

Pension Fund

International Union of Operating Engineers
Local Union 478 A-C-D-E

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MARCH 2022

IMPORTANT NOTICE

TO ALL PARTICIPANTS AND BENEFICIARIES

The Board of Trustees of the International Union of Operating Engineers Local No. 478 Pension Fund ("Fund") held a special meeting on March 3, 2022, to discuss a number of important issues, including a potential benefit rate increase. The Trustees are pleased that the financial status of the Fund allows for the benefit increase discussed below, especially in light of the current turmoil and uncertainty in the financial markets.

BENEFIT RATE INCREASE -- The Fund's benefit accrual rate will be increased to **\$90 per Pension Credit** (up from \$86) for Vested Participants who initially retire *on or after October 1, 2022*, provided they have worked at least 140 hours in Covered Employment in a Benefit Year beginning on or after October 1, 2021. Please remember that our Fund's "Benefit Year" runs from each October 1st to the immediately following September 30th. Also, this new benefit accrual rate assumes that your pension is payable in the Fund's "Five-Year Certain and Life Pension" benefit form¹ (we will refer to this as a "FYCLP" in this notice).

IMPORTANT REMINDERS:

- ▶ To be entitled to the new \$90 benefit rate for all of your Pension Credits on or after October 1, 2022, you must have a steady, continuous work history in the union Operating Engineer trade in Connecticut. The rules regarding "Pension Rate Breaks," described in Tab 5 (pages 17-23) of your current Summary Plan Description ("SPD"), as amended by all Summaries of Material Modification, continue to apply. Please note that the Pension Rate Break rules might make you ineligible for the new \$90 rate with respect to some, or all, of your Pension Credits if you did not earn the necessary minimum amount of Pension Credit in one Benefit Year within any period of two consecutive Benefit Years. Before October 1, 2001, the minimum amount was two-tenths (.2) of a Pension Credit, or 300 hours. On and after October 1, 2001, the minimum amount was, and continues to be, one-tenth (.1) of a Pension Credit, or 140 hours. Note that pursuant to the express terms of the Pension Fund's plan document, certain periods of absence can also generate hours for purposes of these minimum amounts (examples include periods of disability or incapacity where Workers Compensation benefits are provided, or periods for which weekly disability benefits are paid by the I.U.O.E. Local No. 478 Health Benefits Fund).
- ▶ If you are married and your pension is payable in one of the Fund's Joint-and-Survivor Pension benefit forms (i.e., 50% (formerly known as the "Husband-and-Wife Pension"), 66-2/3% or 75%), your monthly benefit amount will be lower than if you received your benefits in the form of a FYCLP. The reason for this is that all of the Joint-and-Survivor Pensions are determined on the assumption that they will be payable over two lifetimes (yours *and* the spouse to whom you were married when you retired), while a FYCLP is payable only over one lifetime (yours alone). The amount of the adjustment under one of the Fund's Joint-and-Survivor Pension benefit forms would depend on your age and your spouse's age at the time of your retirement under Fund rules, and it would be calculated using tables supplied by the Fund's actuary. More detailed descriptions of the Fund's Joint & Survivor Pension and FYCLP benefit forms are provided in Tab 6 (pages 25-31) of your SPD.

¹ A FYCLP provides an eligible Pensioner with a guaranteed monthly benefit from the Fund for at least 60 months. In the event that the Pensioner dies before the 60 guaranteed monthly payments have been made, the Pensioner's designated beneficiary will receive the same monthly benefit until the total number of payments made to the Pensioner and the designated beneficiary totals 60. If the Pensioner dies after at least 60 guaranteed monthly payments have been made, then no further Fund benefits are payable.

► If you are a Vested Participant with a steady, continuous work history as noted above who is currently working in Covered Employment, you work for at least 140 hours in the current Benefit Year (which will end on September 30, 2022), and you are seriously considering retirement under Fund rules, this presents you with an important choice:

- (1) retire prior to October 1, 2022 under the \$86 benefit rate (assuming you are paid in FYCLP form), or
- (2) retire on or after October 1, 2022 under the new \$90 benefit rate (also assuming you are paid in FYCLP form).

While the choice of when to retire is obviously yours, the Fund wanted to provide you with this notice as quickly as possible so that you have ample time to consider your retirement options.

► Please be aware that retirements under our Fund required significant attention, as a full analysis of your work history must be completed and our office has to coordinate with the Fund's professional advisors (e.g., the Fund actuary) on all pension benefit calculations.

Accordingly, to ensure that your pension is processed in a timely manner, starting on August 1, 2022 the Fund Office must receive your properly completed application packet *at least sixty (60) days* before your intended retirement date. This means that if you are intending to retire under the Fund's rules effective as of October 1, 2022, **your properly completed application packet must be received at the Fund's administrative office in Hamden, Connecticut no later than August 1, 2022.** The Fund will retain the discretion to allow exceptions to this 60-day rule in very limited circumstances, such as when a retiring Vested Participant has been diagnosed with a terminal illness.

► This change to the Fund's benefit rate has *no impact* on Pensioners who retired, or will retire, under Fund rules prior to October 1, 2022.

This Notice is intended to be a brief description of the benefit rate increase that was recently adopted by the Fund's Trustees. In all situations, the terms of the actual Pension Plan document will control. This Notice constitutes a Summary of Material Modifications or "SMM" to the Fund, and we are furnishing it to you in accordance with U.S. Department of Labor regulation §2520.104b-3. **Please keep this Notice with your Summary Plan Description for future reference.** All benefits are subject to amendment and/or termination as the Trustees may determine to be in the best interests of the Fund's participants and beneficiaries. Please contact us with any questions, and the Fund Office telephone numbers are: (203) 288-9261 or (866) 288-9261 (toll free).

BOARD OF TRUSTEES, I.U.O.E. LOCAL NO. 478 PENSION FUND