 1189	.8
1190 to 1329	.9
1330 and over	1.0

Effective January 1, 1976 to December 31, 1984...

HOURS OF SERVICE	FUTURE SERVICE PENSION CREDIT (January 1 to December 31) (Tenths of Years)
Less than 210	.0
210 to 349	.2
350 to 489	.3
490 to 629	.4
630 to 769	.5
770 to 909	.6
910 to 1049	.7
1050 to 1189	.8
1190 to 1329	.9
1330 and over	1.0

## VESTING

Vesting means that you have a nonforfeitable right to a benefit. Participants who are credited for one or more Hours of Service after December 31, 1998, are vested based on the Vesting Schedule below.

### VESTING SCHEDULE...

YEARS OF VESTING SERVICE	VESTED BENEFIT
1 Year but Less than 5 Years	0%
5 or more Years	100%

### YEAR OF VESTING SERVICE...

After December 31, 1975 you earn a Year of Vesting Service if you work at least 1,000 hours in a Plan Year. However, you still must work at least 1,200 hours in a Plan Year for one (1) Year of Credited Service.

Further, you may be entitled to Vesting Service for military service that qualifies under Federal law.

Finally, you may also be entitled to additional Vesting Service pursuant to the Permanent Transfer provision located at page 27.

## **VESTING SERVICE SCHEDULE...**

One (1) Year of Vesting Service is provided for each Plan Year during which the Participant is reported for at least 1,000 Hours of Service. Ratable Vesting Service is provided according to the following schedule for any Plan Year in which you work less than 1,000 hours.

HOURS OF SERVICE (January 1 to December 31)	VESTING SERVICE CREDIT (Tenths of Year)
0 to 209	.0
210 to 299	.2
300 to 399	.3
400 to 499	.4
500 to 599	.5
600 to 699	.6
700 to 799	.7
800 to 899	.8
900 to 999	.9
1,000 and over	1.0

A participant who becomes Vested under the Plan will be eligible for an unreduced Normal Retirement benefit, a reduced Early Retirement benefit, or a Disability Retirement benefit.

## **BREAK IN SERVICE**

There are two types of Breaks in Service. The first is a temporary Break in Service. This results in your benefit rate being frozen at the level prior to your temporary Break in Service.

The second type is a permanent Break in Service. This results in the loss of Credited and Vesting Service, and is described below in the section entitled, "You Can Lose Your Years of Service."

### **TEMPORARY BREAK IN SERVICE...**

Effective January 1, 1997, a Participant has a Break in Service (also known as two consecutive Service Break Years) after December 31, 1975 if he fails to earn at least 120 Hours of Service in two consecutive Plan Years. Prior to January 1, 1997, a Break in Service occurred during any Plan Year in which the Participant failed to complete at least 120 Hours of Service during a Plan Year. If a Participant has a Break in Service under either applicable standard, the Retirement Rate in effect prior to those years is frozen for the Credited Service accumulated prior to the break.

## **YOU CAN LOSE YOUR YEARS OF SERVICE...**

You earn Credited Service and Vesting Service as long as you work in employment covered by the terms of the Plan. If you accumulate a total of five (5) Years of Vesting Service after December 31, 1998, you have a Vested Benefit in the Plan and can never lose your Years of Credited Service and Vesting Service, unless previously forfeited.

However, if you do not accumulate the minimum of five (5) Years of Vesting Service after December 31, 1998 or if you are not vested under the terms of the prior plan and you do not continue to work in Covered Employment after December 31, 1998, you can lose all the Years of Credited Service and Vesting Service earned.

If you suffer a Break in Service and do not work in Covered Employment after December 31, 1998, your vesting will be determined under the terms of the prior plan (see below).

From 1959 to 1966, there were no vesting provisions in the Plan and a Participant lost all years of Credited Service if he “failed to earn at least one-half Year of Credited Service in any period of three (3) consecutive years.”

From April 1, 1966 to December 31, 1975, once a Participant accumulated at least fifteen (15) years of Credited Service, he became “Vested” in the Plan and could never lose his Years of Credited Service.

From January 1, 1976 to December 31, 1998, a Participant who accumulated at least ten (10) Years of Vesting Service became “Vested” in the Plan and could never lose his Years of Credited Service or Vesting Service.

Any non-vested Participant who fails to work in bargaining unit employment for which contributions to the Fund are required after December 31, 1998 and who had two consecutive Service Break Years prior to 1999 will forfeit or lose his years of Credited Service and Vesting Service if he fails to accumulate 120 Hours of Service during a Plan Year after 1998 and the number of consecutive Plan Years which are Service Break Years equals or exceeds the greater of five (5) or his Years of Vesting Service. Notwithstanding the foregoing, prior to January 1, 1997, a Break in Service occurred during any Plan Year in which the Participant failed to complete at least 120 Hours of Service during a Plan Year.

If you are not reported in Covered Employment for at least 120 hours in a Plan Year because of a maternity or paternity leave, a grace period will be granted in that Plan Year to help you avoid a Break in Service and the loss of your Credited Service and Vesting Service. A maternity or paternity leave is an absence due to pregnancy, the birth of your child, the placement of a child with you for purposes of adoption by you, or the care of a sick child for the period immediately following such birth or placement. Hours credited under a maternity or paternity leave of absence will prevent a Break in Service only; they are not used to calculate Credited Service or Vesting Service Credit. To qualify for a grace period under the one-year Break in Service rule, it is your personal responsibility to submit written verification to the Fund Office

within 90 days of the beginning of maternity leave of absence or paternity leave of absence. A maternity or paternity leave cannot be used to prevent a Temporary Break in Service; it will not prevent the Plan from freezing your benefit.

### **FOR EXAMPLE...**

(1) Joe has accumulated four (4) years of Credited Service and Vesting Service under the Plan. For one reason or another, he never works again as an Operating Engineer. He is not vested as he has not accumulated the required five (5) Years of Vesting Service and his participation ends.

Joe will lose those four (4) Years at the end of the fifth year following the year he last works at least 120 Hours of Service.

(2) Jonathan had accumulated eight (8) Years of Vesting Service under the Plan on December 31, 1998. For one reason or another, he never works again as an Operating Engineer. Jonathan is not vested as he had not accumulated the required ten (10) years of Vesting Service under the prior plan and his participation ends.

Jonathan will lose those eight (8) years at the end of the eighth year following the year he last works at least 120 Hours of Service.

However, if Jonathan returns to work in Covered Employment before the end of those eight (8) years his rights under the Plan will be restored if he works at least 120 hours in a year and becomes a Participant.

## **RETIREMENT BENEFITS**

### **HOW ARE BENEFITS DETERMINED...**

The amount of your monthly Retirement Benefit is determined by two (2) factors:

- (1) The Years of Credited Service accumulated, and
- (2) Your Retirement Rate, determined as follows:
  - For Credited Service earned on or before December 31, 2006, it is the Retirement Rate in effect on the earlier of the date of your retirement or any Service Break Year; and
  - For Credited Service earned on and after January 1, 2007, the Retirement Rate (or Future Service Rate), is determined each year.

We have explained how you accumulate Credited Service and Vesting Service and how many Hours of Service you must earn to avoid a Service Break Year. Now we will explain the rate of retirement.

### **RETIREMENT RATE...**

The retirement rate is determined by the Board of Trustees based on the contributions received by the Trust and the return on the investments of the Trust. The Trustees have a valuation prepared annually by an Actuary who receives all the information from the Fund Office and advises the Trustees as to any change in benefits that can be supported by past, present and future income.

### **PAST SERVICE RATE...**

In 1959, a Past Service Rate was placed on all years prior to the start of the Plan from 1944 to 1959, up to a maximum of 15 years. The original rate of \$2.60 was increased many times to the present rate (see Retirement Schedule). This Past Service Rate is applied to Credited Service earned before April 1, 1959.

### **FUTURE SERVICE RATE...**

A Future Service Rate was placed on all years of Credited Service earned between April 1, 1959 and December 31, 1975. A separate Future Service Rate was placed on all years of Credited Service earned after 1975. These rates have been increased many times to the present rate (see Retirement Schedule). Effective January 1, 2007, the Plan is amended so that the \$101 Future Service Rate will be pro-rated if your Contributing Employer contributes on your behalf less than what the Trustees have determined to be the **"Target Contribution Rate"**. This change only affects work in Covered Employment on and after January 1, 2007, and will not affect your benefit accrued under the Plan prior to that date.

The Target Contribution Rate is the contribution rate that is required to be contributed by a Contributing Employer on behalf of a Participant in order for the Participant to earn the full \$101 Future Service Rate for Credited Service earned that year (for at least 1,200 hours of work in Covered Employment). If an hourly contribution amount of less than the Target Contribution Rate is made by your employer, then your Future Service Rate (or accrual rate) for your hours worked that year will be pro-rated and based on a formula.

The Target Contribution Rate was increased to \$6.30 starting January 1, 2014. This Target Rate is expected to increase by \$.50 each year for the foreseeable future. (In 2007 and 2008, the Target Contribution Rate was \$3.30; in 2009 the Target Contribution Rate was \$3.80; in 2010 the Target Contribution Rate was \$4.30; in 2011 the Target Contribution Rate was \$4.80; in 2012 the Target Contribution Rate was \$5.30, and in 2013 the Target Contribution Rate was \$5.80.)



Effective January 1, 2011, unless a subsequent date is required by the Rehabilitation Plan, the Future Service Rate for Participants subject to the 2010 Default Schedule of the Rehabilitation Plan shall be reduced from \$101.00 to \$66.00.

Effective January 1, 2014, unless a subsequent date is required by the Funding Improvement Plan, the Future Service Rate for Participants subject to the 2012 Default Schedule of the Funding Improvement Plan shall be reduced to \$10.00.

## HOW YOUR FUTURE SERVICE RATE (ACCRUAL RATE) WILL BE PRORATED

If you work for an employer who contributes at a rate that is at least the Target Contribution Rate, \$6.30 for 2014, and you work at least 1,200 hours in Covered Employment, you will be credited with the \$101 Future Service Rate for your hours worked that year. If the contribution rate for your employer is less than the Target Contribution Rate, your Future Service Rate will be pro-rated, or adjusted, to take into account the lower contribution rate your employer has made on your behalf as follows:

- Your Employer's Contribution Rate (made on your behalf); **divided by**
- The Target Contribution Rate (currently \$6.30); **multiplied by**
- The current Future Service Rate for those subject to the Preferred Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan (currently \$101); **equals**
- Your Future Service Rate (accrual rate) for the Plan Year. This amount will be rounded up to the next whole dollar.

**Consider this example.** You work for the same Contributing Employer all year and work at least 1,200 hours. However, your Employer, according to the collective bargaining agreement, is contributing to the Plan at a rate of \$3.10 for each hour you work in Covered Employment. This amount is *below* the Target Contribution Rate of \$6.30 an hour. Therefore, your Future Service Rate will be pro-rated for that year as follows:

$\$3.10$  (your employer's contribution rate)  $\div$   $\$6.30$  (Target Contribution Rate) =  $.49 \times \$101$   
(Future Service Rate) =  $\$49.49$  (rounded up to  $\$50.00$ )

**Your Future Service rate for that Plan Year would be \$50.00**

## HOW YOUR FUTURE SERVICE RATE (ACCRUAL RATE) WILL BE DETERMINED IF YOU WORK FOR MULTIPLE EMPLOYERS DURING THE SAME PLAN YEAR

It is not uncommon for a member to work on several job sites and for numerous contributing employers throughout the year. If you work for numerous employers that are contributing at or above the Target Contribution Rate (currently \$6.30 per hour), this change will not affect you. However if some of your hours were worked for contributing employers at less than the Target Contribution Rate, the Fund Office will determine an average Employer Contribution Rate. The Plan takes this into account and provides you with the highest Future Service Rate possible, considering all of your hours worked for contributing employers and the various contribution rates. This is how it works:

The formula for calculating the average Employer Contribution Rate used to determine the pro-rated Future Service Rate described above is as follows:

- Total Contributions received on your behalf (to a maximum of 1,200 hours); **divided by**
- 1,200 hours; **equals**
- Average Employer Contribution Rate

Consider the following work history record for Joe during 2013:

Work Periods	Employer	No. of Hours*	Hours Used	Contribution Rate	Contributions*	Contributions Used
11/1/13-12/31/13	Employer 1	400	400	\$3.40	\$1,360	\$1,360
6/1/13-7/15/13	Employer 2	200	200	\$3.30	\$660	\$660
1/1/13-5/20/13*	Employer 3	800*	600	\$2.90	\$2,320	\$1,740
8/15/13-9/30/13	Employer 4	140	0	\$2.65	\$371	\$0
<b>Totals</b>		<b>\$1,540</b>	<b>1,200</b>		<b>\$4,711</b>	<b>\$3,760</b>

In the example above, Joe worked for four employers during the 2013 Plan Year, at different contribution rates and worked a total of 1,540 hours. Only up to 1,200 hours are used to determine the average Employer Contribution Rate. To determine the highest average Employer Contribution Rate, the hours Joe worked that are attributable to the highest employer contribution rate are used first, regardless of when he worked during that Plan Year, and so on.

As you can see in the above example, Joe worked 400 hours for Employer 1 during the period 11/1/13 through 12/31/13, at an employer contribution rate of \$3.40. Those hours will be used first. Joe's work period for Employer No. 2 provided the second highest contribution

rate of \$3.30 and he worked 200 hours for that employer, so those hours will be used next, and so on. Since only 1,200 hours are used to determine the average Employer Contribution Rate, not all the hours used for Employer 3 will be counted, and none of the hours Joe worked for Employer No. 4 will be counted for purposes of this calculation because they had the 3<sup>rd</sup> and 4<sup>th</sup> lowest contribution rates, respectively.

Joe's average Employer Contribution Rate for the Plan Year 2013 would be determined as follows:

$$\mathbf{\$3,760 \text{ (Employer Contributions)} \div 1,200 = \$3.13 \text{ (average Employer Contribution Rate)}}$$

The average Employer Contribution Rate is then used in the calculation to describe your prorated Future Service Rate for the Plan Year.

### **I.R.S. LIMITATION OF BENEFITS**

Pursuant to the requirements of the Internal Revenue Code, the Trustees and Administrator are prohibited from providing benefits in excess of the Internal Revenue Code provisions.

## **RETIREMENT SCHEDULE**

### **SERVICE BEFORE APRIL 1, 1959...**

The Past Service Rate for retirements after December 31, 1999 is \$40.00 per year for any year worked from April 1, 1944 to April 1, 1959. Participants must have worked at least 120 Hours of Service in Covered Employment during 1998 to receive the \$40.00 Past Service Rate.

### **SUMMARY OF FUTURE SERVICE RATES...**

<u>Participant Retired</u>	<u>Years Before 1976</u>	<u>Years After 1975</u>
04/01/60 - 05/31/62	\$ 2.60	---
06/01/62 - 03/31/69	\$ 4.00	---
04/01/69 - 12/31/71	\$ 8.25	---
01/01/72 - 12/31/72	\$ 10.00	---
01/01/73 - 12/31/75	\$ 12.00	---
01/01/76 - 12/31/78	\$ 12.00	\$ 14.00
01/01/79 - 12/31/80	\$ 12.00	\$ 18.00
01/01/81 - 12/31/82	\$ 12.00	\$ 24.00

01/01/83 - 12/31/84	\$ 12.00	\$ 30.00
01/01/85 - 12/31/86	\$ 12.00	\$ 31.00
01/01/87 - 12/31/88	\$ 12.00	\$ 35.00
01/01/89 - 12/31/90	\$ 12.00	\$ 50.00
01/01/91 - 12/31/91	\$ 12.00	\$ 55.00
01/01/92 - 12/31/92	\$ 12.00	\$ 65.00
01/01/93 - 12/31/94	\$ 12.00	\$ 70.00
01/01/95 - 12/31/96	\$ 12.00	\$ 73.00
01/01/97 - 12/31/97	\$ 12.00	\$ 80.00
01/01/98 - 12/31/98	\$ 12.00	\$ 92.00
01/01/99 - 12/31/99	\$ 40.00	\$100.00
01/01/00 -	\$ 40.00	\$101.00

The Future Service Rate used to determine a Participant's benefit will be the rates from the above Schedule that are in effect on the date of the Participant's retirement or any earlier date of a Service Break. Participants must work at least 120 Hours of Service in Covered Employment in the Plan Year immediately prior to that date. The Rates cover service in each year after April 1, 1959 in which you work at least 120 hours in Covered Employment.

**EXAMPLE OF RETIREMENT BENEFIT CALCULATION...**

A participant joined I.U.O.E. Local 98 in 1972 and has been in continuous good standing since that date. He continued to work for contributing contractors every year, and worked the minimum number of hours to receive a full year of Future Service Pension Credit (he was very fortunate)...

On January 1, 2014, he became sixty-two (62) years of age and retired.

His highest monthly benefit would be the following:

.....

<b>Future Service Credit - 01/01/72 to 12/31/75:</b>	
4 Yrs. X \$40.00 per year .....	\$ 160.00
 <b>Future Service Credit - 01/01/76 to 12/31/13:</b>	
37 Yrs. X \$101.00 per year .....	\$3,737.00

TOTAL YEARS OF SERVICE.....41

TOTAL MONTHLY PENSION AT AGE 62..... \$3,897.00

The Internal Revenue Code limits the amount of benefits that can be paid by the Plan to Participants. Under no circumstances, shall the Plan pay or be obligated to pay benefits that exceed these limitations. No provision of this manual or in any other document or instrument governing or impacting the Plan should be interpreted to require the payment of benefits that exceed these limitations.

### **PERMANENT INCREASES FOR RETIRED PARTICIPANTS**

Occasionally, the Trustees offer all those in pay status prior to a certain date an increase in their monthly Pension benefits. Permanent increases are listed in the chart below.

<u>Date</u>	<u>Monthly Amount</u>
January 1, 1979	10% increase per month
July 1, 1983	7.5% increase per month
January 1, 1989	10% increase per month
January 1, 1992	\$150.00 per month
January 1, 1998	\$ 100.00 per month
January 1, 2000	\$ 25.00 per month

### **TEMPORARY BENEFITS TO PENSIONERS AND BENEFICIARIES**

The Trustees reserve the right to provide temporary benefits in addition to monthly Retirement Benefits. Temporary benefits are one time payments that the Trustees agree to pay to all Pensioners or Beneficiaries. Temporary benefits are non-vested, non-accrued and non-permanent. Benefits that were paid are listed in the chart below:

<u>Date</u>	<u>Non-Vested Amount</u>	<u>Minimum Non-Vested Amount</u>
December, 1996	Monthly Benefit	None
December, 1997	90% of Monthly Benefit	\$500.00
December, 1998	105% of Monthly Benefit	\$500.00
December, 1999	Monthly Benefit	\$500.00
December, 2000	95% of Monthly Benefit	\$500.00
December, 2001	80% of Monthly Benefit	\$500.00

## **WHEN WILL RETIREMENT BENEFITS BE PAID**

### **NORMAL RETIREMENT...**

This benefit is payable, upon fully completed written application, on the first of the month following your sixty-second (62<sup>nd</sup>) birthday and completion of five (5) or more years of Vesting Service. If you have less than five (5) years of Vesting Service, you may retire on the first of the month following the later of your sixty-fifth (65<sup>th</sup>) birthday or the fifth (5<sup>th</sup>) anniversary of your participation. Your Normal Retirement Pension is an unreduced benefit payable for the life of the retired participant.

If you are married on the starting date of your Normal Retirement you will receive your Normal Benefit in a reduced Life Annuity And 50% Continuance to Spouse form unless you and your spouse elect another form of Pension as described on pages 16–19 (“HOW WILL RETIREMENT BENEFITS BE PAID”). If you elect to receive the Life Annuity And 50% Continuance to Spouse form but your spouse dies before you, your benefit will “pop-up” to equal the Normal Retirement Benefit commencing on the first day of the next month. A 60 Payment Guarantee will be paid if you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement.

If you are not married you will receive the 60 Payment Guarantee to your Beneficiary, if you worked a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement. You may also elect the Ten Years Certain option as described on page 17.

Your Normal Retirement pension will begin no later than the April 1<sup>st</sup> following your 70½ birthday unless you are active in Covered Employment and complete the appropriate Election.

### **EARLY RETIREMENT...**

If you are subject to the Preferred Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan, this benefit is payable, upon application, the first of the month following your fifty-fifth (55<sup>th</sup>) birthday and completion of thirty (30) or more years of Credited Service. Otherwise, this benefit is payable, upon application, to an eligible Participant on or after the first of the month following your fifty-fifth (55<sup>th</sup>) birthday and completion of five (5) or more years of Credited Service.

This benefit is calculated in the same manner as the Normal Benefit, but for benefits accrued before January 1, 2007, reduced at the rate of one-twelfth of one percent for each full calendar month your Early Retirement Date precedes your Normal Retirement Date (or one percent per year). For benefits accrued on and after January 1, 2007, the reduction will be one-half of one percent for each full calendar month your Early Retirement Date precedes your Normal Retirement Date (or 6% per year). This benefit is payable for the rest of your life.

If you are married, you may choose a benefit form option other than the Life Annuity and 50% Continuance to Spouse option, or other spousal survivor options (66-2/3% Joint and

Survivor Option, 75% Qualified Optional Survivor Option and 100% Joint and Survivor Option), only if you and your spouse waive, in writing, the spousal options. You will receive a 60-Payment Guarantee if you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement.

If you are not married you will receive a 60-Payment Guarantee to your Beneficiary if you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement. You may also elect the Ten Years Certain option as described on page 17.

## **DISABILITY RETIREMENT...**

If you leave Covered Employment because of a disability and you are covered by the Plan at the inception of the disability, and have accumulated at least ten (10) years of Credited Service, and become totally and permanently disabled, you will be entitled, upon application, to receive a Disability Benefit calculated using the rate in effect for Normal Retirement at the time of your total and permanent disability, and reducing it by one-half of one percent for each calendar month your Disability Retirement Date precedes your Normal Retirement Date (or 6% per year), with a maximum reduction of 42%. The Trustees may accept as sole proof of total and permanent disability a determination by the Social Security Administration that you are entitled to disability insurance benefits under the Federal Social Security Act. This Benefit is payable, as long as you are totally and permanently disabled, on the first month following the date of your total and permanent disability, as determined by a qualified physician (M.D.) or receipt of a Social Security Disability Award, but in no event earlier than the first month following your filing a completed disability pension application. If you choose to receive a Disability Pension, you waive any entitlement to an Early Retirement Pension, and you are not required to make a benefit election until you attain Normal Retirement Age. You must re-apply upon reaching Normal Retirement Age.

If you are not married at the inception of your Disability Retirement, your Disability Benefit is an unreduced benefit payable for the life of the disabled participant (Single-Life Option). You must elect a new optional form of benefit payment upon attaining Normal Retirement Age. If you are married on the starting date of your Disability Retirement, you will receive your Disability Benefit in a reduced Life Annuity and 50% Continuance to Spouse form unless you and your spouse elect a Single-Life Option, a 75% Joint and Survivor Option, or a 100% Joint and Survivor Option. If you remain totally and permanently disabled at your Normal Retirement Age, your Disability Benefit will end and your Normal Retirement Pension will begin upon receipt of your application. A new election must be made upon attaining Normal Retirement Age.

Effective March 23, 2004, to be eligible for a Disability Pension, a Participant must have worked in Covered Employment at least 120 hours during each of the following: (1) the current Plan Year in which the disability occurred; and (2) the two immediately prior Plan Years. In the event the individual does not satisfy the disability requirement of having 120 hours of Covered Employment in the year the disability occurs, the individual must have at least 120 hours of Covered Employment in each of the three immediately prior Plan Years.

The Disability Benefits are eliminated for Participants subject to the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan Default Schedule who were not in pay status for such benefits prior to January 1, 2011.

## **DEFERRED VESTED RETIREMENT...**

If you suffer a Break in Service prior to satisfying the service requirements for a Pension from the Plan but after becoming Vested, you shall be eligible, upon application, for a Deferred Vested Pension commencing at your Normal Retirement Age. If you suffer a Break in Service prior to satisfying the age requirements for a Pension from the Plan, but after becoming Vested and satisfying the service requirements (at least five (5) years of Credited Service, or thirty (30) years of Credited Service if you are subject to the Preferred Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan) for an early retirement pension from the Plan, you shall be eligible, upon application, for a reduced benefit commencing on or after age 55.

If the Deferred Pension begins after you reach your Normal Retirement age, the monthly amount of the Deferred Pension will be determined the same as the monthly amount of the Normal Pension which you would have received if you had been eligible to retire on the last day you worked in Covered Employment. However, the Deferred Pension will not be paid with the 60-Payment Guarantee.

If your Deferred Pension begins after you reach your Early Retirement age but before Normal Retirement age and you have at least five (5) Years of Credited Service (or 30 years of Credited Service if you are subject to the Preferred Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan), it will be determined the same as the monthly amount of the Early Pension which you would have received if you had been eligible to retire on the last day you worked in Covered Employment. However, the Deferred Pension will not be paid with the 60-Payment Guarantee.

## **HOW WILL RETIREMENT BENEFITS BE PAID**

A Participant who has satisfied the age and eligibility requirements for a Normal, Early, or Deferred Retirement benefit may, prior to retirement, select one of the following optional forms of pension benefits. Selection of an optional form will reduce the monthly benefit during the Participants lifetime and provide a benefit to the surviving spouse, or listed beneficiary. All options are based on the nearest ages of the retired participant and spouse at the time of retirement. If you are married, you may choose a benefit form option other than the Life Annuity and 50% Continuance to Spouse option, or other spousal survivor options (66-2/3% Joint and Survivor Option, 75% Qualified Optional Survivor Option and 100% Joint and Survivor Option), only if you and your spouse waive, in writing, the spousal options.



## **SINGLE LIFE OPTION...**

This option would provide you with a monthly benefit for the rest of your life. Unless you are eligible for the 60-Payment Guarantee or the Post-Retirement Death Benefit described on page 20, no death benefit would be payable to your spouse or your beneficiary.

## **TEN YEARS CERTAIN OPTION...**

This option is available at Normal or Early Retirement age. The Ten Years Certain Option may be popular with participants who do not have a spouse or who may be younger than their spouse. This option would be a reduced benefit guaranteed to you or your spouse or to a beneficiary you may name for a ten-year period. If you should survive the ten-year period, the option would be cancelled and this monthly benefit becomes your normal benefit payable for your lifetime with all benefits ceasing at your death. This option is not available to Disability Retirees.

## **LIFE ANNUITY AND 50% CONTINUANCE TO SPOUSE...**

This option would provide you with a reduced monthly benefit for the rest of your life and your surviving spouse would receive fifty percent (50%) of that benefit for the rest of the spouse's life after your death. If you elect this option and your spouse dies before you, your benefit will "Pop-Up" to the amount you would have been receiving commencing on the first day of the month following your spouse's death and will be payable for your lifetime. The 60-Payment Guarantee will apply to the unreduced amount provided you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement.

## **66-2/3% JOINT AND SURVIVOR OPTION...**

This option would provide you with a reduced monthly benefit for the rest of your life and your surviving spouse would receive two thirds (2/3's) of that benefit for the rest of her life after your death. If you elect this option and your spouse dies before you, your benefit will "pop-up" to the amount you would have been receiving commencing on the first day of the month following your spouse's death and will be payable for your lifetime. The 60 Payment Guarantee will apply to the unreduced amount provided you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement. The 60-Payment Guarantee will apply to the unreduced amount provided you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement. This option is not available to Disability Retirees.

## **75% QUALIFIED OPTIONAL SURVIVOR OPTION...**

This option would provide you with a reduced monthly benefit for the rest of your life and your surviving spouse would receive seventy-five percent (75%) of that benefit for the rest of her life after your death. If you elect this option and your spouse dies before you, your

benefit will “pop-up” to the amount you would have been receiving as of the first day of the month following your spouse’s death and will be payable for your lifetime. The 60-Payment Guarantee will apply to the unreduced amount provided you work a minimum of 500 hours of Covered Employment in the year immediately preceding your retirement.

### **100% JOINT AND SURVIVOR OPTION...**

This option would provide you with a reduced monthly benefit for the rest of your life and your surviving spouse would receive the same reduced benefit for the rest of her life after your death. If you elect this option and your spouse dies before you, your benefit will “pop-up” to the amount you would have been receiving commencing on the first day of the month following your spouse’s death and will be payable for your lifetime. The 60-Payment Guarantee will apply to the unreduced amount provided you work a minimum of 500 hours in Covered Employment in the year immediately preceding your retirement.

### **POP-UP BENEFIT...**

If a retired participant is receiving a Normal Retirement Pension with a Life Annuity and Continuance to Spouse Option (50%, 66-2/3%, 75%, or 100%) so that his spouse will receive a benefit after his death, and the spouse dies before the participant, the participant's benefit will "pop-up" to the amount the participant would have been receiving and will be payable for his lifetime. This benefit is effective for Normal Retirement Pensions commencing on or after January 1, 1990. Effective January 1, 1998, a Pop-Up Benefit will be provided to a Participant electing Early Retirement on or after that date with any Continuance to Spouse Option. This benefit is not available for Disability Pensions.

### **REQUIRED SINGLE-SUM PAYMENT...**

If the benefit you are entitled to receive has a single-sum value of \$5,000 or less, you will receive your benefit in a single payment.

### **DIRECT TRANSFERS AND ROLLOVERS...**

All or part of certain distributions may be transferred directly from this Plan to another qualified retirement plan or to an Individual Retirement Account (“IRA”). These are referred to as Eligible Distributions. The Single-Sum payment, referenced above, except for limited circumstances, is an Eligible Distribution. However, the following ARE NOT Eligible Distributions:

- (1) Any distribution which is one of a series of payments to be made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your spouse or other beneficiary; or

- (2) Any distribution which is one of a series of payments being made over a period of at least ten (10) years; or
- (3) Any distribution which is a minimum distribution required to be made by law after you attain age 70-1/2; or
- (4) The portion of any distribution which is not includable in your gross income.

Effective for distributions made after December 31, 2006, Eligible Distributions also include distributions made to a nonspouse designated beneficiary but only if such distribution is directly transferred to an IRA and the IRA is treated as inherited for federal tax purposes.

If you make a direct transfer of an Eligible Distribution you will not generally be liable for income taxes on the amount transferred and the Plan will not be required to withhold taxes from the distribution. Even if you do not make a direct transfer of an Eligible Distribution, you can generally avoid paying income taxes on the Eligible Distribution if you pay that amount to another qualified retirement plan or to an Individual Retirement Account within sixty (60) days after you receive it. Such a payment is referred to as a "Rollover Contribution." However, in that case, the Plan must withhold taxes from the distribution.

When you are entitled to receive a distribution from the Plan, the Fund Office will provide you with information about the distribution, any tax withholding requirements, and a form for you to elect to have an Eligible Distribution transferred directly to another qualified retirement plan or to an Individual Retirement Account. **You should consult your tax advisor to get more specific information about the tax consequences of any distribution.**

## DEATH BENEFITS

There are two (2) types of single sum death benefits that are paid to your beneficiary.

- (1) Pre-retirement or before retirement death benefits.
- (2) Post-retirement or after retirement death benefits.

If you do not list a beneficiary, or if the beneficiary you list with the Fund Office is not living, the Trustees will make payment according to the terms of the Plan.

## **PRE-RETIREMENT DEATH BENEFIT...**

A single sum benefit of \$6,000 will be paid to your beneficiary if, at the time of your death, you had not retired and had accumulated at least ten (10) years of vesting service under the Plan and you did not have an eligible spouse at the time of your death.

For Participants subject to the Default Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan, the Pre-Retirement Death Benefit is eliminated for all deaths after January 1, 2011, and for all Participants whether retired or not.

## **POST-RETIREMENT DEATH BENEFIT...**

A single sum benefit of at least \$7,500 will be paid to your beneficiary if, at the time of your death, you had retired under the Pension Plan, were eligible for benefits under the International Union of Operating Engineers Local 98 Health and Welfare Fund at the time of your retirement and had not suffered a Service Break Year without returning to covered employment, regardless of pension entitlement. If, at the time of your death, you are not eligible for the I.U.O.E. Local 98 Health and Welfare Fund death benefit but you have at least 20 years of pension credit and worked at least 2 years (at least 120 hours in each year) of the last 3 years prior to retirement, a single-sum benefit will be paid to your beneficiary.

Effective for retirements on or after January 1, 1998, the post-retirement single sum benefit is based on your years of vesting service as follows:

YEARS OF VESTING SERVICE	DEATH BENEFIT
5	\$ 7,500
6	\$ 8,500
7	\$ 9,500
8	\$10,500
9	\$11,500
10	\$12,500
11	\$13,500
12	\$14,500
13 or more	\$15,000

For Participants subject to the Default Schedule of the 2010 Rehabilitation Plan and 2012 Funding Improvement Plan, the Post-Retirement Death Benefit is eliminated for all deaths after January 1, 2011, and for all Participants whether retired or not.

## **SPOUSE DEATH BENEFIT BEFORE PARTICIPANT REACHES NORMAL RETIREMENT AGE...**

In the event of the death of an active Participant who, at the time of death,

- (1) is married for at least one year immediately preceding death, and
- (2) has earned a Vested Pension, and
- (3) has not reached the Normal Retirement age of 62, and
- (4) has not yet applied for a pension benefit;

there shall be payable to the Spouse a monthly pension for life equal to 50% of the monthly benefit that would have been payable to the Participant as if he had retired at the date of death and received a Life Annuity and 50% Continuance to Spouse benefit beginning the first of the month in which the Participant would have become eligible for a pension benefit had he lived.

### **SPOUSE DEATH BENEFIT ON OR AFTER PARTICIPANT REACHES NORMAL RETIREMENT AGE...**

In the event of death of an active Participant who, at the time of death,

- (1) is married for at least one year immediately preceding death, and
- (2) has earned a Vested Pension, and
- (3) has attained Normal Retirement age of 62, and
- (4) has not retired on a pension under this Plan;

there shall be payable to the Spouse, for a period of sixty (60) months, a monthly pension equal to the benefit that would have been payable to the Participant as if he retired on the date of death and received a Life Annuity and 50% Continuance to Spouse benefit. Thereafter, the monthly pension benefit shall be reduced by fifty percent (50%) for the balance of the Spouse's lifetime.

## **LOSS OF BENEFITS**

### **WORKING AFTER RETIREMENT...**

#### **A. Normal Pension Benefits**

You cannot receive a pension benefit from the Plan after your Normal Retirement Age and at the same time perform work in excess of thirty-nine (39) hours in a month in Prohibited Employment. "Prohibited Employment" is defined as employment which may be considered directly or indirectly under the jurisdiction of the Operating Engineers, either hoisting, portable, or stationery, in the geographic area of the Plan, as defined

below. If you do perform such Prohibited Employment while retired, you will forfeit your pension benefit for any month in which you are so employed.

**B. Early Pension Benefits**

For benefits accrued before December 11, 2000, your early pension benefit will be suspended for each such calendar month if you work for one (1) hour in Prohibited Employment in the geographic area of the Plan as defined below.

For benefits accrued on and after December 11, 2000, and before January 1, 2010, your early pension benefit will be suspended for each calendar month that you work: (1) for one (1) hour in Prohibited Employment in the geographic area of the Plan as defined below; and/or (2) for one (1) hour in any other type of building trades or crafts in any state [hereinafter referred to as “Disqualifying Employment”].

For benefits accrued on or after January 1, 2010, payment of a monthly Early Pension shall be suspended and forfeited for each month in which the Pensioner: (1) works any hours in Prohibited Employment as defined above; and/or (2) works any hours in any type of work covered by any IUOE Local Union No. 98 collective bargaining agreement (regardless of whether the Pensioner performed such work/services prior to commencement of his early retirement benefits and regardless of the location of such work) [hereinafter defined as “Forbidden Employment”].

**C. Impact of Reemployment upon Benefits**

If you return to work in Prohibited Employment after your Normal Retirement Age or if you return to work in Prohibited Employment or Forbidden Employment after your Early Retirement, contributions required under the terms of the collective bargaining agreement will be paid on your hours worked and you will earn Credited Service. Therefore, if you work in Prohibited Employment after Normal Retirement Age or if you work in Prohibited Employment or Forbidden Employment after your Early Retirement, you may accrue additional future service credit earned by virtue of your re-employment. Any additional benefits you may earn will be determined under the terms of the Plan. Please contact the Plan Administrator for information regarding the calculation of your benefits due to re-employment after retirement. However, the pension you receive when you next apply for retirement may or may not increase, depending upon the amount of any early retirement benefit already paid to you.

**D. Plan Area**

For benefits accrued on and after May 14, 2001, “geographic area” means Western Massachusetts, Western New Hampshire and Vermont. For benefits accrued on and between December 11, 2000, and May 13, 2001, “geographic area” means Massachusetts, New Hampshire, and Vermont. For benefits accrued before December 11, 2000, “geographic area” means Massachusetts.

E. **Retroactive Adjustment to Benefits**

You may be entitled to retroactive benefits from the Fund if all or a portion of your pension benefits were suspended on or after June 7, 2004, because of the amendments to the suspension of benefits provisions adopted on December 11, 2000, and May 14, 2001. The retroactive benefits are available with respect to Pension benefits for which you may or may not have applied. However, you will be required to prove your eligibility for retroactive benefits, including proof that you worked in "Prohibited Employment" during the applicable time periods. Retroactive benefits are available only with respect to pension benefits accrued before December 11, 2000, or on and between December 11, 2000, and May 13, 2001, which would have been payable to you on and after June 7, 2004, but for the suspension of benefits provisions adopted on December 11, 2000, and May 14, 2001."

F. **Notice to the Pension Plan of Employment after Retirement**

As a Pensioner, you are required to notify the Fund if you start any work of any type, even if the work is not Prohibited Employment, Forbidden Employment or Disqualifying Employment. The notice must be in writing and provided within fifteen (15) days after the day you start work. The notice must be given to the Fund Office regardless of the number of hours of such work; the notice must be provided to the Fund even if you work less than forty (40) hours in a month. The letter must be submitted to the Fund Administrator, International Union of Operating Engineers Local Union No. 98 Pension Fund, Two Center Square, P.O. Box 217, East Longmeadow, Massachusetts, 01028.

Your letter must advise the Plan of the identity of the Employer, the location of the work, the type of work being performed by you, and any other information the Plan may request. Further, if requested by the Plan, you must provide the Plan with any requested documentation concerning your employment or unemployment, including, but not limited to, W-2 Statements, paychecks, Social Security Administration Earnings Statements, authorizations to obtain Social Security Administration Earnings Statements, and job descriptions.

If you have worked in Prohibited Employment, Forbidden Employment or Disqualifying Employment in any month and have not given timely written notice to the Plan of your employment, the Trustees will presume that: (1) you worked at least forty (40) hours in Prohibited Employment in such month and any subsequent month if you are 62 years or older; or (2) you worked at least some time in Prohibited Employment, Forbidden Employment or Disqualifying Employment in such month and any subsequent month if you are younger than age 62.

Based on that presumption, the Trustees will withhold payment of benefits. Such presumption will continue until you give written notice that you have ceased Prohibited Employment, Forbidden Employment or Disqualifying Employment. You have the right to overcome such presumption by establishing that your work was not in fact an appropriate basis, under the Plan, for suspension of your benefits.

If pension payments are withheld because you did not provide the proper notice to the Trustees and you later establish that the employment was not Prohibited Employment, Forbidden Employment or Disqualifying Employment, the Plan will reinstate the pension payments retroactively, not including any months in which you performed Prohibited Employment, Forbidden Employment or Disqualifying Employment. This reinstatement will occur only after the necessary information is provided to, and the determination is made by, the Trustees.

G. **Notice to the Pension Plan if You Do Not Retire and Continue to Work after Reaching Normal Retirement Age**

If you are a Participant who does not retire and continues to work past Normal Retirement Age [such a Participant is known as an “Active Participant”], you may be asked to notify the Fund of your employment status. If asked to furnish that information, that information must be given in writing on the form provided by the Fund and submitted to the Fund within fifteen (15) days of the Fund’s request for information. The notice must be given to the Fund regardless of the number of hours of such work; the notice must be provided to the Fund even if you work less than forty (40) hours in a month. The required notice must be completed and submitted to the Fund Administrator, International Union of Operating Engineers Local Union No. 98 Pension Fund, Two Center Square, P.O. Box 217, East Longmeadow, Massachusetts, 01028.

If you do not complete the required notification form and return it to the Fund, the Trustees will presume that you are still working at least 40 hours in Prohibited Employment and that no benefits are due.

Based upon that presumption, the Trustees will withhold payment of benefits and you will not receive monthly pension benefits for the months that you remain actively employed. You have the right to overcome such presumption and receive pension benefits if you apply for a pension and establish that your work is not an appropriate basis, under the Plan, for suspension of your benefits.

H. **Notice to the Active Participant or Pensioner of Suspension of Benefits**

No pension benefit payments will be withheld from any Active Participant or Pensioner in any month unless the Plan notifies the Active Participant or Pensioner by personal delivery or first class mail during the first calendar month or payroll period in which the Plan withholds payments that his benefits are suspended. Such notice shall contain the information required by the Department of Labor Regulations at Section 2530.203-3 of the Code of Federal Regulations.



I. **Notice to the Plan that Prohibited Employment, Forbidden Employment or Disqualifying Employment has Ended**

If you are a Pensioner and your pension benefits have been suspended, you must notify the Plan, in writing, when Prohibited Employment, Forbidden Employment or Disqualifying Employment has ended. The Trustees have the right to withhold benefit payments until such notice is filed with the Plan

If you are an Active Participant whose pension benefits have been suspended and you want to retire, you must notify the Plan, in writing, when Prohibited Employment has ended or will end, and you must apply for a pension. The Trustees have the right to withhold benefit payments until such notice is filed with the Plan.

J. **Advanced Notice that Employment is Prohibited Employment, Forbidden Employment or Disqualifying Employment**

You may ask the Plan for an advance determination as to whether a particular type of employment constitutes “Prohibited Employment”, “Forbidden Employment” or “Disqualifying Employment” if worked by you in a given month. The Plan will provide you with its determination in accordance with the procedure set forth at the Answer to the Question **“What happens if my application for benefits under the Plan is denied...”** on pages 29–32 of the Summary Plan Description.

K. **Right to Appeal Suspension of Benefits or Advanced Determination**

You shall be entitled to a review of a determination suspending your benefits by filing a written request with the Trustees within 60 days of the notice of suspension. The same right of review shall apply, under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be prohibited or disqualifying.

L. **Resumption of Benefits upon Cessation of Prohibited Employment, Forbidden Employment or Disqualifying Employment**

If your pension benefits are suspended, you should notify the Fund Office, in writing, when your Prohibited Employment, Forbidden Employment or Disqualifying Employment ends. Payments will resume no later than the first day of third calendar month after the calendar month in which you cease to be employed in Prohibited Employment, Forbidden Employment or Disqualifying Employment, provided you have complied with the notification requirements above.

In the case of an Active Participant, benefits shall commence when the Active Participant notifies the Fund Office, in writing, of the date his Prohibited Employment has ended or will end and he applies for a pension in accordance with Section 8, with payments beginning in accordance with Section 8.

M. **Commencement of benefits for Active Participants who Stop Working**

If you are an Active Participant and wish to receive pension benefits, you must notify the Fund Office, in writing, of the date your Prohibited Employment has ended or will end, and you must apply for a pension in accordance with the Section entitled “How to Apply for Benefits”. Payments will commence as set forth in that Section.

N. **Pension Fund’s Right to recoup Overpayments Made While Working in Prohibited Employment, Forbidden Employment or Disqualifying Employment**

Overpayments attributable to payments made for any month or months for which you had Prohibited Employment, Forbidden Employment or Disqualifying Employment shall be deducted from pension payments made upon resumption of benefits after the suspension. The deduction from the first pension check issued upon resumption of benefits after suspension may amount to 100% of the pension amount, i.e., 100% of the first pension check may be used to recover any overpayments. Recovery of any additional overpayments shall be by deduction from subsequent monthly benefits, with such deduction not to exceed 25% of the pension amount (before deduction). If you die before recoupment of overpayments has been completed, deductions shall be made from the benefits payable to your beneficiary or contingent annuitant, subject to the 25% limitation on the rate of deduction.

O. **Accrual of Additional Pension Credit for work past Normal Retirement Age**

If you continue to work past Normal Retirement Age, you will be entitled to earn additional pension credit and will be entitled to an additional pension amount when you separate from Covered Employment based upon your pension credit and the value of the pension credit at that time. There will be no make-up payments or other adjustments to reflect the fact that you did not receive pension benefits during this period of your continued employment, when you could have retired and begun receiving benefits.

## **RECIPROCITY AGREEMENTS...**

From time to time, Participants may be required to work outside the territorial jurisdiction of their home Local. When this occurs, they must work under the rules and regulations in effect in those areas and in many cases, payments to the Away Plan are reciprocated (transferred) to the Local 98 Pension Fund.

In order to facilitate the continuation of coverage to all participants, your Trustees have entered into Reciprocity Agreements covering other Locals.

Therefore, all the payments received on your behalf by the Funds covered under the Agreements, regardless of the different rates, will be returned to your home Local and you will be covered by the Plan in your home Local.

There are also International Agreements which may provide payments directly to a Central Plan which can then be transferred to your home Plan and there are several Plans that require all payments be retained by the Local in which you are working and coverage will be provided on a pro-rata basis.

To guarantee your continued coverage by your home Plan, it is absolutely necessary that you notify the Fund Office when you are working outside the jurisdiction of Local 98 and file monthly work records. If you are in doubt as to where your fringe benefit payments are going or if there is a Reciprocity Agreement in the area you are working or intend to work, we urge you contact your Fund Office as soon as possible.

### **PERMANENT TRANSFER...**

When a participant transfers membership from Local 98 to another Local within District 1 of the International Union of Operating Engineers or to a Local with whom Local 98 has a signed Reciprocal Agreement, his Credited Service accumulated will remain with the Local 98 Plan. If eligible, the participant may apply for a Retirement benefit under the Deferred Vested Retirement provision of this Plan, at the rate in effect at the time of transfer. The accumulated credit you may have with another Local in the International Union of Operating Engineers may be used to vest you in the Local 98 Pension Plan, or may vest you in the Plan you transfer to. You may receive retirement benefits from more than one Operating Engineers Pension Plan.

### **QUALIFIED DOMESTIC RELATIONS ORDER...**

A Qualified Domestic Relations Order, as defined in Section 414(p) of the Internal Revenue Code, is a domestic relations order which states that another person, known as an "alternate payee", is entitled to a certain portion of your benefits from this plan. You should understand that the Trustees are required by law to obey the order if it meets the requirements to be a QDRO. After this Plan receives a domestic relations order, a copy of this Plan's procedures concerning such an order will be forwarded to you and to each alternate payee named in the order. If the order is subsequently determined to be a Qualified Domestic Relations Order, this Plan will promptly notify and mail a copy of the order to you and to all of the alternate payees. The Plan will then determine the dollar amount payable to each alternate payee, and will distribute the amount so payable when due. If there is a dispute as to whether the order is a Qualified Domestic Relations Order, then any amounts which are payable before the dispute is resolved will be segregated into a separate account until a final determination is made. For more information concerning Qualified Domestic Relations Orders, please contact the Pension Fund office.

You may request a copy of the Plan's QDRO procedures, which will be provided to you at no charge. If you are contemplating a divorce, it is recommended you use the Plan's model QDRO if you and your spouse intend to divide your benefit.

## MISCELLANEOUS

### HOW TO APPLY FOR BENEFITS...

As soon as you satisfy the eligibility rules for retirement outlined in the Plan, you should immediately contact the Fund Office, which is the only official source of information. An application will be forwarded to you outlining your years of credited service earned and the amounts and types of benefits available. **However, you must apply for benefits under the Plan, as they do not start automatically. To allow for processing, you should provide notice of retirement to the Fund Office at least ninety (90) days prior to your intended retirement date.**

You will be requested to complete the application and provide certified copies of you and your spouse's birth certificates and a certified copy of your marriage certificate. In the case of a Disability benefit, copies of the Social Security Disability Award or statements from your Physician must be made available.

Effective January 1, 2007, in the case of a Qualified Joint and Survivor Option as described in the section entitled **HOW WILL RETIREMENT BENEFITS BE PAID** that appears on pages 16–19 of your Summary Plan Description, the Fund Office will provide you no less than thirty (30) days and no more than one hundred eighty (180) days prior to the commencement of benefits a written explanation of: (i) the terms and conditions of a Qualified Joint and Survivor Option; (ii) your right to make and the effect of an election to waive the Qualified Joint and Survivor Option form of benefit; (iii) the rights of your Spouse; and (iv) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Option. As the Plan may require a three-month waiting period, we would request a face-to-face meeting with you and your spouse either at the Fund Office or in your home so that you will fully understand all the benefits available before you make your selection.

Once you have made your selection as to the type of retirement benefit you prefer and you receive your first monthly benefit check, you will not be able to change that benefit, unless you are receiving a Disability pension benefit. If you previously chose an optional form of payment of your pension benefit and you are receiving a Disability pension benefit, the election you previously made may be revoked and a new election may be made upon attaining Normal Retirement Age.

Your monthly benefit will go directly to your home on or before the first of every month or you may have your check go directly to your checking or savings account at your Bank.

### REQUESTS FOR INFORMATION...

On occasion, the Fund Office doesn't timely learn of a retiree's or beneficiary's death, and other members of the recipient's family continue to receive checks. The Employee Retirement Income Security Act (ERISA) and related regulations require that these benefits be paid only to the designated recipients, and stop after the month in which the retiree (or formally designated beneficiary) passes away.

In order for the Trustees to satisfy their fiduciary responsibilities, pensioners and their designated beneficiaries must periodically submit (upon request) a certification that the individual being paid the retirement benefit is still alive. Failure to cooperate will result in suspension of pension benefits.

In the event that pension benefits are direct-deposited into an account in the joint names of the retiree/beneficiary and another person, pension benefits are required to be terminated upon the death of the participant/beneficiary. If such payments continue, the other joint owners of the joint account are personally and legally responsible to reimburse the Pension Fund pursuant to the terms of the Recovery of Overpayments provisions contained in this Summary Plan Description.

## **NOTIFICATION OF ACTION TAKEN ON A CLAIM...**

You will be notified of the decision made with respect to your application within a reasonable period of time after the application has been received in the Fund Office. If your application for a Pension Fund benefit provided by the Plan is denied, in whole or in part, the Fund Office will notify you in writing. The notice sent to you will include the following:

- (1) The specific reason for the denial.
- (2) A specific reference to the provision in the plan or other document on which the denial is based.
- (3) If required, a description of any additional material or information necessary to complete the processing of the application - including an explanation of why such material is necessary.
- (4) An explanation of the Plan's review procedures (see below).

## **WHAT HAPPENS IF MY APPLICATION FOR BENEFITS UNDER THE PLAN IS DENIED ...**

### **Initial Adverse Benefit Determinations**

#### **Claims other than Disability Pension Claims**

If your claim for benefits is denied in whole or in part for any reason, then within 90 days after this Plan receives your claim, this Plan will send you written notice of its decision, unless special circumstances require an extension, in which case the Plan will send you written notice of the decision no later than 180 days after the Plan receives your claim. If an extension is necessary, you will be given written notice of the extension before the expiration of the initial 90-day period, which shall indicate the special circumstances requiring the extension of time and the date by which the Plan expects to render the benefit determination.

The Plan's written notice of its decision will include the specific reason or reasons for the adverse benefit determination; reference to specific Plan provisions on which the determination is based; a description of any additional material or information necessary for you to complete your claim and an explanation of why such material or information is necessary (if applicable); and a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act following an adverse benefit determination on review.

### Disability Pension Claims

If your claim for disability pension benefits is denied in whole or in part for any reason, then within 45 days after this Plan receives your claim, this Plan will send you written notice of its decision. This period may be extended for up to two 30-day periods due to matters beyond the control of the Plan. For any extensions, the Plan will provide advance written notice indicating the circumstances requiring the extension and the date by which the Plan expects to render a decision. Any notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues (if any), and you shall be afforded at least 45 days within which to provide specified information (if applicable).

The Plan's written notice of its decision regarding a disability pension claim will include the information described above in regard to non-disability pension claims. In addition, if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse benefit determination, the notice will provide either the specific rule, guideline, protocol, or other similar criterion, or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse benefit determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge upon request. Further, if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, the written notice shall contain an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to the claimant's medical circumstances, or a statement of such explanation will be provided upon request.

### Appeal of Adverse Benefit Determinations

If you are not satisfied with the reason or reasons why your claim was denied, then you may appeal to the Board of Trustees. To appeal, you must write to the Trustees within 60 days (180 days in the case of disability pension claims only) after you receive this Plan's initial adverse benefit determination. Your correspondence (or your representative's correspondence) must include the following statement: "I AM WRITING IN ORDER TO APPEAL YOUR DECISION TO DENY ME BENEFITS. YOUR ADVERSE BENEFIT DETERMINATION WAS DATED \_\_\_\_\_, 20\_\_\_\_." If this statement is not included, then the Trustees may not understand that you are making an appeal, as opposed to a general inquiry. If you have chosen someone to represent you in making an appeal, then your letter (or your representative's letter)

must state that you have authorized him or her to represent you with respect to your appeal, and you must sign such statement. Otherwise, the Trustees may not be sure that you have actually authorized someone to represent you, and the Trustees do not want to communicate about your situation to someone unless they are sure he or she is your chosen representative.

You shall have the opportunity to submit written comments, documents, records, and other information related to the claim for benefits. You shall also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. A document, record, or other information is relevant to a claim if it was relied upon in making the benefit determination; was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination; demonstrates compliance with the administrative processes and safeguards required in making the benefit determination; or, in the case of disability pension claims only, constitutes a statement of policy or guidance with respect to the plan concerning the denied benefit, without regard to whether such advice or statement was relied upon in making the benefit determination. The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition, with regard to disability claims: (1) the review will not afford deference to the initial adverse benefit determination and will be conducted by an appropriate named fiduciary of the plan who is neither the individual who made the adverse benefit determination nor the subordinate of such individual; (2) insofar as the adverse benefit determination is based on medical judgment, the Board will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; (3) such health care professional shall not be the individual, if any, who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual; and (4) medical or vocational experts whose advice was obtained on behalf of the plan, without regard to whether the advice was relied upon in making the adverse benefit determination, will be identified.

### **Determinations on Appeal**

The Trustees at their next regularly scheduled meeting will make a determination of the appeal. However, if the appeal is received less than thirty (30) days before the meeting, the decision may be made at the second meeting following receipt of the request. If special circumstances require an extension of time for processing, then a decision may be made at the third meeting following the date the appeal is made. Before an extension of time commences, you will receive written notice of the extension, describing the special circumstances requiring the extension. The Plan will notify you of the benefit determination not later than 5 days after the determination is made.

If your appeal is denied, the Plan's written notice of the Board's decision will include the specific reason or reasons for the adverse benefit determination; reference to specific Plan provisions on which the determination is based; a statement that the claimant is entitled to

receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act.

In addition, for disability pension claims, if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse benefit determination, the notice will provide either the specific rule, guideline, protocol, or other similar criterion, or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse benefit determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge upon request. Further, if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, the written notice shall contain an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to the claimant's medical circumstances, or a statement that such explanation will be provided upon request.

The Trustees' final decision with respect to their review of your appeal shall be final and binding upon you, since the Trustees have exclusive authority and discretion to determine all questions of eligibility and entitlement under this Plan. Nonetheless, if you disagree with the final decision of the Trustees with respect to your appeal, then you may start a legal action against this Plan. However, no legal action may be commenced or maintained against this Plan more than 180 days after the Plan Trustees' final decision on appeal is deposited in the mail to the Participant's or Beneficiary's last known address.

## **RECOVERY OF OVERPAYMENTS...**

In the event that a participant or a third party is paid benefits from the Fund in an improper amount or otherwise receives Plan assets not in compliance with the Plan (hereinafter overpayments or mistaken payments), the Fund has the right to start paying the correct benefit amount. In addition, the Trustees have the right to recover any overpayment or mistaken payment made to you or to a third party. The claimant (you), third party, or other individual or entity receiving the overpayment or mistaken payment must pay back the overpayment or mistaken payment to the Fund with interest at 12% per annum. Such a recovery may be made by reducing other benefit payments made to or on behalf of you, by commencing a legal action or by such other methods as the Trustees, in their discretion, determine to be appropriate. The claimant, third party, or other individual or entity, shall reimburse the Fund for attorneys' fees and paralegal fees, court costs, disbursements, and any expenses incurred by the Fund in attempting to collect and in collecting the overpayment or mistaken payment of benefits. The determination as to these matters is solely made by the Trustees.

## **PLAN INTERPRETATION AND DETERMINATION**

The Trustees are responsible for interpreting the Plan and for making determinations under the Pension Plan. In order to carry out this responsibility, the Trustees have exclusive authority and discretion: to determine whether an individual is eligible for any benefits under



the Plan; to determine the amount of benefits, if any, an individual is entitled to from the Plan; to determine or find facts that are relevant to any claim for benefits from the Plan; to interpret all of this booklet's provisions; to interpret the provisions of any Collective Bargaining Agreement or written Participation Agreement involving or impacting this Plan; to interpret all the provisions of any other document or instrument involving or impacting the Plan; and, to interpret all of the terms used in this booklet and in all of the other previously-mentioned agreements, documents, and instruments.

All such interpretations and determinations made by the Trustees, or their designee: shall be final and binding upon any individual claiming benefits under the Plan and upon all Employees, all Employers, the Union, and any party who has executed any agreement with the Trustees or the Union; will be given deference in all courts of law, to the greatest extent allowed by applicable law; and will not be overturned or set aside by any court of law unless the court finds that the Trustees, or their designee, abused their discretion in making such determination or rendering such interpretation.

Benefits under this Plan will be paid only if the Trustees decide in their discretion that you are entitled to them.

## **QUESTIONS AND ANSWERS**

Over the years we have received many questions from our participants regarding the benefits under the Plan and we have answered them directly. We have also tried to anticipate questions and your new Benefit Manual should take care of most of your inquiries; however, we also realize that even though an explanation is given in the book, a clearer explanation can be given by a direct answer to a direct question. Therefore, the following are the "most asked" questions:

**Q. Will any of my money be returned to me if I am unable to accumulate the number of years to vest my benefit?**

**A.** No. The Plan is a "non-contributory" Plan financed entirely by the payments received from a contributing contractor. All payments received on behalf of all participants are used to finance benefits for participants who satisfy the Rules of Eligibility.

**Q. At retirement, can I take the benefit in a cash, single-sum benefit instead of the monthly benefit?**

**A.** No. The purpose of our Plan is to provide monthly benefits for retired Participants and their Spouses. However, if the benefit you are entitled to receive has a single-sum actuarial present value of \$5,000 or less it will be paid to you in a single payment.

**Q. Can I lose, or can a Disability Pension be suspended or terminated?**

**A.** Yes. The main reasons that will interrupt or suspend a Disability Pension are summarized below:

- (1) You engage in any regular gainful occupation for pay or profit (except for rehabilitation approved by the Trustees), or
- (2) If you recover from the Disability or lose your Social Security Disability Award, or
- (3) If the Trustees determine from medical advice that you have recovered so as to be able to return to regular work and refuse an offer of employment, or
- (4) You refuse to undergo a medical examination, if ordered by the Trustees. However, such exam may not be required more often than semi-annually and never after your 62nd birthday.

**Q. Who is responsible for the Plan?**

**A.** A Board of Trustees consisting of Union and Employer Representatives who are governed by a Trust Agreement which outlines their responsibilities are the “Plan Administrator” of the Plan, and their appointed “Administrator” has the responsibility of the everyday operation of the Fund Office.

**Q. When does the Plan change or improve?**

**A.** Annually the Plan is submitted to an “Enrolled Actuary” with all the information available from the Fund Office. Based on Fund income, the economy, number of retirees and deaths, investments, etc., recommendations are submitted to the Board for its consideration.

**Q. How do I know if my Employer is not reporting and paying the necessary hours on my behalf?**

**A.** The best way is for you to file individual work records with the Fund Office on a monthly basis. Each year, every Participant is sent a calendar pad with monthly reports that can be sent in with their dues or mailed directly to the Fund Office. You must realize, however, that reports and payments can be received on your behalf only from Employers who are party to a Collective Bargaining Agreement with Local 98 or through reciprocity agreements with other Plans. If you believe that your Employer has underreported or failed to report your hours of work in Covered Employment, you must present evidence satisfactory to the Trustees to receive credit for such hours. The burden of proof lies with you to affirmatively establish your entitlement to underreported or unreported hours of Covered Employment.

**Q. How do I know that I will receive a benefit when I reach retirement age?**

**A.** The Plan has been carefully funded so that you have every assurance that the money will be there to pay you when you retire.

**Q. Where can I find all the information on the Plan?**

**A.** In this Manual, which contains information on all the benefits under the Plan. You may also review the formal text of the Pension Plan at the Fund Office. However, the Fund Office and the Administrator who have been designated by the Board of Trustees are your only source of information on any specific issue not outlined in the Plan or this Manual.

**Q. If I am absent from Covered Employment due to service in the Uniformed Services of the United States, will I receive credit under the Plan?**

**A.** You will be given credit for certain periods of military service as required by Federal law. If applicable you will be credited with the hours that you would have worked in Covered Employment had the qualified military service (as defined in Section 414(u) of the Internal Revenue Code) not occurred. The credit to be provided for each week of such absence shall only be provided upon return to Covered Employment within the limits set by Federal law and shall be determined solely by the Trustees.

If you die on or after January 1, 2007 while performing qualified military service, your survivors are entitled to any other additional benefits (other than benefit accruals/contributions relating to the period of qualified military service) provided under the Plan as if you had resumed and then terminated employment on account of death.

**Q. May Plan Benefits Be Assigned or Alienated?**

**A.** No. Your interest in this Plan is not subject to assignment or alienation, whether voluntary or involuntary. Your benefits cannot be sold, assigned or pledged to anyone, nor can they be security for a loan. However, this rule does not apply to a Qualified Domestic Relations Order. Also, under most circumstances, they are not subject to attachment or execution under court order unless they are in pay status.

## **STATEMENT OF COLLECTIVE BARGAINING AGREEMENT**

The Pension Plan is maintained pursuant to a Collective Bargaining Agreement. A copy of the Agreement may be obtained upon written request to the Trustees and is available for inspection at the Fund Office. Participants may receive from the Fund Office, upon written request, information as to whether a particular employer or employee organization participates in the Plan and if so, the address of the employer or employee organization.

The Plan is administered by a Board of Trustees comprised of equal representatives from Contractors Associations and representatives appointed by the Business Manager of Local No. 98, and is completely self-administered with all benefits paid by the Fund Office at Two Center Square, East Longmeadow, Mass. The Plan is non-insured: that is, no insurance company is involved; therefore, all payments to the Pension Fund by Contributing Employers, minus administration expenses are used for retirement benefits for eligible participants.

Financing of the Plan is provided by a 100% Employer contribution based on an hourly rate negotiated by the Union and the Employer Associations and interest and dividends from investments.

The Plan is and has been amended from time to time to update and improve the benefits based on the contributions and funding.

## **STATEMENT OF PRIORITY AND TRUSTEES RIGHT TO AMEND**

In the event there appears to be a conflict between the description of any Plan provision in this Summary Plan Description and its statement in the Pension Plan document itself, the language contained in the Pension Plan document is the official and governing language. Nothing in this Summary Plan Description is meant to interpret or extend or change in any way, the provisions discussed in the Plan. The Trustees reserve the right to amend, modify or discontinue all or part of the Plan whenever, in their judgment, conditions so warrant.

Also, the Trustees reserve the right to modify or reduce the benefits provided by this Plan, provided such modification or reduction is permissible under applicable federal law and regulations.

## **STATEMENT OF ERISA RIGHTS**

As a participant in the I.U.O.E. Local 98 Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan Participants shall be entitled to:

### **RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS**

- Examine, without charge, at the Fund Office, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining

agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

#### PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for the Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

#### ENFORCE YOUR RIGHTS

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, a court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file a suit in a state or Federal court after you have exhausted this Plan's internal claims procedures. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claims are frivolous.

## ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your Plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administrator, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

The Department of Labor requires that this Summary Plan Description contain this description of your ERISA rights. Its inclusion in this Summary Plan Description is not, and should not be considered to be offered as, legal advice of any kind. For legal advice, you should consult with a licensed attorney.

## STATEMENT OF PBGC INSURANCE

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,780.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the

time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>."

## **DESIGNATION OF AGENT FOR SERVICE OF PROCESS**

The Trustees have designated Michelle Schweitzer, the Administrator, as their agent for service of legal process. Process may be served on Ms. Schweitzer at the Fund Office at:

Two Center Square  
East Longmeadow, Massachusetts 01028

Service may also be made on any Individual Trustee.