# EMPLOYERS
# AND
# OPERATING ENGINEERS

# LOCAL 520 PENSION FUND

## Summary Plan Description

## January 2015 Edition

# EMPLOYERS AND OPERATING ENGINEERS LOCAL 520 PENSION FUND

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For Further Information or Pension Application Forms,
Call or Write the Fund Office.

# Employers and Operating Engineers Local 520 Pension Fund

To All Participants:

As Trustees of your Pension Plan, we are pleased to present you with this new Summary Plan Description booklet describing the present features of your retirement program. Several changes have been made in the Plan since the printing of the last booklet.

This Summary Plan Description generally explains rules that apply if you have worked in Covered Employment on or after January 1, 2015. If you have not worked in Covered Employment on or after January 1, 2015, the provisions of the Plan in effect at the time you left Covered Employment will be used to determine your right to receive a pension, amounts you may be entitled to receive, and benefit options available to you. Contact the Fund Office for information about the Plan and benefits in place before January 1, 2015.

We urge you to read this booklet. Your pension is important for your financial planning. We also urge you to show this booklet to your family. It is important that they are aware of your retirement benefits and the survivor protection offered. After you have read this booklet, please keep it for future reference.

We will continue to keep you advised of any changes in the Pension Plan, and we will continue our efforts to provide a greater measure of security for employees who work in the industry. PLEASE BE SURE THAT THE FUND OFFICE HAS YOUR CURRENT ADDRESS AT ALL TIMES.

With best wishes for the future.

Sincerely,

BOARD OF TRUSTEES

YOUR PENSION RIGHTS ARE GOVERNED BY THE PENSION PLAN, AS AMENDED FROM TIME TO TIME. THIS BOOKLET EXPLAINS THE PENSION PLAN AND FUND BRIEFLY. IT IS NOT COMPLETE. YOU MUST REFER TO THE FULL TEXT OF THE PENSION PLAN ITSELF TO ANSWER ANY SPECIFIC QUESTIONS. IF ANY INCONSISTENCIES EXIST BETWEEN THIS BOOKLET AND THE PLAN, THE PROVISIONS OF THE PLAN, AS THEY MAY BE AMENDED FROM TIME TO TIME, SHALL GOVERN.

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# I. DEFINITIONS

The following abbreviated definitions of terms used in the Plan Rules may be helpful in understanding your rights and benefits under the Plan.

## A. Association

The Southern Illinois Builders Association, a chapter of the Associated General Contractors of America, and the Southern Illinois Contractors Association.

## B. Contiguous Non-Covered Employment

Employment with an employer which does not require the employer to make contributions to the Fund and which, without quit, discharge or retirement having occurred, immediately precedes or follows the employee's period of Covered Employment and which occurs when an employer is required to contribute to the Fund on behalf of other employees.

## C. Contributing Employer or Employer

A Contributing Employer includes:

1. Any person, firm, or corporation employing Employees in the bargaining unit for whom the Association is the collective bargaining agent, who with the consent of the Trustees becomes a party to the Trust Agreement by signing the same or a counterpart thereof and agreeing to be bound by the terms and conditions thereof;

2. Any employer signatory to a Collective Bargaining Agreement with the Union requiring contributions to the Trust Fund;

3. The Union to the extent that it acts in the capacity of an employer of its Business Representatives or other Employees on whose behalf it makes contributions to the Trust Fund;

4. The Pension Plan of Employers and Operating Engineers Local No. 520 Pension Fund;

5. The Operating Engineers Local 520 Joint Apprenticeship and Training Fund;

6. An employer signatory to a Participation Agreement with the approval of the Trustees.

An Employer will not be deemed a Contributing Employer simply because it is part of a controlled group of corporations or of a trade or business under common control, some other part of which is a Contributing Employer.

## D. Contribution Period

The period during which the employer is a contributing employer with respect to the unit or classification of employment.

## E. Covered Employment

If you work for an employer who is required to contribute to the Pension Fund for the hours you work in a job covered by a collective bargaining agreement with the Union or other written agreement, you are considered working in Covered Employment.

Covered Employment also includes your continuous employment before January 1, 1964, up to a maximum of 25 years, while you were covered under the collective bargaining agreement to which the Union was a party.

## F. Disqualifying Employment

Employment or self-employment that is:

1. In an industry covered by the Plan when your payments began or would have begun if you had not remained in or returned to such employment; and

2. In the same geographic area covered by the Plan when your pension payments began or would have begun but for these rules; and

3. In any trade or craft in which you were employed at any time while covered under the Plan.

Further, any employment in a position for which contributions are due to the Plan shall be Disqualifying Employment.

## G. ERISA

The Employee Retirement Income Security Act of 1974.

## H. Normal Retirement Age

Normal Retirement Age is 65 or, if later, the age of the employee on the fifth anniversary of his or her participation in the Plan.

## I. Plan

The rules and regulations as adopted and as thereafter amended by the Trustees, which govern the administration of the Trust Fund.

## J. Plan Year

The annual period beginning January 1 and ending December 31 which is used for computing vesting service and benefit accruals. It is also the Plan's fiscal year for accounting and governmental reporting.

## K. Qualified Domestic Relations Order (QDRO)

An order entered by a court, pursuant to a state's domestic relations laws, that requires the Plan to pay part or all of your benefits to your spouse, former spouse, child or other dependent. Such orders must meet certain requirements of federal law in order to be deemed "qualified."

You may obtain a copy of the Plan's procedures and sample QDROs from the Fund Office.

## L. Retirement

The period after you qualify for a pension under the Plan and begin receiving monthly pension payments is considered retirement. To be considered in retirement, there are certain types of employment which are prohibited. This is explained further on page 2. Disqualifying Employment.

## M. Total and Permanent Disability

You shall be considered totally and permanently disabled only if you have been totally disabled by bodily injury or disease so as to be prevented from engaging in any substantial gainful employment in the industry determined by a qualified physician, acceptable to the Trustees, based upon medical evidence of a physical or a mental impairment which can be expected to result in death or to be of a prolonged or indefinite duration.

## N. Trust Agreement

The Agreement and Declaration of Trust establishing the Employers and Operating Engineers Local 520 Pension Fund dated December 27, 1963, and as thereafter amended.

## O. Union

Local No. 520 International Union of Operating Engineers, affiliated with the AFL-CIO.

## P. Years of Vesting Service

Years of vesting service are earned by your hours of service in Covered Employment during the Contribution Period. If you have at least 1 hour of service in Covered Employment on or after January 1, 1997, you will have a non-forfeitable right to a pension when you have 5 years of vesting service. If you have not earned at least 1 hour of service in Covered Employment on or after January 1, 1997, you have a non-forfeitable right to a pension when you have 10 years of vesting service. Hours of work in Non-Covered Employment with an employer after January 1, 1976 may also be counted if that employment is continuous with Covered Employment with the same employer.

# II. ABOUT THE PLAN

## A. What Is the Pension Fund?

The Pension Fund is a legal trust fund set up for the purpose of providing retirement benefits. The Agreement and Declaration of Trust, originally dated December 27, 1963, establishes the Pension Fund. The Trust Agreement and the Pension Plan Document govern its operation.

## B. What Is the Pension Plan?

The Pension Plan includes the Plan Document and Trust Agreement, which set forth the various types of pensions, provided by the Fund, the benefit amounts, and also the eligibility requirements.

## C. Who Administers the Fund?

A Board of Trustees, which serves without any compensation, acts on behalf of you and your fellow employees in managing all aspects of the Pension Fund's operations. This Board is made up of an equal number of employee and employer representatives whose powers and duties are set forth in the Trust Agreement.

## D. Who Pays the Cost of the Pension Plan?

The entire cost of the Plan is paid by the assets of the Trust. No contributions are required from you and none are permitted.

## E. Who Is Covered by the Plan?

The Plan covers all employees for whom employer contributions are required to be paid into the Pension Fund on their behalf pursuant to a collective bargaining agreement or other written agreement.

# III. ABOUT PARTICIPATION

## A. When Will I Become a Participant?

You will become a participant in the Plan on January 1 of the year in which you first complete 500 hours of service in Covered or Contiguous Non-Covered Employment during a 12-consecutive-month period.

***For Example:***

If you started work on March 1, 2014 and complete 500 hours of service by December 31, 2014, you become a participant on January 1, 2014.

An hour of service means each hour for which you are paid or entitled to be paid by your employer. You will also be able to count your continuous work with the same employer even if part of that work is not in a job covered by a collective bargaining agreement.

## B. When Am I No Longer a Participant in the Plan?

If you have not met the requirements for any kind of pension, and you do not complete at least 500 hours of service in a Plan Year, you are no longer a participant. However, once you meet the requirements for a pension under the Plan, you will always be a participant.

## C. Can I Become a Participant Again?

Yes. You can become a participant again if, before you have a permanent break in service (see pages 9-11), you complete 500 hours of service in a Plan Year. You can also become a participant again after you have a permanent break in service (see pages 9-11), but your years of vesting service received prior to the permanent break in service can never be restored.

# IV. ABOUT YEARS OF VESTING SERVICE

## A. How Are Years of Vesting Service Earned?

For Plan Years after December 31, 1985, you will accrue vesting service for each Plan Year during the Contribution Period based on hours of service in Covered Employment as follows:

| Hours of Service in Plan Year | Vesting Service |
|---|---|
| 0 – 499 | 0 |
| 500 – 899 | 1/2 |
| 900 or more | 1 |

You may also be credited with years of vesting service if you are employed by a contributing employer in Contiguous Non-Covered Employment during the Contribution Period after January 1, 1976.

## B. Are There Any Circumstances Under Which I May Earn Years of Vesting Service Although I Am Not Employed?

Yes. You will receive vesting service as described below in any one Plan Year during which you were unable to work in Covered Employment as the result of:

1. Disability. No more than 1 year of vesting service may be granted over the full period of participation in the Pension Fund. Vesting service will be granted in accordance with federal law.

2. Military service in the Armed Forces of the United States in accordance with federal law, including the Uniformed Services Employment and Reemployment Rights Act (USERRA). No more than 1 year of vesting service will be granted for military service in any Plan Year.

You will also be credited with benefit units from military service provided you comply with certain requirements under federal law. In general, you must reapply for Covered Employment within 90 days of the date you are discharged from military service in order to be credited with Vesting Service and benefit units.

For purposes of determining the applicable benefit units during such non-work period, 1,800 hours per year of non-work military service will be applied to each full Plan Year during such non-work period. Benefit units applicable to non-work periods for partial Plan Years will be determined by a fraction, the numerator of which is the number of months of such non-work period, the denominator of which is 12. This fraction is then multiplied by 1,800.

For years beginning after December 31, 2008, if you are receiving a differential wage payment while performing qualified military service, you will be considered an Employee of the Employer making the payment. Such differential wage payment will be treated as Compensation, as defined in the Internal Revenue Code.

# V. ABOUT BREAKS IN SERVICE

## A. What Happens If I Have a Permanent Break in Service?

Generally, if you are absent from Covered Employment for a long period of time, you may have a permanent break in service. If you have a permanent break in service, you will lose all of your years of vesting service earned before the break. However, once you have met the requirements for any type of pension (other than a disability pension), you cannot have a permanent break in service.

## B. What Is a One-Year Break in Service?

You will have a one-year break in service in any Plan Year after December 31, 1975 in which you fail to complete 500 hours of service for work in Covered Employment. A one-year break in service is repairable by working for at least 500 hours during a Plan Year in Covered Employment before incurring a permanent break in service. If you repair a one-year break in service, your previously earned years of vesting service will be restored.

## C. What Are the Break in Service Rules?

The break in service rules differ depending on when you break.

## D. Permanent Break in Service After December 31, 1984.

You will have a permanent break in service after December 31, 1984 if your number of consecutive one-year breaks equal or exceed the greater of 5 years or your number of years of vesting service.

The following are examples of the break in service rules:

Your Hours of Service look like this:

| | Hours of Service | Years of Vesting Service | One-Year Breaks |
|---|---|---|---|
| Year 1 | 2,000 | 1 | 0 |
| Year 2 | 1,920 | 1 | 0 |
| Year 3 | 150 | 0 | 1 |

| | | | |
|---|---|---|---|
| Year 4 | 0 | 0 | 1 |
| Year 5 | 0 | 0 | 1 |
| Year 6 | 0 | 0 | 1 |
| Year 7 | 0 | 0 | 1 |
| Total | | 2 | 5 |

You have 2 years of vesting service. You also have 5 consecutive one-year breaks. Because your consecutive one-year breaks are equal to at least 5 and are greater than your years of vesting service, you have a permanent break in service at the end of Year 7 which cancels your 2 years of vesting service.

Another Example:

This example shows how you can repair your one-year breaks in service. Once repaired, such temporary one-year breaks are disregarded and there is no cancellation of vesting service.

Your Hours of Service look like this:

| | **Hours of Service** | **Years of Vesting Service** | **One-Year Breaks** |
|---|---|---|---|
| Year 1 | 2,000 | 1 | 0 |
| Year 2 | 2,040 | 1 | 0 |
| Year 3 | 1,800 | 1 | 0 |
| Year 4 | 150 | 0 | 1 |
| Year 5 | 100 | 0 | 1 |
| Year 6 | 100 | 0 | 1 |
| Year 7 | 80 | 0 | 1 |
| Year 8 | 1,000 | 1 | 0 |
| Total | | 4 | 4 |

You have 4 consecutive one-year breaks and 3 years of vesting service through Year 7. Because you returned to work before you had 5 consecutive one-year breaks and completed at least 500 hours of work in Year 8, your temporary one-year breaks were repaired. If you had another one-year break in Year 8, you would have had a total of 5 one-year breaks, which would have been a permanent break in service.

After an employee has a permanent break in service, they can again earn years of vesting service by completing 500 hours of service during a 12-consecutive-month period, thereby again becoming a participant. However, their years of vesting service received prior to the permanent break in service can never be restored.

Note: A permanent break in service before January 1, 1985 is different. Contact the Fund Office for more information.

## E. Are There Any Exceptions to the Break in Service Rules?

Yes. Certain periods of time will not be counted in determining if a break in service has occurred. These periods are exceptions if your failure to earn 500 hours of service in a Plan Year was caused by:

1. Retirement under the Plan; or
2. Your pregnancy; or
3. Birth of your child; or
4. Placement of a child with you or in connection with your adoption of a child; or
5. Caring for your child during the period beginning immediately following the birth or placement.

You must give timely information as the Trustees may reasonably require sufficient to establish that the absence from work is for the reasons listed above.

Also, any leave of absence granted by your employer, up to 12 weeks, that qualifies under the Family and Medical Leave Act (FMLA) will not be counted as a break in service for purposes of determining eligibility and vesting.

## F. Special Restoration

Effective January 1, 2000, if you had a permanent break in service between January 1, 1964 and December 31, 1999, benefit accruals before the break in service that you lost will be restored. However, Vesting Service will not be restored.

# VI. PENSION BENEFITS

## A. What Types of Pension Are Provided by the Pension Plan?

The Pension Plan provides the following kinds of pensions:

1. Special Pension at or After Normal Retirement Age if you have attained Normal Retirement Age (regardless of the number of years of vesting service you have) while you are in Covered Employment.

2. Normal Pension if you:

    a. Have worked at least 1 hour in Covered Employment on or after January 1, 1997; and

        (i) (A) Are age 57; and

        (B) Have at least 5 years of vesting service; and

        (C) Have accrued at least 500 hours of service for which contributions were required to be made to the Pension Fund over a period of 2 successive Plan Years which began after you reached age 55;

        Or,

        (ii) (A) Are age 62; and

        (B) Have at least 5 years of vesting service.

    b. Have not worked at least 1 hour in Covered Employment on or after January 1, 1997; and

        (i) (A) Are age 57; and

        (B) Have at least 10 years of vesting service; and

(C) Have accrued at least 500 hours of service for which contributions were required to be made to the Pension Fund over a period of 2 successive Plan Years which began after you reached age 55;

Or,

(ii) (A) Are age 62; and

(B) Have at least 10 years of vesting service.

3. Special Unreduced Pension if you:

a. Have accumulated at least 60,000 hours of service used in determining vesting service; and

b. The sum of your age and years of vesting service is at least 75.

At least 50,000 of the 60,000 hours of service required for this benefit must be hours of service with an employer that contributes to this Plan. No more than 10,000 hours of service with employers that contribute on your behalf to plans that have reciprocity agreements with this Plan will be counted for the hours of service required for this benefit.

4. Vested Deferred Pension if you:

a. Have worked at least 1 hour in Covered Employment on or after January 1, 1997; and have at least 5 years of vesting service; or

b. Have not worked at least 1 hour in Covered Employment on or after January 1, 1997; and have at least 10 years of vesting service.

An unreduced amount is payable at age 62. However, a vested deferred pension is available in a reduced amount any time after you reach age 57.

5. Disability Pension if you:

   a. Have not attained age 57; and

   b. Are totally and permanently disabled; and

   c. Are entitled to receive disability benefits pursuant to Title II of the Federal Social Security Act; and

   d. Have at least 5 years of vesting service; and

   e. Have accumulated at least 500 hours of service for which contributions were paid to the Pension Fund, in the 24-month period preceding the date on which you became totally and permanently disabled.

   Your Disability Pension will begin on the first day of the month following the date you meet the above requirements and will be paid only as a single life annuity. Your Disability Pension will end on the first day of the month preceding the earliest date in which the following occurs:

   a. You die; or

   b. You attain age 57; or

   c. You are no longer entitled to receive disability benefits under Title II of the Federal Social Security Act; or

   d. You are no longer totally and permanently disabled; or

   e. You refuse to submit to a physical examination by a qualified physician selected by the Trustees to determine total and permanent disability; or

   f. You refuse to provide due proof, including medical evidence, to the Trustees of the continuation of your total and permanent disability.

   Once you reach age 57, your Disability Pension will automatically convert to a Normal Pension and you will be entitled to elect any optional form of benefit which would be available to any other participant at Normal Retirement Age, including a Qualified Joint and Survivor Pension. A description of the forms of benefits begins on page 27.

If you should die before receiving a Normal Pension, your surviving spouse, if qualified, will receive the Pre-Retirement Surviving Spouse Pension described on page 25.

You may be periodically required to submit proof to the Trustees of the continuance of your disability. The Fund Office will inform you of the details concerning your disability retirement.

6. Pro-Rata Pension if you otherwise lack enough service to be eligible for any retirement benefit from the Pension Plan because your years of employment were divided between different Operating Engineer pension plans, or if your pension would be less than the full amount because of your division of employment.

   Under the rules of the Pro-Rata Pension, the Pension Trust may be able to recognize Vesting Service earned under other Operating Engineers pension plans if there is a Pro-Rata agreement providing for pensions. The Pension Fund Office has a current listing of these plans and should be contacted if any further information is desired.

7. Postponed Retirement Pension if you are between Normal Retirement Age and age 70 1/2 (or, if later, the date you cease Covered Employment).

## B. What Is the Amount of the Special Pension at or After Normal Retirement Age?

Your Special Pension at or after Normal Retirement Age is determined in the same way as the Normal Pension.

## C. What Is the Amount of the Normal Pension?

Your Normal Pension amount is calculated in two parts – hours of service worked in Covered Employment between January 1, 1964 through December 31, 1986 and hours of service worked in Covered Employment on and after January 1, 1987.

The amount of your Normal Pension is the sum of your benefit units accrued based on your hours of service in each Plan Year. However, you must work at least 500 Hours of Service in Covered Employment during a Plan Year in order to accrue any benefit for that Plan Year. No accruals are counted in Plan Years during which you work less than 500 Hours of Service. If you retire or separate from Covered Employment, your pension is determined by adding together the benefit units as determined in (1), (2) and (3) below.

1. Benefit units for hours of service in Covered Employment worked in each Plan Year beginning on and after January 1, 1987 are determined based on your retirement date, as follows:

   a. For retirement on or after January 1, 2012, hours of service in Covered Employment worked in each Plan Year commencing on or after January 1, 2012 are multiplied by 7.50 cents per hour.

   b. For retirement on or after January 1, 2011, hours of service in Covered Employment worked in each Plan Year commencing on or after January 1, 2004 are multiplied by 6.75 cents per hour.

   c. For retirement on or after January 1, 2010, hours of service in Covered Employment worked in each Plan Year commencing on or after January 1, 2004 are multiplied by 5.75 cents per hour.

   d. For retirement on or after January 1, 2004, hours of service in Covered Employment worked in each Plan Year on or after January 1, 1987 are multiplied by 4.75 cents per hour; or

   e. For retirement on or after January 1, 2003, hours of service in Covered Employment worked in each Plan Year on or after January 1, 1987 are multiplied by 4.55 cents per hour; or

   f. For retirement on or after January 1, 2002, hours of service in Covered Employment worked in each Plan Year on or after January 1, 1987 are multiplied by 4.35 cents per hour; or

   g. For retirement on or after January 1, 2001, hours of service in

Covered Employment worked in each Plan Year on or after January 1, 1987 are multiplied by 3.95 cents per hour; or

h. For retirement on or after January 1, 2000, hours of service in Covered Employment worked in each Plan Year on and after January 1, 1987 are multiplied by 3.65 cents per hour; or

i. For retirement on or after January 1, 1999, hours of service in Covered Employment worked in each Plan Year on and after January 1, 1987 are multiplied by 3.40 cents per hour; or

j. For retirement on or after January 1, 1998, hours of service in Covered Employment worked in each Plan Year on and after January 1, 1987, are multiplied by 3.25 cents per hour; or

k. For retirements on or after January 1, 1997 and before January 1, 1998, hours of service in Covered Employment worked in each Plan Year on and after January 1, 1987, are multiplied by 3.00 cents per hour; or

l. For retirements before January 1, 1997, the following schedule applies for hours of service in Covered Employment worked on and after January 1, 1987:

| Hours of Service in Covered Employment During Plan Year | Benefit Units Accrued During Plan Year | Hours of Service in Covered Employment During Plan Year | Benefit Units Accrued During Plan Year |
|---|---|---|---|
| 0 – 499 | -0- | 1900 – 1999 | $46.55 |
| 500 – 599 | $12.25 | 2000 – 2099 | 49.00 |
| 600 – 699 | 14.70 | 2100 – 2199 | 51.45 |
| 700 – 799 | 17.15 | 2200 – 2299 | 53.90 |
| 800 – 899 | 19.60 | 2300 – 2399 | 56.35 |
| 900 – 999 | 22.05 | 2400 – 2499 | 58.80 |
| 1000 – 1099 | 24.50 | 2500 – 2599 | 61.25 |
| 1100 – 1199 | 26.95 | 2600 – 2699 | 63.70 |
| 1200 – 1299 | 29.40 | 2700 – 2799 | 66.15 |
| 1300 – 1399 | 31.85 | 2800 – 2899 | 68.60 |
| 1400 – 1499 | 34.30 | 2900 – 2999 | 71.05 |
| 1500 – 1599 | 36.75 | 3000 – 3099 | 73.50 |
| 1600 – 1699 | 39.20 | 3100 – 3199 | 75.95 |
| 1700 – 1799 | 41.65 | 3200 – 3299 | 78.40 |
| 1800 – 1899 | 44.10 | * | * |

* (An additional $2.45 added for each additional range of 100 hours.)

2. Benefit units for hours of service in Covered Employment worked in each Plan Year on and after January 1, 1964 and through December 31, 1986, are determined according to the following schedule:

| Hours of Service in Covered Employment During Plan Year | Benefit Units Accrued During Plan Year | Hours of Service in Covered Employment During Plan Year | Benefit Units Accrued During Plan Year |
|---|---|---|---|
| 0 – 499 | -0- | 1900 – 1999 | $35.34 |
| 500 – 599 | $ 9.30 | 2000 – 2099 | 37.20 |
| 600 – 699 | 11.16 | 2100 – 2199 | 39.06 |

| Hours of Service in Covered Employment During Plan Year | Benefit Units Accrued During Plan Year | Hours of Service in Covered Employment During Plan Year | Benefit Units Accrued During Plan Year |
|---|---|---|---|
| 700 – 799 | 13.02 | 2200 – 2299 | 40.92 |
| 800 – 899 | 14.88 | 2300 – 2399 | 42.78 |
| 900 – 999 | 16.74 | 2400 – 2499 | 44.64 |
| 1000 – 1099 | 18.60 | 2500 – 2599 | 46.50 |
| 1100 – 1199 | 20.46 | 2600 – 2699 | 48.36 |
| 1200 – 1299 | 22.32 | 2700 – 2799 | 50.22 |
| 1300 – 1399 | 24.18 | 2800 – 2899 | 52.08 |
| 1400 – 1499 | 26.04 | 2900 – 2999 | 53.94 |
| 1500 – 1599 | 27.90 | 3000 – 3099 | 55.80 |
| 1600 – 1699 | 29.76 | 3100 – 3199 | 57.66 |
| 1700 – 1799 | 31.62 | 3200 – 3299 | 59.52 |
| 1800 – 1899 | 33.48 | * | * |

* (An additional $1.86 added for each additional range of 100 hours.)

3. Benefit units for hours of employment prior to January 1, 1964 shall be determined by multiplying years of service prior to January 1, 1964, up to a maximum of 25 years of vesting service, by $29.00.

   ***NOTE***: Following are examples showing pension amounts and how they are determined. The amounts are calculated as a normal retirement pension. If you are married, your pension will be paid in the form of a Qualified Joint and Survivor Pension unless you and your spouse reject this form of payment in writing. The Qualified Joint and Survivor Pension amounts are somewhat lower than the pension amounts shown in the following examples. For more information on the Qualified Joint and Survivor Pension, see page 27.

***For Example:***

Joe retired on a Normal Pension effective December 1, 2014 at age 57 with 25 years of vesting service. His work history is as follows:

| Years | Hours of Service in Covered Employment | Benefit Units Accrued |
|---|---|---|
| 2014 | 2800 | $210.00 |
| 2013 | 2500 | 187.50 |
| 2012 | 2350 | 176.25 |
| 2011 | 2200 | 148.50 |
| 2010 | 2150 | 145.13 |
| 2009 | 2000 | 135.00 |
| 2008 | 1700 | 114.75 |
| 2007 | 1900 | 128.25 |
| 2006 | 1800 | 121.50 |
| 2005 | 2000 | 135.00 |
| 2004 | 2500 | 168.75 |
| 2003 | 2600 | 123.50 |
| 2002 | 2200 | 104.50 |
| 2001 | 2800 | 133.00 |
| 2000 | 2500 | 118.75 |
| 1999 | 1950 | 92.63 |
| 1998 | 1700 | 80.75 |
| 1997 | 2100 | 99.75 |
| 1996 | 2300 | 109.25 |
| 1995 | 1850 | 87.88 |
| 1994 | 1750 | 83.13 |
| 1993 | 1900 | 90.25 |
| 1992 | 1650 | 78.38 |
| 1991 | 2050 | 97.38 |
| 1990 | 1950 | 92.63 |

Joe's pension is calculated by adding all of the annual benefit accruals which gives Joe a total monthly pension of $3,062.41. The annual benefit accruals from 1990 through 2014 are based on the accrual rates in (1) above.

## D. What Is the Amount of the Special Unreduced Retirement Pension?

Your Special Unreduced Retirement Pension is determined in the same way as the Normal Pension.

You may retire and begin receiving a Special Unreduced Retirement Pension on the first day of the month following the month in which you meet these requirements for a Special Unreduced Retirement Pension as set out on page 20. For example, if you have 60,000 hours of service, are age 50 and have 25 years of vesting service, you are eligible to retire at age 50.

For purposes of this calculation, your age is determined as of the last day of the last Plan Year (December 31) in which you had 500 hours.

## E. What Is the Amount of the Vested Deferred Pension?

Your Vested Deferred Pension is calculated the same way as the Normal Pension. The Vested Deferred Pension is payable at age 62 or in a reduced amount as early as age 57. However, if payments begin before age 62, your monthly benefit will be reduced by .5833%, or 1/12 of 7%, for each month you are younger than 62.

***For Example:***

Tom, age 59, last worked in Covered Employment on December 31, 2014. Tom's Normal Pension was determined to be $1,500 per month. Because Tom is 36 months younger than age 62, his Vested Deferred Pension is determined as follows:

.5833% x 36 months = 21.0%

| | | | | |
|---|---|---|---|---|
| $1,500.00 | x | 21.0% | = | $ 315.00 |
| $1,500.00 | - | $315.00 | = | $1,185.00 |

Tom's Vested Deferred Pension, therefore, would be $1,185.00 per month.

## F. What Is the Amount of the Disability Pension?

Your Disability Pension is calculated the same way as the Normal Pension.

## G. What Is the Amount of the Pro-Rata Pension?

Your Pro-Rata Pension is calculated the same way as the Normal Pension, taking into account only benefits accrued under this Plan.

## H. What Is the Amount of the Postponed Retirement Pension?

Your Postponed Retirement Pension is the same amount as the Normal Pension. However, the Postponed Retirement Pension is actuarially increased for each month you are older than Normal Retirement Age when you retire. Your Normal Pension will be increased by 1% per month for each of the first 60 months you are older than Normal Retirement Age and by 1.5% per month for each month thereafter, unless your benefit is suspended during any of those months. Your pension benefit will not be actuarially increased for any month during which your benefit is suspended. If the Normal Retirement Age is decreased by an amendment in the future, your Normal Pension will not automatically become a postponed pension.

***For Example:***

John is age 67 when he retires. His Normal Pension amount is $2,000.00. Because John is 24 months older than age 65 when he retires, his pension is increased by 1% per month, or 24%. Therefore, John's Postponed Retirement Pension amount is $2,480.00 ($2,000.00 x 24% = $480.00; $2,000.00 + $480.00 = $2,480.00).

# VII. SURVIVOR BENEFITS BEFORE RETIREMENT

## A. What Types of Survivor Benefits Are Payable if a Participant Dies Before Retirement?

There are two types of survivor benefits if you die before retiring on a pension. They are the Pre-Retirement Death Benefit and the Pre-Retirement Surviving Spouse Pension.

If you die on or after January 1, 2007, while performing qualified military service, your beneficiary will be entitled to any additional benefits provided under the Plan as if you had resumed and then terminated employment on account of death.

## B. What Are the Eligibility Requirements for a Pre-Retirement Death Benefit?

Your designated beneficiary will be eligible for a Pre-Retirement Death Benefit if you:

1. a. Die before you retire; and

   b. Have not incurred 4 consecutive break in service years; and

   c. Have at least 5 years of vesting service; and

   d. Do not have a spouse on the date of your death or if your spouse is not eligible for a Pre-Retirement Surviving Spouse Pension (see page 25) because he or she is not a Qualified Spouse.

   Or,

2. a. Die while you are receiving a disability pension; and

   b. Die prior to the first day of the month preceding the attainment of age 57; and

   c. Do not have a spouse on the date of your death or if your spouse is not eligible for a Pre-Retirement Surviving Spouse Pension because he or she is not a Qualified Spouse.

## C. What Is the Amount of the Pre-Retirement Death Benefit?

If your designated beneficiary is not your spouse, your designated beneficiary will be entitled to an amount equal to the monthly benefit payable at your Normal Retirement Age for 60 months.

If your designated beneficiary is your spouse and your spouse is not eligible for a Pre-Retirement Surviving Spouse Pension (see page 25) because he or she is not a Qualified Spouse, your spouse will be entitled to a monthly pension equal to 50% of the amount you would have received had you retired the day before your death. Payments to your spouse will be guaranteed for 120 months. If your spouse dies before receiving 120 monthly payments, the balance of payments will be made to your secondary beneficiary until a combined total of 120 monthly payments have been made to your spouse and your secondary beneficiary.

If the actuarial lump-sum value of the survivor benefit is $1,000.00 or less, the Trustees may pay out its full value in a single sum. If the actuarial lump-sum value of the survivor benefit is more than $1,000 but not more than $5,000, the Trustees may pay out its full value in a single sum, provided that your Spouse, or beneficiary, as applicable, consent to such distribution.

Note: Effective June 26, 2013, the term “spouse” as used in this Summary Plan Description and in the Plan Document includes individuals of the same gender who are legally married in a state or foreign jurisdiction that recognizes same gender marriages, even if the individuals are domiciled in a state that does not recognize the validity of such marriages.

## D. What Happens If I Do Not Designate a Beneficiary?

It is recommended that you designate a primary beneficiary and one or more secondary beneficiaries so that the Fund Office can comply with your wishes. You may name anyone you wish as your beneficiary. However, if you are married and you wish to designate someone other than your spouse as your primary beneficiary, your spouse must consent in writing to your designation of another beneficiary.

If you do not designate a primary beneficiary or your primary beneficiary predeceases you, the Pre-Retirement Death Benefit will be paid to your secondary beneficiary, if any. If you do not designate a secondary beneficiary or your secondary beneficiary predeceases you, your Pre-Retirement Death Benefit will be paid to your estate.

## E. When Will the Pre-Retirement Death Benefit Payments Begin?

The monthly Pre-Retirement Death Benefit payments will begin the first day of the month following your death.

## F. What Are the Eligibility Requirements for the Pre-Retirement Surviving Spouse Pension?

If you have 5 years of vesting service, the Pre-Retirement Surviving Spouse Pension is payable to your qualified surviving spouse if you die before retirement.

In order for your spouse to be "qualified," you must have been married throughout the one-year period ending on the date of your death, or if you are divorced and a Qualified Domestic Relations Order requires your former spouse to be treated as a spouse or surviving spouse.

## G. What Is the Amount of the Pre-Retirement Surviving Spouse Pension?

The Pre-Retirement Surviving Spouse Pension will equal 100% of the pension benefit you would have received had you retired the day before your death and selected a 100% Contingent Pensioner Form of Payment (for participants who died between January 1, 2001 and December 31, 2001, inclusive, the amount was 75% and for participants who died prior to January 1, 2001, the amount was 50%).

If the actuarial lump-sum value of the survivor benefit is $1,000.00 or less, the Trustees may pay out its full value in a single sum. If the actuarial lump-sum value of the survivor benefit is more than $1,000 but not more than $5,000, the Trustees may pay out its full value in a single sum, provided that your Spouse consents to such distribution.

If your spouse received a Pre-Retirement Death Benefit (see page 23) because the Pre-Retirement Surviving Spouse Pension did not commence immediately upon your death, the Pre-Retirement Surviving Spouse Pension will be actuarially reduced to recognize the value of the Pre-Retirement Death Benefit paid.

## H. When Will the Pre-Retirement Surviving Spouse Pension Begin?

The benefit for your qualified surviving spouse is payable the first day of the month following the month in which you died and will be payable for the remainder of your spouse's life. However, your spouse may elect to defer payment of the survivor benefit to any future date before the date you would have reached age 65. If your spouse elects to delay receiving this survivor benefit, the benefit will be actuarially adjusted for the delay.

# VIII. SURVIVOR BENEFITS AFTER RETIREMENT

## A. Does the Plan Pay Any Benefits upon the Death of a Pensioner After Retirement?

Yes, there are four types of survivor benefits which are payable upon your death after retirement. They are the:

1. 120-Month Guarantee;
2. Qualified Joint and Survivor Pension;
3. Joint and 75% Contingent Pensioner Form of Payment;
4. Joint and 100% Contingent Pensioner Form of Payment.

When you retire, your benefit will be paid in the form of a Qualified Joint and Survivor Pension unless you are not legally married or you and your spouse reject or are not eligible for this form of payment. If your spouse consents to your rejection of the Qualified Joint and Survivor Pension form of payment, the consent must be made in writing and witnessed by a notary public. Upon retirement, you will be asked to elect one of these types of benefits and your survivor will receive only one of these benefits.

The 120-Month Guarantee, the Joint and 75% Contingent Pensioner Form of Payment, and the Joint and 100% Contingent Pensioner Form of Payment are actuarially equivalent to your Normal Pension amount. An actuarially equivalent benefit means a benefit that has the same actuarial present value as the benefit it replaces. The term "actuarial present value" means the current value of a future benefit or series of payments using specified actuarial factors and assumptions.

## B. What Is the Qualified Joint and Survivor Pension?

If you are married when you retire, your pension will automatically be paid as a Qualified Joint and Survivor Pension (excluding a Disability Pension) unless both you and your spouse reject this form of payment in writing or your spouse is not a qualified spouse.

This benefit provides a reduced monthly benefit for you so that, upon your death, your spouse will receive 50% of the benefit you were receiving for the lifetime of your spouse.

A spouse is a qualified spouse if you and your spouse are legally married on the date of your retirement and had been married throughout the one-year period preceding the date of your death.

## C. How Is the Qualified Joint and Survivor Pension Calculated?

Your monthly pension will be actuarially adjusted, based on the difference between your age and your spouse's age.

If the actuarial lump-sum value of your benefit, is $1,000.00 or less, the Trustees may pay out its full value in a single sum. If the actuarial lump-sum value of the your benefit is more than $1,000 but not more than $5,000, the Trustees may pay out its full value in a single sum, provided that you and your Spouse consent to such distribution.

The following is an example of how the amount of your pension would be reduced when it is paid as a Qualified Joint and Survivor Pension assuming you qualify for a Normal Pension at age 57 and your spouse is age 54:

| | | |
|---|---|---|
| Monthly Normal Pension | | $2,000.00 |
| Percentage of pension payable under the Qualified Joint and Survivor Pension | x | 91.51% |
| Total monthly Qualified Joint and Survivor Pension payable to you | | $1,830.20 |
| Total monthly pension payable to your spouse for their lifetime upon your death (50% x $1,830.30) | | $915.10 |

If, after your pension begins, your spouse dies before you or you and your spouse are subsequently divorced and a Qualified Domestic Relations Order provides your spouse will not receive the survivor benefit, your benefit will be increased to the amount that you would have received had you and your spouse rejected this form of payment and elected a Normal Retirement Pension. The increased amount will begin with the month following the month in which the Trustees receive proof of either the death of your spouse or of your divorce.

## D. How Can I Make a Decision About Whether to Have My Pension Paid as a Qualified Joint and Survivor Pension or Another Form?

When you apply for your pension, you will receive from the Fund Office a written estimate of the amount of your pension in the Qualified Joint and Survivor Pension form as well as all of the other options described below. This will give you a comparison of the benefits available to you so that you can make an informed decision.

You will have up to the later of the effective date of your pension, or, 180 days from the date of the estimate to decide whether you want your pension paid as a Qualified Joint and Survivor Pension or in another form. You can make or change a previous election by completing, signing, dating and returning this form to the Fund Office within the period described. However, for the rejection of the Qualified Joint and Survivor Pension to be valid, a written explanation has to be provided to you no earlier than 180 days before the effective date of your pension and no later than 30 days before the effective date of your pension, unless you and your spouse waive in writing the 30-day waiting period in favor of a 7-day period instead. In no event can the election be changed after the date you start receiving benefits. If you and your spouse reject the Qualified Joint and Survivor Pension and do not elect any other optional form of benefit, the 120-Month Guarantee will apply unless you are retiring with a Disability Pension.

## E. What Is the 120-Month Guarantee of Pension Payments?

If you and your spouse reject the Qualified Joint and Survivor Pension or you do not meet the rules for the Qualified Joint and Survivor Pension, and you retire with any pension except a Disability Pension, you are guaranteed 120 monthly pension payments. If you die before receiving 120 monthly payments, the balance of the remaining monthly payments will be paid to your beneficiary. If your beneficiary dies before receiving all payments, the balance will be paid to your beneficiary's estate.

If you elect this option, the amount of your pension will be adjusted based on whether you are older or younger than age 62 when you retire.

The following is an example of how the amount of your pension would be reduced when it is paid as a 120-Month Guarantee if you were to retire with a Normal

Pension at age 62:

| | | |
|---|---|---|
| Monthly Normal Pension | | $2,000.00 |
| Percentage of pension payable under the 120-Month Guarantee | x | 93.63% |
| Total monthly pension payable | | $1,872.60 |

If you retire with a Disability Pension, you will be eligible to elect this option when you have attained the age of 57.

## F. What Is the Joint and Contingent Pensioner Option?

If you and your spouse reject the Qualified Joint and Survivor Pension, you may elect the Joint and 75% or 100% Contingent Pensioner forms of payment. If you elect one of these options you will receive a smaller pension for your lifetime and a percentage (75% or 100%, whichever you elect) will be paid after your death to your spouse.

If you retire on any pension except a Disability Pension and elect the 75% or the 100% Joint and Contingent Pensioner form, the amount of your pension is determined by multiplying your Normal Pension amount by the appropriate actuarial factor.

However, if the actuarial lump-sum value of the survivor benefit is $1,000.00 or less, the Trustees may pay out its full value in a single sum. If the actuarial lump-sum value of the survivor benefit is more than $1,000 but not more than $5,000, the Trustees may pay out its full value in a single sum, provided that you and/or your Spouse, if applicable, consent to such distribution.

If you retire with a Disability Pension, you will be eligible to elect this option when you have attained the age of 57.

If, after your pension begins, your spouse dies before you or you and your spouse are subsequently divorced, and a Qualified Domestic Relations Order provides your spouse will not receive the survivor benefit, your benefit will be increased to the amount that you would have received had you and your spouse rejected this form of payment and elected a Normal Retirement Pension. The increased amount will begin with the month following the month in which the Trustees receive proof of either the death of your spouse or of your divorce.

# IX. APPLICATION FOR AND PAYMENT OF PENSION BENEFITS

## A. How Can I Apply for a Pension?

To apply for a pension, request a pension application by writing, calling or visiting the Fund Office at the address shown at the beginning of this booklet. The application should be completed, signed, dated and returned to the Fund Office. You must send proof of your date of birth, and, if married, proof of your marriage and your spouse's birth date with your application. If you are applying for a Disability Pension, you must provide proof that you are totally and permanently disabled and you may have to submit to a medical examination. The Trustees may rely on the information you provide in your application for benefits.

## B. When Will My Pension Be Paid?

Pensions are usually effective on the first day of the month that all conditions for the pension are met, including the filing of a pension application or 30 days after you receive the written explanation of benefit options, whichever is later. However, because the Fund Office requires some time to process pension applications, the first pension payment may be delayed. If the effective date of your pension is on or after Normal Retirement Age, the monthly benefit will be the accrued benefit at Normal Retirement Age, actuarially increased for each complete calendar month between Normal Retirement Age and the effective date of the pension. See page 22, Postponed Retirement Pension, for more information. THEREFORE, IT IS IMPORTANT TO FILE A PENSION APPLICATION IN ADVANCE OF THE MONTH YOU WANT TO RECEIVE YOUR FIRST PENSION PAYMENT.

Your benefits must commence by April 1 of the calendar year following the later of the year that you reach age 70 1/2 or the calendar year in which you cease work in Covered Employment.

## C. How Does a Surviving Spouse Apply for Benefits?

As soon as possible after the death of a participant the surviving spouse should contact the Fund Office to find out if any benefits are payable and to request instructions about filing an application for survivor benefits.

## D. Who Will Decide if I Am Eligible for a Pension?

The Trustees of the Plan have the sole authority to revise, construe and apply the provisions of the Plan Document and to make decisions concerning your eligibility for, entitlement to, and the nature, amount and duration of your benefits.

## E. When Will My Pension Application Be Decided?

The Trustees will decide any claim for benefits within 90 days after an application is filed. This 90-day period may be extended up to 90 additional days, provided the Trustees give you notice of the reasons that justify the delay and the anticipated length of the delay. With respect to claims for disability benefits, the decision will be made within 45 days, with up to a total of 60 days' extension. If additional information is required to decide the disability claim, the Trustees will notify you, and you will have 45 days to provide such information.

## F. How Will I Be Notified of the Decision?

If a claim is denied in whole or in part, the Trustees will send a written notice that sets out:

1. The specific reason for the denial;

2. Reference to the specific Plan provisions upon which the denial is based;

3. A description of any additional material or information that is necessary to perfect the claim and an explanation of why such information is necessary;

4. A description of the Plan's review procedures and time limits applicable to such procedures, and a statement of your right to bring a civil suit under Section 502 of ERISA if your appeal is ultimately denied;

5. With respect to the denial of a claim for disability benefits, a description of any internal rule, guideline, protocol, or other similar criterion relied upon and a statement that a copy of such rule, guideline, protocol or criterion will be provided to you free of charge upon request; and

6. With respect to a claim for disability benefits, to the extent such decision was based on medical considerations, an explanation of the reasons,

applying the terms of the Plan to your medical circumstances, or a statement that such an explanation will be furnished free of charge to you upon request.

## G. If My Application Is Denied, Do I Have the Right to Appeal?

Yes. You or your duly authorized representative may request a review of the denied claim by the Board of Trustees which has authority to make the final decision on review.

The Board of Trustees will conduct a review. The request for review must be made by written application within 60 days (180 days with respect to disability claims) after you receive written notification that your claim has been denied.

No request for review shall be considered by the Board of Trustees after the 60-day period (180-day period for disability claims).

You or your duly authorized representative may:

1. Request a review of the denied claim upon written application to the Fund;

2. Review and copy pertinent documents free of charge; and

3. Submit issues and comments in writing.

As part of such written request for review, you may request a hearing before the Board of Trustees.

## H. How and When Will I Be Notified of the Decision on My Appeal?

If a hearing is not requested, the Board of Trustees will make a prompt decision on the review of the claim. The Board of Trustees will consider all of the material and information submitted in connection with the original application and the appeal and notify you of the decision within 60 days after receipt of the request for review. If special circumstances arise, such as the need to hold a hearing, an extension of time for processing will be granted and a decision shall be rendered as soon as possible but not later than 120 days after receipt of a request for review.

The decision on appeal with respect to disability claims will be made within 45 days with the possibility of up to a 45-day extension.

If your claim on review or upon hearing is denied in whole or in part, the Trustees will send a written notice that sets out:

1. The specific reason for the denial;

2. Reference to the specific Plan provisions upon which the denial is based;

3. A statement that you are 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;

4. A statement of your right to bring a civil suit under Section 502 of ERISA;

5. With respect to the denial of an appeal for disability benefits, a description of any internal rule, guideline, protocol, or other similar criterion relied upon and a statement that a copy of such rule, guideline, protocol or criterion will be provided to you free of charge upon request;

6. With respect to the denial of an appeal for disability benefits, to the extent such decision was based on medical considerations, an explanation of the reasons, applying the terms of the Plan to your medical circumstances, or a statement that such an explanation will be furnished free of charge to you upon request; and

7. With respect to the denial of an appeal for disability benefits, a statement that you or the Plan may have other voluntary alternative dispute resolution options.

The decision on review or upon hearing shall be furnished to you within the times set forth above. If the decision is not furnished within such time, the claim will be deemed denied on review.

If you or your beneficiaries are dissatisfied with the decision of the Trustees on review, you or your beneficiaries have the right to bring a civil action under Section 502(a) of ERISA. However, before bringing such action, you or your beneficiaries must exhaust the Plan's claims and appeals procedures set forth in

Article 6 of the Plan Document. Any such action under ERISA must be filed within two years of the date on which the Trustees notify you or your beneficiaries of their final decision on review.

The Board of Trustees has complete authority and discretion to interpret, construe and apply all terms of the Pension Plan including, but not limited to, provisions concerning eligibility for, entitlement to and the nature, amount and duration of benefits. The decision of the Board of Trustees regarding an appeal is final and binding and shall be accorded judicial deference in any administrative proceeding or court action, unless it is shown that the interpretation or determination was arbitrary and capricious.

# X. ABOUT RETIREMENT

## A. Can I Work as an Operating Engineer or in the Building Trades After I Retire?

After you retire you will not receive your monthly pension for any month in which you work in Disqualifying Employment. Disqualifying Employment differs depending on your age.

Generally, your benefits will be suspended for work in Disqualifying Employment of more than 40 hours per month. When you reach age 70 1/2 benefits will not be suspended regardless of the number of hours you work.

However, there are four exceptions to this general rule. They are:

1. If you retire before and are currently younger than age 62:

   a. You will be granted 350 accumulated hours to be worked in Disqualifying Employment between July 1 through November 30, inclusive; provided you do not work any hours in Disqualifying Employment between December 1 through June 30.

   b. You can also work in Disqualifying Employment an additional 50 hours for each month from July through November.

   c. Your total hours worked in Disqualifying Employment cannot exceed 480 hours annually, excluding accumulated hours.

   d. Your total hours worked in Disqualifying Employment cannot exceed 600 hours annually, including accumulated hours.

   If you work in Disqualifying Employment more than 600 hours, including accumulated hours, or 480 excluding accumulated hours, annually, this exception no longer applies and all future work in Disqualifying Employment is limited to 40 hours per month.

   ***NOTE***: For the Plan Year from January 1, 2008 through December 31, 2008, this first exception applied to all retired Participants who were less than age 65. For the Plan Year January 1, 2010 through December 31, 2010, the exceptions above applied to all retired Participants irrespective of age.

2. If you retire and are currently age 62 or older and not yet age 65:

   a. Your benefits accrued before June 15, 1990 will be suspended if you work in Disqualifying Employment more than 250 hours between July 1 and November 30, inclusive, or more than 40 hours in any month between December 1 and June 30, inclusive.

   b. Your benefits accrued after June 14, 1990 will be suspended for any month in which you work in any Disqualifying Employment.

3. If you retired prior to June 15, 1990, and you were at least age 62 but not yet age 67, there were special provisions allowing you to work 250 hours in Disqualifying Employment. You should refer to the provisions in the prior plan if you were in this class of retirees.

4. If you retire and have attained Normal Retirement Age:

   a. Your benefits accrued before June 15, 1990 will be suspended if you work in Disqualifying Employment more than 250 hours between July 1 and November 30, inclusive, or more than 40 hours in any month between December 1 and June 30, inclusive.

   b. Your benefits accrued after June 14, 1990 will be suspended for any month in which you work more than 40 hours in Disqualifying Employment.

However, none of your benefits will be suspended if you work in Disqualifying Employment after you reach your required beginning date (April 1 of the year following the year you reach age 70 1/2 [see page 31 for a description of the required beginning date]).

## B. Must I Provide Notice of My Return to Work?

Yes. You must notify the Fund Office of your return to work within 30 days of the date you return, regardless of the number of hours you intend to work.

If your work is disqualifying, the Fund Office will provide you with a notice that your benefit is suspended. This notice will tell you the reason for the suspension and how to let the Fund Office know when you stop working. Your pension payments will not start again until you tell the Fund Office that the Disqualifying Employment has ended.

If you disagree with or do not understand the suspension, you may write to the Fund Office and request a review of the decision within 60 days of receiving the suspension notice. The Trustees will review and decide your request in the same manner set out for other requests for review at page 33.

If you fail to notify the Fund Office of your return to work, the Fund will presume that such work is Disqualifying Employment and suspend your benefits unless you prove that the work is not in Disqualifying Employment. Suspension of your benefits will continue until you notify the Fund Office that you are no longer working in Disqualifying Employment.

## C. What Happens if I Continue to Receive My Pension Payment While I Am Working in Disqualifying Employment?

It is important for you to know that you are obligated to repay the amounts you receive if you work in Disqualifying Employment and receive your pension. When you stop working and your benefits begin again, part of your payments may be withheld until the Fund has recovered benefits improperly paid to you. If you are age 65 or older, the Fund may withhold 100% of the first monthly payment due to you plus up to 25% of the following monthly amounts (including payments to your spouse) if necessary to recover any overpayment. Before age 65, all payments due to you or your spouse or beneficiary will be withheld by the Fund until the overpayment is recovered.

## D. If I Return to Covered Employment, Will My Benefit Be Recalculated when I Resume My Retirement?

If you return to Covered Employment and earn additional accruals, the amount of your monthly pension will be adjusted each January 1 for your new age and for any additional credits earned during the prior Plan Year.

The recalculated amount will also be reduced by the actuarial equivalent of any pension payments made before Normal Retirement Age.

In addition, if you return to Covered Employment and earn additional accrual, you will be entitled to a new election as to the form of benefit payment for such additional accrual; provided, however, that the first election on or after Normal Retirement Age will apply for all subsequent accruals earned.

## E. If I Retired with a Disability Pension, May I Work?

Yes. However, you may not work or earn any money for work as an Operating Engineer in the building and construction industry. If you retired on a Disability Pension and are considering returning to some type of employment, contact the Fund Office.

## F. Where May I Find the Plan's Rules Regarding Suspension of Benefits?

The Plan's rules regarding suspension of benefits can be found under Section 6.07 on pages 60-65 of the Plan Document. Retirees will be provided with a description of the Plan rules regarding suspension of benefits annually – or at any other time if you request it. The Plan rules are in accordance with the Department of Labor regulations concerning suspension of benefits. Those regulations can be found in Section 2530.203-3 of Title 29 of the Code of Federal Regulations.

## G. If I Owe Money, Can I Sign Over My Rights to My Pension?

No. The Pension Plan contains a provision prohibiting any transfer, assignment, sale or attachment of a pension benefit. The Pension Plan will, however, pay benefits in the manner required by a Qualified Domestic Relations Order as that term is defined in ERISA and the Internal Revenue Code.

## H. What Happens to My Pension Benefits If I Get Divorced?

This depends on whether the Plan receives a Qualified Domestic Relations Order (QDRO). A QDRO is an order entered by a Court, pursuant to a state's domestic relations laws, that provides for the payment of part or all of your benefits to your former spouse or other dependent. An order must meet certain technical requirements in order to constitute a QDRO. A QDRO is binding either before or after you retire.

If the Plan receives a domestic relations order with respect to your benefits it will review such order pursuant to its procedures and notify you as to whether it constitutes a QDRO. If you would like a copy of the Plan's QDRO procedures, free of charge, contact the Fund Office. The Fund Office will also provide you or your attorney with a copy of a model QDRO.

## I. What Happens If My Beneficiary or I Become Incapacitated?

If it is determined to the satisfaction of the Trustees that you or your beneficiary are unable to care for your affairs because of mental or physical incapacity, any payment due may be applied to the maintenance and support of you or your beneficiary or to such person as the Trustees find to be an object of the natural bounty of you or your beneficiary in the manner decided by the Trustees, unless prior to such payment, claim is made to such payment by a legally-appointed guardian, committee, or other legal representative appropriate to receive such payments on behalf of you or your beneficiary.

## J. Does Applying for a Pension from This Fund Affect My Social Security Rights?

No. The benefits provided by this Fund are in addition to any benefits which you may receive from Social Security.

## K. Is Retirement Compulsory at Age 65?

No. Retirement is not compulsory at any time. However, you must begin receiving your benefits no later than April 1 of the year following the later of the year in which you reach age 70 1/2 or cease work in Covered Employment.

## L. Can a Distribution Be Rolled Over Tax-Free to an IRA or Other Qualified Plan?

If you or your spouse or former spouse under a QDRO receive a distribution that is eligible for a rollover (for example, a lump-sum cashout), all or part of the distribution may be rolled over to an individual retirement account (IRA) or another qualified retirement plan. If you or your spouse or former spouse do not choose to roll over this lump-sum payment, federal law requires the Fund to withhold 20% of the total amount for federal tax purposes.

Your non-spouse beneficiary is also eligible to have a direct rollover made to an individual retirement account which shall be considered to be an inherited IRA.

Federal law requires the Fund Office to provide you with a timely “Special Tax Notice Regarding Plan Payments” which describes your rights and obligations regarding rollovers and withholding requirements.

# XI. TOP-HEAVY PROVISIONS OF PLAN

Qualified retirement plans are required by the Internal Revenue Code to include provisions that will take effect if the plan becomes top-heavy. Basically, a top-heavy plan is one in which key employees (officers and owners) have accrued 60% of all of the benefits accrued by participants in the plan. If a plan becomes top-heavy, special more liberal vesting and benefit accrual provisions must be implemented. While it is extremely unlikely this Plan will ever become top-heavy, it does contain the required provisions. Should the Plan become top-heavy, you will be notified.

# XII. IMPORTANT FACTS ABOUT THE PLAN

The following information provides important facts about the Plan, which you should know.

## A. Name of Plan

This Plan is known as the Employers and Operating Engineers Local 520 Pension Fund.

## B. Board of Trustees

A Board of Trustees is responsible for the operation of this Plan. The Board of Trustees consists of employer and employee representatives. If you wish to contact the Board of Trustees, you may use the address and telephone number below:

Board of Trustees
Employers and Operating Engineers
Local 520 Pension Fund
Eight Executive Woods Court
Swansea, Illinois 62226
Telephone: (618) 233-7978
Fax: (618) 233-7716

As of July 1, 2015, the Trustees of this Plan are:

| Employer Trustees | Union Trustees |
|---|---|
| Cyril "Pete" Korte<br>Korte & Luitjohan Contractor's, Inc.<br>12052 Highland Road<br>Highland, Illinois 62249 | Ronald S. Kaempfe<br>Operating Engineers Local 520<br>520 Engineer Road<br>Granite City, Illinois 62040 |
| Eugene Keeley<br>Keeley & Sons, Inc.<br>P. O. Box 837<br>6303 Collinsville Road<br>East St. Louis, Illinois 62203 | Mark Johnson<br>Operating Engineers Local 520<br>520 Engineer Road<br>Granite City, Illinois 62040 |
| Dale Keller<br>Keller Construction, Inc.<br>22 Illini Drive<br>Glen Carbon, Illinois 62034-2915 | Michael Parkinson<br>Operating Engineers Local 520<br>520 Engineer Road<br>Granite City, Illinois 62040 |

## C. Plan Sponsor and Plan Administrator

The Board of Trustees is both the Plan Sponsor and the Plan Administrator within the meaning of ERISA. The address and phone number for the Board of Trustees is listed above.

## D. Identification Numbers

The plan number assigned to this Plan by the Board of Trustees pursuant to instructions of the Internal Revenue Service is 001. The employer identification number assigned by the Internal Revenue Service is 37-6053929.

## E. Agent for Service of Legal Process

The person designated as the agent for the purpose of accepting service of legal process on behalf of the Plan is:

David Glastetter
Administrative Manager
Employers and Operating Engineers Local 520 Pension Fund
Eight Executive Woods Court
Swansea, Illinois 62226

Process may also be served on any of the Trustees either at their business address or at the Fund Office.

## F. Action of Trustees

The Trustees are given discretionary powers in the interpretation, application, determination and enforcement of the provisions of the Plan.

## G. Collective Bargaining Agreements

This Plan is maintained pursuant to collective bargaining agreements and participation agreements with Contributing Employers. A copy of any such agreement may be obtained by participants and their beneficiaries by written request to the Fund Office. Further, such agreements are available for examination by participants and their beneficiaries at the Fund Office.

## H. Source of Contributions

The benefits described in this booklet are provided through employer contributions. The amount of employer contributions and the employees on whose behalf contributions are made are determined by the provisions of the collective bargaining agreements and/or participation agreements.

The Fund Office will provide you and your beneficiaries, upon written request, with information as to whether a particular employer or employee organization is a sponsor of the Plan, and if the employer or employee organization is a sponsor, the sponsor's address.

## I. Pension Fund's Assets and Reserves

All assets are held in trust by the Board of Trustees for the purpose of providing benefits to eligible participants and defraying reasonable administrative expenses. The name of the Trust Fund is the "Employers and Operating Engineers Local 520 Pension Trust Fund". The Pension Trust's assets and reserves are presently held by the trust department of a bank, mutual funds, collective trusts, REITs, etc., and invested by professional investment advisors.

## J. Plan Year

The records of the Plan are kept separately for each Plan Year. The Plan Year begins on January 1 and ends on December 31 and is used for computing vesting service and benefit accruals.

## K. Type of Plan

This is a defined benefit pension plan maintained for the purpose of providing retirement benefits to eligible participants.

## L. Plan Administration

The Board of Trustees manages the Plan in accordance with the terms of the Trust Document. The assets of the Plan must be used exclusively for the purposes of providing benefits to the participants covered by the Plan (and the beneficiaries of such participants) and for paying the reasonable costs of administration.

The Trustees have retained professional investment managers to manage the assets of the Plan.

## M. Eligibility and Benefits

The types of benefits provided and the Plan's requirements with respect to eligibility, as well as circumstances that may result in disqualification, ineligibility, or denial or loss of any benefits are fully described in this booklet.

## N. Amendment or Termination of the Plan

The Trustees may amend the terms of this Plan at any time they deem it advisable except that they may not amend it in a manner inconsistent with applicable laws. Such amendments are made by majority vote of the Trustees.

Further, while the Trustees intend this Plan to be permanent, they may terminate the Plan in whole or in part. Upon termination, the rights of all affected participants to benefits accrued as of the date of termination or partial termination shall become vested. If the Plan is terminated, the assets remaining after payment of administrative expenses shall be allocated first to pay pension benefits to retirees and others who have been in pay status for a specified time, then to those who would be in pay status, and then to pay other benefits. The detailed allocation of assets on termination is set out at subsection 7.05(b) of the Pension Plan Document.

You will be informed in writing of any action taken to amend or terminate the Plan.

## O. Pension Benefit Guaranty Corporation

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 $12,870.

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:

   a. The date the plan terminates or

   b. 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.

## P. Rights and Responsibilities

As someone who is eligible for benefits from this Plan, you are no doubt aware that the benefits are paid in accordance with Plan provisions out of a trust fund, which is used solely for that purpose. If you have any questions or problems related to benefit payments, you have the right to get answers from the Trustees who administer the Plan.

The same basic rights have now been incorporated in the Employee Retirement Income Security Act, which Congress adopted in 1974, for application to all benefit plans. Those rights are set forth in the following section.

# XIII. STATEMENT OF RIGHTS UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

As a participant in the Employers and Operating Engineers Local 520 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:

## A. Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, 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 (age 65) 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 12 months. The Plan must provide the statement free of charge.

## B. Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit 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.

## C. 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 time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of 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, the 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 suit in a State or Federal court. 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 a 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 claim is frivolous.

## D. 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 Administration, 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.

# XIV. IMPORTANT TO REMEMBER

- Save this booklet. Put it in a safe place.

- Tell your family, particularly your spouse, about this booklet and where you keep it filed.

- If you lose your copy, you can ask the Fund Office for another.

- If you have worked in employment (with at least one hour on or after January 1, 1997) covered by the Plan under a collective bargaining agreement for 5 or more Years of Vesting Service and you are leaving without definite plans to return in the near future, you would be entitled to a pension payable when you reach retirement age. If you did not work at least one hour in such employment on or after January 1, 1997, you would need to have completed at least 10 Years of Vesting Service in order to be entitled to a pension payable when you reach your retirement age. You may call or write the Fund Office if you have any questions. Arrangements will be made to furnish you with a statement of your benefit rights. The Fund will file notice with the government so that the Social Security Administration can remind you at a future time of your vested pension rights.

- Notify the Fund Office promptly if you change your address. If the Trustees are unable to reach you at your last address on record, any benefit payments will be held without interest.

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Nothing in this statement is meant to interpret or change in any way the provisions expressed in the Plan. Only the full Board of Trustees is authorized to interpret the Pension Plan described in this booklet. No employer or union nor any representative of any employer or union, in such capacity, is authorized to interpret this Plan nor can any such person act as agent of the Trustees. The Trustees reserve the right to amend, modify or discontinue all or part of this Plan whenever, in their judgment, conditions so warrant.

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