

**INTERNATIONAL UNION OF OPERATING ENGINEERS  
LOCAL 877 ANNUITY PLAN**

**SUMMARY PLAN DESCRIPTION**

**2018 Edition**

*Health & Welfare Trust Fund*  
*International Union of Operating Engineers*  
**LOCALS 877 AND 70**

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To all Participants and Beneficiaries:

We are pleased to issue this Summary Booklet describing the benefits available to you from the International Union of Operating Engineers Local 877 Annuity Plan (the "Annuity Plan" or "Plan"). Comfort and financial security in our retirement years are important to all of us. To assist you with your retirement planning, along with Social Security benefits and private savings, the Plan is intended to provide you with benefits upon your disability or termination of employment from the operating engineer industry. Assuming you have Plan Accounts, the Plan would also pay benefits to your designated Beneficiary upon your death.

The Plan is an individual account plan which receives: (1) contributions made by Contributing Employers on behalf of operating engineers working in the jurisdiction of the International Union of Operating Engineers Local No. 877; (2) pre-tax elective deferrals (commonly known as "401(k) contributions") elected and made by Plan Participants; and (3) rollovers from other tax-qualified plans, including individual retirement accounts or annuities, made by Plan Participants. In general, a Participant pays no tax at the time these amounts are contributed or rolled over, but is taxed at the time he or she receives a distribution from the Plan. This SPD also outlines important changes to the Plan's Qualified Default Investment Alternative or "QDIA" that are effective as of April 1, 2018, so please review this 2018 Summary Booklet carefully so you can understand how the Plan can help you plan for a financially secure retirement. You should keep this Summary Booklet in a safe place for future reference because it contains information which will assist you and/or your Spouse or other Beneficiary in understanding and applying for benefits.

This Summary Booklet has been prepared to provide you with an explanation and summary of the Plan in effect as of April 1, 2018. Different rules may apply before April 1, 2018. If there are changes made in the future, you will be notified of these changes in writing. You should keep all notifications with this SPD so you have the most current information available. This Summary Booklet is no more than a brief, general description of the Plan, written in non-technical language, covering the Plan's most important provisions. Nothing in this Summary Booklet is meant to interpret or extend or change in any way the provisions expressed in the complete text of the Plan as adopted and amended by the Board of Trustees. Please refer to the official Plan document for more extensive information. In the event of any conflict between this Summary Booklet and the Plan documents, the Plan documents will govern. This SPD also presents information that must be made available to Plan participants in order to comply with the Employee Retirement Income Security Act of 1974, as amended (ERISA), including a statement of your rights and protections under the law.

You should contact the Fund Office whenever you: (i) change your home address and/or telephone number, (ii) marry, (iii) obtain a divorce or legal separation, (iv) wish to designate or change your Beneficiary, (v) wish to obtain a distribution; or (vi) have a question about your Plan benefits. If you have any questions or require any additional information regarding the Plan, you are encouraged to call or write the Fund Office.

Sincerely,

BOARD OF TRUSTEES, INTERNATIONAL UNION OF  
OPERATING ENGINEERS LOCAL 877 ANNUITY FUND

## **IMPORTANT NOTICE**

This Summary Plan Description is no more than a general description written in non-technical language covering the most important provisions of the Annuity Plan. Nothing in this Summary Plan Description is meant to interpret or extend or change in any way the provisions expressed in the complete text of the Annuity Plan as adopted and amended by the Board of Trustees. Please refer to the official Plan document for more extensive information. In the event of any conflict between this Summary Booklet and the Plan documents, the Plan documents will govern.

### **TRUSTEES' AUTHORITY AND DISCRETION**

THE BOARD OF TRUSTEES HAS THE FULL DISCRETIONARY AUTHORITY TO INTERPRET AND CONSTRUE THE TERMS OF THIS SUMMARY BOOKLET, THE PLAN AND THE TRUST, INCLUDING PROVISIONS DESCRIBING ELIGIBILITY FOR BENEFITS. ONLY THE FULL BOARD OF TRUSTEES IS AUTHORIZED TO INTERPRET THE PLAN OF BENEFITS DESCRIBED IN THIS SUMMARY BOOKLET.

### **LIMITATION ON AUTHORITY**

NO EMPLOYER OR ANY UNION, NOR ANY INDIVIDUAL TRUSTEE, NOR ANY REPRESENTATIVE OF ANY EMPLOYER OR UNION, IS AUTHORIZED TO INTERPRET THIS PLAN - NOR CAN SUCH PERSON ACT AS AN AGENT OF THE BOARD OF TRUSTEES.

### **TRUSTEES' RIGHT TO AMEND, MODIFY OR DISCONTINUE BENEFITS**

CONSISTENT WITH APPLICABLE LAW AND THE GOVERNING PLAN AND TRUST DOCUMENTS, THE PLAN AND TRUST, AND THE BENEFITS DESCRIBED IN THIS SUMMARY BOOKLET, ARE SUBJECT TO AMENDMENT AND/OR TERMINATION AS THE BOARD OF TRUSTEES MAY DETERMINE TO BE IN THE BEST INTERESTS OF THE PLAN'S PARTICIPANTS AND BENEFICIARIES.

### **EFFECTIVE DATE**

This Summary Plan Description describes the rules of the Plan as in effect on April 1, 2018. Rules governing claims for benefits prior to that date may be different. In addition, Plan rules can be modified in the future, as noted above. Of course, any specific questions you have should be referred to the Fund Office.

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# 1. IMPORTANT CONTACT INFORMATION AND SOME TERMS YOU SHOULD KNOW

## A. Contact Information

Communication with Plan Participants and Beneficiaries is of paramount concern to the Board of Trustees. You need to know how to access your Plan Accounts to maximize your Plan benefits, and the Fund Office needs your contact information in the event we need to send you an Application, notices, etc. So, here is the contact information for the Fund Office, and the current administrator of the Plan's Self-Directed Investment Program, the Principal Financial Group or "Principal":

Annuity Fund Administrative Office information:

Ms. Melissa Thomas, Fund Administrator  
International Union of Operating Engineers  
Local 877 Annuity Fund  
89 Access Road, Unit #4  
Norwood, MA 02062-5233

Telephone: (781) 769-5789  
Facsimile: (781) 769-2165

Annuity Fund's Self-Directed Investment Program Provider:

Principal Financial Group  
P.O. Box 9397  
Des Moines, IA 50392

Tele-Touch: (800) 547-7754  
Web address: [www.principal.com](http://www.principal.com)

## B. Terms you should know

The following are general definitions of terms used in this Booklet to explain the Plan. Throughout this Booklet, whenever the singular form of any word is used, it includes the plural, and whenever the masculine gender is used, it includes the feminine.

### *ACCOUNT(S) ...*

means the account(s) which are established in the name of each Plan Participant. Depending on the circumstances, a Participant may have a Regular Account, a Deferral Contribution Account ("401(k) Account") and/or a Rollover Account. The definition of each specific type of Account is provided later in this subsection.

*APPLICATION FOR BENEFITS ...*

means the application materials which must be submitted by you or your Beneficiary to be entitled to Plan benefits. See Section 9 for more details.

*BENEFICIARY ...*

means an individual or other recipient designated by a Participant in writing to receive any death benefits under the terms of the Plan.

*BREAK IN SERVICE ...*

occurs when a Participant fails to complete at least one (1) hour of service for a period of three (3) consecutive months. A Break in Service occurs on the last day of the third consecutive calendar month without an Hour of Service.

*COLLECTIVE BARGAINING AGREEMENT ...*

means a collective bargaining agreement, participation agreement, or other written agreement approved by the Trustees which requires Employer Contributions and/or permits Deferral Contributions to the Plan.

*CONTRIBUTING EMPLOYER OR EMPLOYER ...*

means any person, firm or corporation which employs operating engineers who work in Covered Employment or other employees, and is obligated to make Employer Contributions or Deferral Contributions to the Plan on behalf of its employees in accordance with the terms of a Collective Bargaining Agreement (including a participation agreement).

*COVERED EMPLOYMENT ...*

means operating engineer work performed by an individual that is covered by a Collective Bargaining Agreement for which a Contributing Employer is required to make Employer Contributions or Deferral Contributions to the Plan.

*DEFERRAL ("401(k)") CONTRIBUTIONS ...*

means any elected specified whole percentage of a Participant's compensation which is deducted on a pre-tax basis from such Participant's paycheck and contributed to the Plan. Deferral Contributions are also commonly known as "401(k) Contributions," and are explained in more detail in Section 3, B.

*DEFERRAL CONTRIBUTION ACCOUNT ...*

means an account established by the Plan to hold and invest any Deferral Contributions which are elected on a pre-tax basis by a particular Participant.

*DISABLED PARTICIPANT ...*

means a Participant who is unable to work at his or her regular occupation, or in any comparable employment, by reason of a mental or physical impairment which is expected to result in death or to be of long continued and indefinite duration. Disabled Participants may receive a distribution from the Plan if they meet the

requirements for a Disability Retirement (see Section 5, A, Eligibility for Benefits).

*EMPLOYEE ...*

means an operating engineer who is covered by a Collective Bargaining Agreement, a specific employee of the Union, or another employee specified in the Plan document, and whose Employer is required to make Employer Contributions and/or Deferral Contributions to the Plan on the Employee's behalf.

*EMPLOYER CONTRIBUTIONS ...*

means monies paid or required to be paid by Contributing Employers to the Plan on behalf of their Employees in accordance with the terms of any applicable Collective Bargaining Agreement or Participation Agreement.

*ERISA ...*

means the Employee Retirement Income Security Act of 1974, as amended, and it is one of the important federal laws which governs the Plan.

*JOINT AND SURVIVOR ANNUITY ...*

means a monthly benefit paid to a married Participant for his life and, upon his death, fifty percent (50%) of that monthly benefit shall continue to his surviving Spouse for the remainder of her life (see Section 5, B(1) for more details and applicable rules).

*LIFE ANNUITY ...*

means an annuity which provides monthly payments for the Participant's life with no benefits paid to any Beneficiary after the Participant's death.

*NORMAL RETIREMENT AGE ...*

means age 60.

*PARTICIPANT ...*

means an Employee who has met the requirements for participation in the Plan.

*PLAN ...*

means the International Union of Operating Engineers Local 877 Annuity Plan, and this is a formal legal document which contains all of the applicable rules and regulations which are summarized in this Booklet.

*PLAN YEAR ...*

means the twelve consecutive month period which runs from January 1<sup>st</sup> through December 31<sup>st</sup>.

*REGULAR ACCOUNT ...*

means an account established by the Plan to hold and invest any Employer Contributions made to the Plan on behalf of a particular Participant.

*ROLLOVER ACCOUNT ...*

means an account established by the Plan to hold and invest any Rollover Contributions made to the Plan with respect to a particular Participant.

*ROLLOVER CONTRIBUTIONS ...*

means certain amounts accepted by the Plan which relate to Plan Participants and were contributed to the Plan from other qualified retirement plans, including individual retirement accounts and individual retirement annuities, within applicable time frames and pursuant to applicable Plan rules and law.

*SELF-DIRECTED INVESTMENT PROGRAM ...*

means the Plan's investment program with its current service provider (Principal Financial Group) which gives you, or your Beneficiary, the ability to exercise control over how your Plan Contributions and Accounts are invested.

*SPOUSE ...*

means, effective on and after June 26, 2013, any individual lawfully married in Massachusetts to a Participant under applicable Massachusetts law governing marriage (Mass. Gen. Law, Chapter 207), or any individual in a relationship with a Participant that is recognized as a marriage under such applicable Massachusetts law governing marriage. Once a person has qualified as a Spouse by virtue of a marriage recognized under applicable Massachusetts marriage law, that individual shall cease to be a Spouse on the effective date of any state or federal court judgment, decree or order that terminates or dissolves that Spouse's marriage to the Participant.

*TERMINATED PARTICIPANT ...*

means a Participant who has incurred a Break in Service.

*TRUST FUND OR FUND ...*

means the fund created under the terms of the Trust Agreement for the purpose of investing the assets of the International Union of Operating Engineers Local 877 Annuity Fund.

*TRUSTEES OR BOARD OF TRUSTEES ...*

means the Board of Trustees of the Trust Fund. The Board of Trustees is made up of an equal number of union representatives and management representatives, and they are responsible for the administration and operation of the Trust Fund and its associated Plan.

*UNION ...*

means Locals 877, 877-A and 877-B of the International Union of Operating Engineers, located in Norwood, Massachusetts.

## **2. PARTICIPATION**

In general, if you are an Employee of a Contributing Employer, you will become a Participant in the Annuity Plan on the day you first work at least one (1) hour in Covered Employment for a Contributing Employer.

You will no longer be a Participant in the Plan as of the date you incur a Break in Service (fail to complete at least one (1) hour in Covered Employment for a period of three (3) consecutive months. You will again become a Participant when you return to work for at least one (1) hour in Covered Employment.

## **3. CONTRIBUTIONS TO THE PLAN; ACCOUNTS**

There are three basic types of contributions which can be made to the Plan: Employer Contributions, Deferral (401(k)) Contributions, and Rollover Contributions. Here is a bit more detail about each contribution type which can be made to your respective Plan Accounts:

### **A. Employer Contributions to your Regular Account**

Every month, Contributing Employers who are obligated by a Collective Bargaining Agreement or Participation Agreement to make Employer Contributions on behalf of their Employees are required to remit applicable Employer Contributions to the Plan's Trust Fund. The amount of Employer Contributions which are deposited into your Regular Account is generally determined by multiplying the number of hours you were paid for work in Covered Employment for a particular month by the hourly contribution required under such Collective Bargaining Agreement, unless determined otherwise under an applicable Collective Bargaining Agreement. As the hourly contribution rate for each hour paid varies by Collective Bargaining Agreement, you should check with the Union regarding your specific rate. The amount allocated to your Regular Account will be the amount of contributions actually received from Contributing Employers on your behalf.

Example: Assume you were paid for 150 hours of work in Covered Employment in a month and that the Collective Bargaining Agreement that you work under calls for Employer Contributions of \$2.00 per hour paid.  $150 \text{ hours} \times \$2.00 = \$300$ . When the Employer makes its monthly contribution on your behalf, \$300 would be allocated to your Regular Account and invested by the Fund's Self-Directed Investment Program Provider (currently Principal) in accordance with your investment elections.

You will always be fully vested in the value of the contributions that are properly made and properly allocated to your Regular Account, after adjustment for investment earnings

or losses, administration fees and expenses. Your Regular Account value cannot be forfeited, but it may be subject to certain legal process as outlined in Section 13.

**B. Deferral (401(k)) Contributions to your Deferral Contribution Account**

If permitted by the terms of your Contributing Employer's Collective Bargaining Agreement, you may also elect to have any whole percentage of your compensation deducted on a pre-tax basis from your paycheck and contributed to the Plan as a "Deferral Contribution." These Deferral or "401(k)" Contributions will be placed in your Deferral Contribution Account. Just like with your Regular Account, you will always be fully vested in the value of contributions that are properly made and properly allocated to your Deferral Contribution Account, subject to adjustments for investment earnings or losses, administration fees and expenses. Your Deferral Contribution Account value is also subject to certain legal process as outlined in Section 13.

You may start, modify or stop your Deferral Contributions at any time by contacting the Fund Office. The Fund Office will work with you and your Contributing Employer's payroll department so that the proper forms are filled out and filed. Any election to start, modify or stop Deferral Contributions will be effective as of the following payroll period (or as soon thereafter as administratively possible).

Here are a few important Questions and Answers in connection with Deferral Contributions:

*Are there annual limits on Deferral Contributions?* Yes, your Deferral Contributions to this Plan (and all other 401(k) plans and 403(b) plans combined) are subject to an annual dollar limit. For calendar year 2018, the dollar limit is \$18,500. The dollar limit will be adjusted periodically by the Internal Revenue Service (IRS) in accordance with the tax laws. You should contact the Fund Office for more details about the dollar limit. If your Deferral Contributions for any calendar year exceed the dollar limit, the excess will be distributed to you by April 15<sup>th</sup> following the year in which you made the excess Deferral Contributions.

To be perfectly clear, if you contribute to another 401(k) plan or to a 403(b) plan in the same year in which you make Deferral Contributions to this Plan, you must be careful not to exceed the annual dollar limit established under the Internal Revenue Code. If you want to make other contributions to another 401(k) or a 403(b) plan in the same year in which you make contributions to this Plan, please be sure to provide this information to the Fund Office.

*Are there any exceptions to the annual limits on Deferral Contributions?* Yes, if you will be age 50 or older by the end of a calendar year, you can make "catch-up" Deferral Contributions to the Plan during that calendar year. Catch-up Deferral Contributions are additional pre-tax 401(k) Contributions that would otherwise exceed the 401(k) dollar limit or any other limit on elective contributions set forth in the Plan or the Internal Revenue Code. The catch-up Deferral Contributions are subject to all other Plan rules,

and the catch-up Deferral Contribution limit for 2018 is \$6,000. The limit on catch-up contributions can be adjusted by the IRS for 2018 and later calendar years.

Due to federal tax law requirements, amounts you initially contribute as catch-up Deferral Contributions may be reclassified as normal Deferral Contributions if you do not actually reach the limit imposed on your Deferral Contributions by the Plan or the tax laws. It is also possible that your Deferral Contributions may be reclassified as catch-up Deferral Contributions, instead of being refunded to you, if you exceed a Plan limit or a limit imposed under the tax laws.

C. Rollover Contributions to your Rollover Account

In general, a distribution from another employer's qualified retirement plan, including amounts received as a total distribution from an individual retirement account or an individual retirement annuity, which qualifies as an "eligible rollover distribution" may be rolled over to this Plan on a pre-tax basis and credited to your Rollover Account. If you intend to make a Rollover Contribution to the Plan, you should know that you are responsible for: (i) providing the Fund with applicable documentation regarding the sources of your proposed Rollover Contribution, (ii) furnishing sufficient proof that your Spouse, if any, consented to the prior distribution, and (iii) providing any other documentation which is reasonably required by the Fund.

Amounts contributed to your Rollover Account will be invested in a manner similar to your Regular and/or Deferral Contribution Account(s). Your Rollover Account value is subject to adjustments for investment earnings or losses, administration fees and expenses, and to certain legal process as outlined in Section 13.

D. Other rules and items of interest

(1) *Military Service*

If you are receiving Employer Contributions under the terms of a Collective Bargaining Agreement, you leave Covered Employment to enter the Armed Forces of the United States after giving appropriate advance notice to your Contributing Employer, you serve not more than five years, and you return to Covered Employment (within the meaning of the Plan) under applicable Plan rules within the following time frames after your honorable discharge,

Service of 1 to 30 days . . . . . next day,  
Service of 31 to 180 days . . . . . 14 days,  
Service of 181 or more days . . . . . 90 days,

then you will be entitled to receive Employer Contributions to the Plan based on your military service. You should request these Employer Contributions as soon as possible after your return from the military. Such Employer Contributions would be based on the average number of monthly hours you had worked in

Covered Employment over the twelve (12) full calendar months immediately preceding the month in which you began your service.

Under applicable federal law, the term "military service" generally means the performance of duty on a voluntary or involuntary basis under competent authority in the Army, Navy, Air Force, Marines, Coast Guard or Reserves, and also includes the Army and Air National Guards when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service and any other category of persons designated by the President in a time of war or emergency.

Also, if you are permitted to elect Deferral Contributions under the terms of a Collective Bargaining Agreement when you leave Covered Employment to engage in military service, you would also have the ability to "make up" any Deferral Contributions which you would have otherwise been able to make during your military service. The same rules noted above as to advance notice, the five year maximum, and time frames would apply. The Plan will comply with applicable federal law for veterans, which is the Uniformed Services Employment and Reemployment Rights Act of 1994.

(2) *Overall Limits on All Contributions*

There are additional limits imposed by law on the maximum amount that may be allocated to all of your Accounts each Plan Year. If these limits affect you, you may not be able to have as much allocated to your Accounts as the terms of the Collective Bargaining Agreement and/or the Plan would otherwise provide. These limits change from time to time. If you wish to know whether these limitations may apply to you, please contact the Fund Office.

(3) *Administration Fees and Expenses*

Before each Plan Year, the Trustees will establish an estimated "Administration Fee" which is intended to cover all of the Fund's expenses in the coming Plan Year. The term "expenses" in this context includes all administrative, accounting, actuarial, consulting, legal and other expenses of the Plan and Trust. The current policy (which can be revised at any time) is to charge one-fourth (1/4) of that fee each calendar quarter on a per capita basis among those Accounts in existence on the last day of each calendar quarter. The balance of Fund expenses which are not covered by the Administration Fee or the excess of the fee charged over expenses will be charged or credited on a per capita basis using the same process at the end of the applicable Plan Year.

In addition, the Fund will charge an administrative fee to your Accounts in the event it receives a domestic relations order attempting to assign benefits from your Accounts in the Plan. Unless a qualified domestic relations order or "QDRO" (see Section 13 for more information) provides otherwise, a flat fee of

\$150 will be charged to your Accounts if the Fund's standard "form QDRO" is used, and \$250 will be charged if the standard QDRO form is not used.

#### 4. INVESTMENT OF CONTRIBUTIONS AND ACCOUNTS

The Fund, with assistance from the administrator of the Self-Directed Investment Program, currently the Principal Financial Group, will establish appropriate Account(s) for you to hold any and all Employer, Deferral and Rollover Contributions that are properly made to the Plan on your behalf. Once the contributions are placed in a Regular, Deferral Contribution or Rollover Account which has been established for you, your Account(s) will receive future contributions and will also reflect any income, expenses/administrative charges, gains or losses thereon.

What follows next is a number of Questions and Answers regarding the Fund's Self-Directed Investment Program.

*What is the Self-Directed Investment Program?* It is a program which gives you (or your Beneficiary) the ability, *and the responsibility*, to exercise control over how your Contributions and Plan Accounts are invested. When the Plan was established in August of 1994, the Trustees designed the Plan so that it contained a "Self-Directed Investment Program" under which you (or your Beneficiary) can determine how to invest your Contributions and Plan Accounts by choosing from among a broad range of investment alternatives. This program is designed to constitute the Plan as one described in ERISA §404(c), and Title 29 of the Code of Federal Regulations Section 2550.404c-1. As such, the Trustees and other fiduciaries of the Plan may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by you or your Beneficiary.

*How are Investments Chosen for My Accounts; What are the Investment Alternatives and can they change?* The Trustees, with assistance from an independent consultant, have selected several funds sponsored by the Principal Financial Group ("Principal"), a well-known and respected mutual fund family, as the primary investment alternatives from which you may choose when investing your Contributions and Plan Accounts. However, the Fund offers other well-known mutual fund names, such as Vanguard, JP Morgan and Prudential. Overall, there are currently twenty-five (25) investment alternatives which have different investment concentrations and levels of risk.

You should know that the Trustees may add or delete the particular investment alternatives offered under the Plan, may add one or more non-Principal options, may change the primary mutual fund family, and may also change providers. However, as long as the Self-Directed Investment Program is in effect, you will always have at least 3 investment alternatives from which to choose. These alternatives will provide you with diversified options and materially different risk and return characteristics. Please note that Principal is an independent and separate entity, which is not otherwise affiliated with, or under the control of, the Fund or the Trustees. Please note that the Fund, and its representatives, are NOT financial and/or tax professionals and nothing stated in this SPD, or otherwise communicated by the Fund to you about the Fund's investments, is intended to be, or constitutes, financial or tax advice (for a fee or otherwise).

How do I Change the Investment of my Contributions or Plan Accounts? Currently, the Self-Directed Investment Program allows you to change either the way your new Employer and/or Deferral Contributions are invested, or the way your Plan Accounts are invested, or both, on a daily basis. Principal provides a toll-free telephone number at their Member Service Center (1-800-547-7754) and Internet website ([www.principal.com](http://www.principal.com)). Unlike in the past where Principal would assign a personal identification number or "PIN," Participants now only need to log in and create their own "User ID" and password (if they have not done so already). Once logged in, you may change the investment line-up of your Accounts or how future Employer and/or Deferral Contributions will be allocated to your Regular and/or Deferral Contribution Accounts, as applicable. You should make every effort to protect the confidentiality of your User ID and password to assure that no one else has access to the private information of your Accounts. You should always keep this information in a safe place, and you should never give it out to unauthorized individuals. Be sure to contact Principal immediately if you should forget or lose your User ID or password.

In making changes to your Accounts or how future contributions are to be allocated to your Regular and/or Deferral Contribution Accounts, you must act in accordance with the procedures established by Principal or the Trustees, and any applicable investment alternative governing document, such as a prospectus. You are not permitted to violate any otherwise applicable rules of your selected investment alternative(s), such as engaging in excessive trading. If you violate these rules, you will be subject to any applicable rules of the particular investment option. As an example, your trading privileges in that investment option may be subject to suspension.

Under applicable federal regulations, as long as the Self-Directed Investment Program is in effect, you will be able to change investments at least once every quarter.

Describe how any proxies are voted. The investment alternatives offered under the Self-Directed Investment Program are all mutual funds or similar funds. In those cases, the investment advisor to the mutual fund exercises the voting rights, and tender and similar rights with respect to the individual companies in which the mutual fund is invested. The Trustees of the Plan, or their designee, will exercise the voting rights, and tender and similar rights, if any, which are issued by the mutual fund or other investment fund itself.

How will I know the Value of my Accounts? Currently, your Plan Accounts will be valued daily, and Principal has set up a toll-free number and Internet website ([www.principal.com](http://www.principal.com)) for you to use to find out the applicable values. Again, you will need to use your User ID to utilize these services. Written reports detailing the activity in your Accounts will be sent to you at least quarterly electronically, and Principal also permits you to opt out of receiving these electronically by logging into the website and under "statements," choose your desired option. For help, you may contact the Member Service Center at 1-800-547-7754.

Where can I get information about Expenses? When you first become a Participant, you will be provided with detailed information about the then current investment alternatives, including their investment objectives, risk and return characteristics, and the type and diversification of assets in the portfolio of that investment alternative. Included will be a description of any transaction fees, the investment management and other operating and administrative expenses or fees for that investment alternative, as well as any sales loads, redemption or exchange fees, commissions,

etc. You will also receive the value of the shares or units of the investment alternatives, as well as historical investment performance information, net of expenses. Administrative expenses of running the Plan are separate from these fees, and such administrative expenses will be charged to Accounts as described in Section 3, D(3).

Periodically, you will be provided with updated information regarding the Fund's investment alternatives, or you can request it directly. Any questions can be directed to the Fund Office, and Fund representatives will assist you on whom to contact. You should read all of this information carefully before making any investment decisions.

These information packages will give you the latest information on how to register your investment choices, obtain a PIN, ask questions and change investment alternatives. Again, the Fund, nor any of its representatives, are financial and/or tax professionals and nothing stated in this SPD, or otherwise communicated by the Fund to you about the Fund's investments, is intended to be, or constitutes, financial or tax advice (for a fee or otherwise). You should call the Fund Office if you do not get the information promptly.

*What if I am an inexperienced Investor?* Principal, or its successor, will provide you, on request, with general information about investing and items to consider generally as you prepare for retirement. The Trustees of the Plan anticipate holding educational seminars periodically to afford you the opportunity to learn more about investing and the Plan's investment alternatives. You should also consider consulting a reputable investment counselor. Remember, again, that the Fund, nor any of its representatives, are financial and/or tax professionals and nothing stated in this SPD, or otherwise communicated by the Fund to you about the Fund's investments, is intended to be, or constitutes, financial or tax advice (for a fee or otherwise).

The Self-Directed Investment Program is designed to allow you to exercise independent control over your Accounts (an important part of your retirement finances). If you take steps to be informed, you are more likely to plan properly for retirement.

*How will my Contributions and Accounts be invested if I fail to make any type of Investment Election?* Although Principal, or its successor, and the Fund make the information described above available to you, **it is your responsibility to register your investment choices for all of your Contributions and Plan Accounts.** So, if you do not make any investment election regarding how your Contributions and Plan Accounts should be invested, those monies will be placed in a "default" investment option for you.

Based on final regulations issued by the U.S. Department of Labor ("DOL") in October of 2007, the Fund's Trustees, acting on the advice of their investment professionals, have selected thirteen (13) "Principal LifeTime" options as the Plan's "default" investment options. These options are intended to be "qualified default investment alternatives" or QDIAs under the DOL regulations. So, if you have never made any investment election, your specific QDIA option would be determined by your date of birth, as noted by the chart below:

Your Normal Retirement Date is: (The date you turn age 60)	Your QDIA will be:
2004 or earlier	Principal LifeTime Strategic Income Separate Account
Between 2005 and end of 2012	Principal LifeTime 2010 Separate Account
Between 2013 and end of 2017	Principal LifeTime 2015 Separate Account
Between 2018 and end of 2022	Principal LifeTime 2020 Separate Account
Between 2023 and end of 2027	Principal LifeTime 2025 Separate Account
Between 2028 and end of 2032	Principal LifeTime 2030 Separate Account
Between 2033 and end of 2037	Principal LifeTime 2035 Separate Account
Between 2038 and end of 2042	Principal LifeTime 2040 Separate Account
Between 2043 and end of 2047	Principal LifeTime 2045 Separate Account
Between 2048 and end of 2052	Principal LifeTime 2050 Separate Account
Between 2053 and end of 2057	Principal LifeTime 2055 Separate Account
Between 2058 and end of 2062	Principal LifeTime 2060 Separate Account
2063 or later	Principal LifeTime 2065 Separate Account

We want you to know that each QDIA option will invest in other Principal investment funds. Also, except for the Principal LifeTime Strategic Income Fund, each QDIA option is managed by Principal *toward a particular target date*, which is based on your birth date as noted above. As a result, Principal will automatically change the investment mix (which is the investment percentage in stocks, bonds and other similar vehicles) of the Principal LifeTime Strategic Income Separate Account, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060 and 2065 funds over time to become more conservative as the particular option approaches its target date. Since the Principal LifeTime Strategic Income Fund is designed to provide a steady income for those already in retirement, its investment mix will remain very consistent over time. The Fund expects to add similar QDIA options in the future (e.g., a 2070 fund) as time goes by and the need for such a fund exists. The Trustees also retain the right to change the Fund's QDIA options in the future. If you ever need any information about a particular Fund QDIA, such as the investment mix, return information, risk or expenses, please contact Principal using the contact information in Section 1, A.

*Where is my money if I never made any Investment Election prior to November 29, 2007?* If you never made any investment election under the Plan and you had Plan Accounts before November 29, 2007, any monies in the Plan as of that date, along with any future net investment results, will remain in the Fund's former default option (which was the "Principal Global Investors Money Market Separate Account" fund) unless you affirmatively elect to move those amounts.

*Can I elect to move money out of a QDIA at any time?* Yes! You have the ability to make an investment election and transfer amounts in your accounts to any other Fund investment option or combination of options. There are no restrictions, penalties or fees when you make such an election. However, you should be aware that any individual Fund investment option may have specific rules which govern its operation as to any investor. As a common example, a mutual fund may impose an overall restriction on the number of transactions (transfers in and out) an

investor in that fund may make in a set time frame (e.g., 30 days, 90 days) to prevent excessive trading.

*What happens if an Investment option is eliminated?* From time to time, the Fund may need to eliminate one or more investment options due to performance, personnel turnover, etc. If the Fund needs to take such action, we will give you as much advance written notice as is possible, and we will let you know what will happen to monies currently in that option. Normally, we will add a replacement option to accept money from the eliminated option, or we will move the money to an existing Fund investment option that is similar in investment style. In the event that you have monies in an investment option that is being eliminated, and you do not act promptly after receiving our notice, the portion of your Account(s) invested in the eliminated option will be automatically transferred to a replacement or comparable option.

*What will be the Value of my Accounts When I Retire?* Your own investment choices under the Self-Directed Investment Program will determine to a large extent how much you have available from your Plan Accounts when you retire or otherwise take a distribution. Of course, the values of your investment choices are subject to fluctuation, so it is impossible to know for sure how much will be in your Accounts at the time you want to take a distribution.

## 5. DISTRIBUTION OF BENEFITS AT RETIREMENT, TERMINATION OF EMPLOYMENT, AND CERTAIN "IN-SERVICE" DISTRIBUTIONS

### A. Eligibility for Benefits

Subject to the Plan's Application for Benefits requirements (see Section 9) and a special "in-service" distribution rule described in subsection C, below, here is how you qualify to receive a distribution from the Plan. You will be eligible to receive a distribution of the total value of your Accounts as soon as administratively possible after the Trustees approve your Application for Benefits and after you qualify under any of the three (3) categories below.

**Normal Retirement.** In order to qualify for Normal Retirement, you:

- (1) must have attained Normal Retirement Age (which is age 60); and
- (2) cannot be working (or continue to work) for 40 hours or more in any calendar month in Covered Employment in Massachusetts or in any "Standard Metropolitan Statistical Area" which includes Massachusetts.

**Disability Retirement.** In order to qualify for Disability Retirement, you must be a Disabled Participant who meets all of the following requirements:

- (1) you are disabled continuously for 6 consecutive calendar months before the date of a disability determination, and such 6 consecutive calendar month period began while you were working in Covered Employment or

within the first 30 days immediately following your work in Covered Employment;

- (2) your disability is not, directly or indirectly, the result of:
  - (a) military service (land, sea, or air),
  - (b) engaging in felonious criminal activity,
  - (c) injuries sustained while intoxicated or under the influence of a controlled substance not prescribed by a physician,
  - (d) an intentionally self-inflicted injury,
  - (e) declared or undeclared war or enemy action, or
  - (f) injuries sustained while engaging in work that is not Covered Employment; and
- (3) you worked in Covered Employment and contributions were received on your behalf for at least 100 hours in at least one of the two consecutive Plan Years immediately preceding the Plan Year in which your disability occurred.

As proof of your disability, the Trustees shall require you to provide evidence of an award from the Social Security Administration that shows that you are currently entitled to Social Security Disability benefits.

**Terminated Participant Distribution.** In order to qualify for a distribution as a Terminated Participant, you must:

- (1) not have worked in the operating engineer trade or craft within the Union's recognized territorial jurisdiction *for twelve (12) consecutive months*; and
- (2) have not again become a Participant at any time prior to your distribution.

If you leave the trade, or move to another part of the country, but do not qualify for Normal or Disability Retirement, you will be entitled to receive the value of your Accounts, but not right away. You will become eligible for a distribution from the Plan when you do become eligible for one of those retirement benefits (Normal or Disability) or when you become a Terminated Participant.

#### B. Distribution of Benefits

The benefits payable to you under the Plan and the form of your payment will depend on a number of factors, including the value of your Accounts, whether you have a Spouse at the time you request a distribution, and which form of payment you, and your Spouse (if any), choose.

Assuming you are eligible, if you have a Spouse when you receive a distribution, your benefits will be paid in the form of a Joint and Survivor Annuity. *Alternatively*, you and

your Spouse may waive the Joint and Survivor Annuity and elect instead a Lump Sum Payment. If you are eligible and do not have a Spouse when you receive a distribution, your benefits will be payable in the form of a Life Annuity. *Alternatively*, Participants who do not have a Spouse may waive the Life Annuity form of payment and elect instead a Lump Sum Payment.

Please note that in the vast majority of situations, Plan Participants, whether married to a Spouse or not, elect the Plan's Lump Sum Payment distribution form. If you have a Spouse and wish to elect a Joint and Survivor Annuity, or do not have a Spouse and wish to elect a Life Annuity, the Fund would contact an insurance company authorized to do business in Massachusetts to purchase an annuity contract to pay you, and your Spouse (if any), your benefits. More information on the Purchasing of Annuity Contracts can be found in Section 8.

Certain "Small" payments. Please note that if the total value of your Accounts is \$5,000 or less and has never exceeded \$5,000 (or some other minimum amount allowed by law which the Trustees adopt), this amount will be paid to you in a lump sum without requiring the consent of your Spouse, if any.

**Here are more details regarding the Plan's three payment forms:** (1) Joint and Survivor Annuity, (2) Life Annuity, and (3) Lump Sum Payment.

(1) Joint and Survivor Annuity

If you have a Spouse, the law requires that all benefits with a total value of more than \$5,000 must be paid to you in the form of a Joint and Survivor Annuity, *unless* you reject this form of payment and your Spouse consents to that rejection in writing and it is notarized. A Joint and Survivor Annuity uses the total value of your Accounts to provide you with a monthly benefit for your life, and after you die, a monthly benefit equal to fifty percent (50%) of your monthly benefit will continue to your Spouse for his or her lifetime. Under the Joint and Survivor Annuity, no further amounts are payable after you and your Spouse have died. Please note that the survivor benefit under the Joint and Survivor Annuity are payable only to the Spouse to whom you were legally married when Plan benefit payments began. As noted earlier for certain "small" payments, if the total value of your Accounts are \$5,000 or less, your Accounts will be paid to you in a lump sum, and your Spouse's consent is not required.

To be clear, if you have a Spouse and more than \$5,000 in your Accounts, you will receive a Joint and Survivor Annuity unless you elect a Lump Sum Payment as described below, your Spouse consents in writing to that election, and that consent is properly notarized. Once payments have begun, the monthly amount of a Joint and Survivor Annuity cannot be changed even if you and your Spouse obtain a divorce or if your Spouse dies before you do.

Before your benefits commence, Principal will provide you with an explanation of the Joint and Survivor Annuity. If you are interested in that option, Principal will provide you with an estimate of the monthly amount of the payments you and your Spouse would receive. The explanation will also provide a description of the Lump Sum Payment described below. After receiving the explanation, you will have 180 days in which to complete and return the election form indicating your choice as to how you wish to receive your benefit. If you wish to elect the Lump Sum Payment, as described below, your Spouse must consent in writing to that election, and your Spouse's signature must be notarized. Generally, benefits will not be paid until at least 30 days after the date a properly completed Spousal consent is received by the Fund Office, unless you and your Spouse affirmatively elect to waive the 30-day notice period.

(2) Life Annuity

If you do not have a Spouse and the total value of your Accounts exceed \$5,000, benefits will be paid to you in the form of a Life Annuity. A Life Annuity uses the total value of your Accounts to provide you with a monthly benefit during your lifetime, with all benefit payments ending upon your death.

As with the Joint and Survivor Annuity form, before your benefits commence, the Fund Office will provide you with an explanation of the Life Annuity, including an estimate of the monthly amount of the payments you would receive. The explanation will also provide a description of the Lump Sum Payment described below. After receiving the explanation, you will have 180 days in which to complete and return the election form indicating your choice as to how you wish to receive your benefit. Please note that if you wish to elect the Lump Sum Payment, you must affirmatively elect that payment form, certify in writing that you do not have a Spouse, and your election and certification must be notarized.

(3) Lump Sum Payment

If you do not have a Spouse and reject the Life Annuity form of payment, or you do have a Spouse and reject the Joint and Survivor Annuity with the proper written consent of your Spouse, you may elect to receive your benefit in the form of a Lump Sum Payment. Under this benefit form, the total value of your Accounts will be paid to you in a lump sum. Once the Lump Sum Payment is made, no further benefits are payable to you or anyone else.

Please note that you may normally direct the Fund to pay part or all of any Lump Sum Payment directly to an Individual Retirement Account or Annuity ("IRA"), or to another eligible qualified plan, in a Direct Rollover. See the discussion of Direct Rollovers in Section 10, B.

(4) Miscellaneous

As explained in Section 8, if your benefits are paid in the Joint and Survivor Annuity or Life Annuity forms, the value of your Accounts will be paid through the purchase of an annuity contract and over either your expected lifetime (for a Life Annuity) or the joint life expectancy of you and your Spouse (for a Joint and Survivor Annuity).

Also, an Application for Benefits must be filed before any benefits can be paid by the Plan (see Section 9). In addition, the payment of Plan benefits must begin by the April 1<sup>st</sup> following the calendar year in which you reach age 70-½ or, if you are still actively working at that time, the date you retire. Once benefit payments have begun, you may not change the form or amount of the payment, even if your circumstances change.

C. Special "In-Service" Distribution Rule: Full Lump Sum Distribution available upon attainment of age 59-½

If you are employed by a Contributing Employer, attained age 59-½, and have not had a Break in Service, the Plan permits you to request an In-Service Distribution. If you are eligible for an In-Service Distribution, you may elect to receive an In-Service Distribution equal to the total value of your Account(s). You must withdraw the entire amount of all of your Plan Accounts in *only* a Lump Sum Payment. Since you must receive the full value of all of your Plan Accounts in a Lump Sum Payment, if you have a Spouse, you must waive the Joint and Survivor Annuity payment form, with the appropriate consent of your Spouse, OR, if you do not have a Spouse, you must waive the Life Annuity payment form, all as described earlier in this Section 5. Please note that this option is available to you only *once in your lifetime*, so if you elect to use it you should do so carefully. Also, any Employer Contributions and/or Deferral Contributions made after a Lump Sum Payment to you would again be allocated to an applicable Account for your benefit.

## 6. HARDSHIP WITHDRAWALS AND LOANS

Even if you are not eligible for a distribution under the rules of Section 5, you may still be able to receive a Hardship Withdrawal if you meet various rules. Here are the details:

A. Hardship Withdrawals

Assuming the value of all of your Accounts is *at least* \$5,000, you may receive a distribution of some or all of your Accounts to relieve any one or more of the following immediate and heavy financial hardships:

- (1) expenses for medical care that would be deductible under Internal Revenue Service (IRS) rules for you, your Spouse or your dependents (as generally claimed by you for federal income tax purposes), including a

withdrawal that is necessary for such an individual to obtain either: (i) medical care, or (ii) medical insurance and associated premiums (including monies for self-payment, which is commonly known as "COBRA continuation coverage"); or

- (2) payment of tuition and related educational fees (for example, room and board) for up to twelve months of post-secondary education for you, your Spouse, or any of your dependents (as defined in (1)); or
- (3) costs, other than mortgage payments, directly related to the purchase of your principal residence; or
- (4) amounts necessary to prevent eviction from or foreclosure on your principal residence; or
- (5) burial or funeral expenses incurred by you due to the death of one of your parents, your Spouse, your child(ren) or any of your dependents (as defined in (1)); or
- (6) expenses for the repair of damage to your principal residence which would qualify under the IRS's rules for the casualty deduction. Examples here are damages as a result of fire, floods, tornadoes, and other natural disasters.

Here are a few more important rules governing Hardship Withdrawals:

- Any Hardship Withdrawal cannot exceed the amount required to relieve the hardship, including applicable withholding taxes and any penalties.
- Once you receive a Hardship Withdrawal from the Plan, you may not make any Deferral Contributions to the Plan for a period of six (6) months (including catch-up contributions). Any amounts you receive as a Hardship Withdrawal cannot include earnings attributable to your Deferral Contributions.
- To be eligible for a Hardship Withdrawal you must demonstrate to the Fund that your financial need cannot reasonably be relieved: (a) through reimbursement or compensation by insurance or otherwise, (b) by reasonable liquidation of your, (and if applicable) your Spouse and minor children's assets, to the extent such liquidation would not itself cause an immediate and heavy financial need, (c) cessation of your Deferral Contributions, if any, under the Plan, or (d) by borrowing from commercial sources on reasonable commercial terms.
- In connection with Hardship Withdrawal requests under (1)(ii) above, for medical insurance and premiums, you will be required to provide detailed

information to the Fund Office showing that you have exhausted all potential sources of coverage other than medical insurance coverage or COBRA continuation coverage, along with information about your proposed medical insurance and associated premiums. Other Plan rules will apply.

- In the event you have a Spouse, he or she must consent in writing to a Hardship Withdrawal within 180 but not more than 30 days before the withdrawal date, unless your Spouse elects in writing to waive the 30-day notice period. Your Spouse's signature must also be notarized.
- You may not take more than one (1) Hardship Withdrawal in any Plan Year (January 1<sup>st</sup> through December 31<sup>st</sup>), subject to two minor exceptions. In addition, you may only take a maximum of five (5) Hardship Withdrawals from the Plan *in your lifetime*.
- Alternate Payees under QDROs are permitted to take Hardship Withdrawals, subject to applicable Plan rules which govern such individuals.
- See Section 9, D for requirements associated with a Hardship Withdrawal Application, and Section 10, A for the income tax consequences of a Hardship Withdrawal. Please remember that neither the Fund, nor any of its representatives, are tax professionals and you are encouraged to seek the advice of your own tax or financial advisor before taking any distribution or withdrawal from the Plan.

#### B. Loans

Effective October 1, 2013, no new loans are permitted by the Plan. Loans granted prior to October 1, 2013 remain in effect and must be repaid in accordance with their terms and the terms of the Plan. Prior to October 1, 2013, the Plan permitted loans under certain conditions and pursuant to strict rules concerning eligibility, repayment, interest and the like. You may contact the Fund Administrator if you would like more information about the rules relating to loans made prior to October 1, 2013.

### 7. NAMING A BENEFICIARY; DEATH BENEFITS

#### A. Naming a Beneficiary

**All Plan Participants are strongly encouraged to designate a Beneficiary in the event of their death, and to be sure any previously made Beneficiary designation accurately reflects their intentions.** Under Plan rules, you may not name more than one person as your Beneficiary without specific approval by the Board of Trustees.

If you do not have a Spouse, or if your Spouse consents to a waiver of the Joint and Survivor Annuity form of benefit and to a specific Beneficiary being named, then you may name any person as Beneficiary to receive any death benefits provided for in the Plan. You can also change your Beneficiary designation at any time, provided that if you have a Spouse, you must obtain the written consent of your Spouse and the consent must be notarized.

Each Beneficiary designation must be made in writing on a form provided by the Fund Office or the Self-Directed Investment Program Provider, currently Principal. *In order for a Beneficiary designation form to be effective, it must be properly completed in its entirety and filed with the Fund Office or the Self-Directed Investment Program Provider prior to your death.* No new Beneficiary designation form or forms, or any changes to the last properly completed Beneficiary designation form received by the Fund Office or the Self-Directed Investment Program Provider, will be accepted or honored by the Fund after the date of your death.

Please be aware that if no designation of Beneficiary form is on file at the time of your death, or if such designation is defective for any reason, then your Spouse (if any) will receive any death benefits provided by the Plan. If you have no Spouse, your estate will receive such benefits.

#### B. Death Benefits under the Plan

There are two basic types of death benefits offered under the Plan, pre-retirement death benefits and post-retirement death benefits. Here is an explanation of each:

##### (1) Pre-Retirement Death Benefits

*Unmarried Participants.* If you do not have a Spouse and you die before receiving any payments under the Plan, the total value of your Accounts will be paid to your Beneficiary in a lump sum.

*Married Participants.* If you have a Spouse, you die before receiving any payments under the Plan, and the total value of your Accounts has ever exceeded \$5,000, your Spouse will receive a Joint and Survivor Annuity pre-retirement survivor benefit. Under the Joint and Survivor pre-retirement survivor benefit, the total value of your Accounts will be used to purchase an annuity contract from an insurance company which will provide your Spouse with a monthly benefit for his or her life. A Joint and Survivor pre-retirement survivor benefit will be the automatic form of payment, unless you elect to have the value of your Accounts paid in a lump sum as described below and your Spouse consents to that election. Please note that even after your death, your Spouse may elect a Lump Sum Payment in lieu of any Joint and Survivor pre-retirement survivor benefit due to him or her.

If you have a Spouse, the value of your Accounts ever exceeded \$5,000, but you elect to waive the Joint and Survivor pre-retirement survivor benefit and your Spouse properly consents in writing to that election, your Spouse will receive the value of your Accounts in a lump sum. If you wish to elect to have a lump sum death benefit paid to someone other than your Spouse, you must be at least age 35 and your Spouse must properly consent in writing to any other Beneficiary you name.

If you waive the Joint and Survivor pre-retirement survivor benefit you should be aware that the consent of your Spouse applies only with respect to current elections. In other words, if you want to name a different Beneficiary of a lump sum benefit at a later date, you must complete another form and again obtain your Spouse's consent which is notarized.

## (2) Post-Retirement Death Benefits

If you die and you were receiving benefits in the form of a Joint and Survivor Annuity, your surviving Spouse will continue to receive fifty percent (50%) of the monthly benefit that you were receiving for his or her life. Monthly payments will be made from the annuity contract, not from the Fund (see Section 8). If you are not survived by the Spouse to whom you were married when the Joint and Survivor Annuity began, or if the Joint and Survivor Annuity is provided through a non-transferable annuity contract, no further payments will be made.

If you die and you were receiving benefits in the form of a Life Annuity, no further payments will be made to anyone.

Of course, if you die after receiving the entire value of your Plan Accounts in a Lump Sum Payment, no further payments will be made to anyone.

## (3) Miscellaneous Death Benefit Issues

If the value of your Accounts is \$5,000 or less and never exceeded that amount, your Beneficiary will receive the value of your Accounts in a lump sum.

In certain cases, your surviving Spouse or Beneficiary may direct the Fund to make a direct rollover of part or all of his or her death benefits to an eligible retirement plan, such as a qualified retirement plan or an individual retirement account or annuity. If your Spouse or Beneficiary is thinking about making a direct rollover of any Plan death benefits, he or she should contact the Fund Office for more information.

## **8. PURCHASE OF ANNUITY CONTRACTS**

Since the Trust Fund is composed of the individual Accounts for all Participants, a distribution of benefits in a form which takes into account how long the Participant is expected to live will

require the purchase of an annuity contract from an insurance company. If your benefits are payable in the form of a Joint and Survivor Annuity or a Life Annuity, the total value of your Accounts will be applied to purchase a nontransferable annuity contract which will be distributed to you, and you (and any Spouse) will receive monthly payments directly from the insurance company.

## 9. APPLICATION FOR BENEFITS

### A. General Rules

Assuming you are eligible, an Application for Benefits must be filed with the Fund Office before any benefits can be paid from the Plan. The first step in obtaining benefits is to request, in writing or by phone, an Application for Benefits from the Fund Office. You must complete all applicable questions on the Application, sign it, have your Spouse (if any) sign any applicable consents and have his or her signature witnessed by a notary. In general, all materials must be provided to the Fund Office at least thirty (30) days, but not more than one hundred eighty (180) days, before you wish payments to start. You must send proof of your date of birth with your Application and, if you are married and wish to receive a Joint and Survivor Annuity, proof of your Spouse's date of birth and evidence of your marriage.

### B. Disability

If you apply for a distribution because of a disability, in addition to the items noted in subsection A, above, you must include evidence of a Social Security Disability Award which is still in force along with your completed Application for Benefits. You may be contacted by the Fund Office to undergo an independent examination by a physician selected by the Fund. The Fund will pay for the cost of the examination. The purpose of this examination is to determine and verify the nature and extent of your disability. In addition, if you are receiving monthly payments from the Fund, you may be required to provide evidence to the Board of Trustees regarding the continuing nature of your disability. If you fail to provide this information, or otherwise refuse to do so, the Fund will have the right to deem you no longer disabled and you will not be entitled to a Disability Retirement benefit under the Plan.

### C. Death Benefits

In order to receive any death benefits, your Beneficiary must file an Application for Benefits on a form which the Fund Office or the Fund's Self-Directed Investment Program Provider will furnish. The Beneficiary must also submit a copy of the death certificate and, if your Spouse is your Beneficiary, the marriage certificate. An Application should be obtained right after your death in order that payments may begin as soon as possible.

Death benefits will be paid as soon as possible after an Application for Benefits is filed and approved by the Board of Trustees. Payments must begin by the December 31<sup>st</sup> of

the calendar year following the calendar year after you die, except that your Spouse may elect to defer death benefits until the December 31<sup>st</sup> of the calendar year in which you would have reached age 70-1/2. If your Spouse defers payments and dies before payments commence, death benefits will be paid to his or her estate. Also, if there is no designated Beneficiary as of the September 30<sup>th</sup> of the year following the year of your death, the entire value of your Accounts will be distributed to your estate by the December 31<sup>st</sup> of the calendar year containing the 5<sup>th</sup> anniversary of your death.

If a death benefit under \$5,000 is payable to an estate and an Application for Benefits has not been filed within three months after your death (or the death of your Spouse or Beneficiary), the death benefit may be paid to one or more of the following of your surviving relatives: Spouse, child, mother, father, brother, or sister.

D. Hardship Withdrawals

If you believe you may be eligible for a Hardship Withdrawal, you should request, in writing or by phone, an Application for a Hardship Withdrawal from the Fund Office. Your Application for a Hardship Withdrawal must include all necessary information to document the particular hardship. If you have a Spouse, you must obtain his or her written consent as evidenced by a notary in order to take a Hardship Withdrawal. The determination of the existence of a hardship will be made by the Trustees in accordance with uniform and nondiscriminatory standards based on your Application, accompanying documentation and other known information. Payment will generally be made to you, but the Trustees of the Fund reserve the right to issue payment jointly to you and the institution or person you need to pay to satisfy the hardship. When a Hardship Withdrawal is issued, it is only issued in lump sum form and the monies are deducted on a pro-rata basis from all of the investment options you have elected.

## 10. WITHHOLDING AND OTHER TAX MATTERS

A. Taxation of Distributions and Hardship Withdrawals; Income Tax Withholding

Since the tax law is constantly changing, it is suggested that you check with your own tax advisor to help you understand the tax consequences of any distribution. Without intending to render tax or legal advice, as we understand Federal and Massachusetts tax laws as of the date of this Summary Booklet, the following applies:

Amounts distributed from the Annuity Fund, including Hardship Withdrawals, are taxed as ordinary income for Federal and Massachusetts income tax purposes. Generally, distributions payable under the Plan in excess of minimum levels set by the IRS are subject to Federal income tax withholding, in most cases at a 20% rate. Massachusetts normally requires income tax withholding on distributions from the Fund as well, but you may claim various withholding exemptions. Call or write the Fund Office to obtain the appropriate Massachusetts withholding exemption form.

Under certain circumstances, you may defer payment of taxes and/or avoid the 20% Federal income tax withholding by "rolling over" a lump sum payment or other eligible rollover distribution to another qualified retirement plan or individual retirement account through a Direct Rollover. Direct Rollovers are discussed in subsection B, below.

The mandatory 20% withholding described above does not apply to benefits paid under the Plan in the form of a Hardship Withdrawal, Life Annuity, Joint and Survivor Annuity or the payment of a lump sum death benefit to non-Spouses. When these benefits are paid, federal income tax withholding at a 10% rate is required unless you elect not to have such taxes withheld. You or your Spouse or Beneficiary may make a withholding election by filing an IRS Form W4-P and/or Massachusetts Form M-4P with the Fund Office. You may revoke the election at any time by simply filing a new Form W4-P and/or M-4P with the Fund Office. As a result of recent changes to the Federal income tax rates and withholding tables, a smaller amount is required to be withheld from monthly payments than before the change, resulting in a larger monthly payment, when the amount of withholding is tied to your marital status and the number of exemptions you claim. Unless you file a new withholding election with the Fund Office, the Fund will consider the additional amount of withholding resulting from the new tables as your election to have additional withholding taken out of your payment. This same principle will apply to future changes in the Federal income tax rates and/or withholding tables that affect your monthly payments.

A distribution to you from the Plan before you attain age 59-½ may result in an additional tax equal to 10% of the amount of the distribution. This additional tax is not imposed if the distribution is made on account of your death or disability, or if made under a specialized court order known as a QDRO (see Section 13). Payments under the Joint and Survivor Annuity or Life Annuity will not incur the additional tax, but payments as a lump sum or on account of a Hardship Withdrawal likely will. If the 10% additional tax applies to you, *please be aware that it is your responsibility to report and pay the tax when you file your Federal income tax return.* Although the Fund normally gives you an opportunity to elect withholding for this 10% penalty, the Fund is not otherwise responsible for notifying you of the 10% additional tax or for taking any other action.

You must also begin to withdraw monies from your Accounts by the April 1<sup>st</sup> following the calendar year in which you reach age 70-½ or, if you are still actively working at that time, the date you retire. Under current law, you may incur very substantial penalties if you delay payments beyond that date.

If you are considering a retirement or other distribution, you should consult a qualified tax advisor. Please be aware that the Trustees, the Fund Office and the administrator of the Plan's Self-Directed Investment Program cannot give tax or legal advice on particular situations.

## B. Direct Rollovers

Instead of having benefits paid to you, you may elect to have a distribution of your Accounts made directly to another eligible retirement plan, such as a qualified retirement plan or an individual retirement account (an "IRA") (including a ROTH IRA in qualifying situations). In general, the vast majority of Lump Sum Payments *will* qualify for Direct Rollover treatment, while the Joint and Survivor Annuity, Life Annuity and Hardship Withdrawal options *will not* qualify for Direct Rollover treatment.

If you choose a Lump Sum Payment and do not elect a Direct Rollover, in most cases the distribution will be subject to Federal income tax withholding at a 20% rate. For example, if you have attained your Normal Retirement Age and want to receive a Lump Sum Payment of the value of your Accounts, the Fund is required by law to withhold 20% of the balance for Federal income tax withholding and to forward that amount to the IRS. The remainder is distributed directly to you.

Further information about Direct Rollovers and the procedures for accomplishing a Direct Rollover will be provided to you by the Fund Office or the Fund's Self-Directed Investment Program Provider before a distribution is made from the Plan which is eligible for Direct Rollover treatment. You are urged to consult a qualified tax advisor regarding the advantages and disadvantages of a Direct Rollover in your situation.

## C. Internal Revenue Service Non-Discrimination Test

Specifically with respect to Deferral Contributions received by the Plan, the Plan is intended to qualify under Section 401(k) of the Internal Revenue Code ("Code"). To qualify under this Code provision, the Plan must meet a special non-discrimination test as of the last day of *each Plan Year* with respect to the Deferral Contributions made by Employees during the course of that particular Plan Year. This test, known as the "actual deferral percentage" or "ADP" test, is intended to ensure that there is a fair level of participation by all eligible Plan Participants in the Plan's 401(k) program. Depending on the results of the test for a particular Plan Year, the Plan Administrator may have to refund Deferral Contributions contributed to the Plan during such Plan Year by certain highly compensated employees, as determined under complicated IRS regulations. You will be notified by the Fund Office or the Fund's Self-Directed Investment Program Provider if any of your Deferral Contributions are required to be refunded to you.

## D. Right to Defer

The Plan is structured around a Normal Retirement Age (normally, age 60) and the expectation that benefits will commence at that age. Despite that, you may choose to apply for benefits earlier than your Normal Retirement Age, if you are eligible under the Disability or Termination rules, *or* you may choose to wait until your Normal Retirement Age or later (but not later than the April 1<sup>st</sup> of the calendar year in which you attain age 70-½ or, if you are still actively working at that time, the date you retire). Of course, there are other provisions of the Plan which let you access one or more Accounts prior to

your Normal Retirement Age, for example the Hardship Withdrawal and In-Service Distribution rules. Other than the 70-½ rule note above, you are not required to begin receiving benefits from the Fund at any particular time, and you generally control when your benefits will commence.

You should be aware of the possible advantages and disadvantages of your choice to access your Plan Accounts at the earliest possible time. For example, if you elect to receive your benefits on a Disability or Termination basis at the time you are first eligible for them, then any amounts received will be subject to taxation at that time. On the other hand, if you elect to receive your benefits at a later date, the amounts that remain in your Accounts have the potential to increase in value and it would not be subject to tax until that future date. Of course, the possibility also exists that you could defer your benefits to a future date and the amounts in your Accounts will decrease (if your investment option or options do not have positive investment results).

This is not the only information you should consider when choosing your payment form or to receive your benefits, if eligible. Other factors you might want to take into account in deciding how much a particular payment option or benefit commencement/receipt date is worth to you personally, in comparison to other forms in which your benefits can be paid or other times at which your benefits can commence, include your health, your other sources of income, the resources available to your spouse or family after you die, and the availability of life insurance. You may want to consult a financial advisor when you make these important decisions.

## **11. APPEAL PROCESS IN THE EVENT OF DENIAL OF BENEFITS; TRUSTEES' AUTHORITY AND DISCRETION**

### **A. Initial Applications for Benefits**

Except for Applications for Disability Retirement Benefits, if your Application for Benefits is denied in whole or in part (including Applications for Benefits made by your Spouse or Beneficiary), you (or your Spouse or Beneficiary) will be notified by the Fund in writing of the action taken regarding your Application for Benefits within 90 days following the receipt of a properly filed Application, unless special circumstances require an extension of the time for processing the claim. If the Fund needs more time to consider your Application for Benefits, a written notice of this extension explaining the reasons for such need will be provided prior to the end of the 90-day period. In no event will an extension be longer than a period of 90 days from the end of the initial 90-day period. If you do not receive a written decision on an Application for Benefits or a notice of an extension within 90 days, or a written decision following an extension is not received by you within 180 days, you may assume the Application has been denied and shall be permitted to proceed to the review stage described in subsection B. below.

B. Denial of an Application for Benefits

In the event of a denial of benefits (except an Application for Disability Retirement), you will receive written notice of the reasons for the denial, including:

- specific references to the Plan provision(s) on which the denial is based;
- a description of any additional material or information necessary for the applicant to perfect the Application, and an explanation of why such material or information is necessary; and
- an explanation of the Plan's review, including a statement of your right to bring a civil action under ERISA §502(a) following an adverse benefit determination on review.

C. Appeal of a Denial of an Application for Benefits

If you received a written denial of your Application for Benefits, you may appeal by filing with the Trustees a written request for review. Your request must be made within 90 days following the receipt of the written denial, and your request must include all facts and/or arguments that are known, or that should be known, by you. In connection with any timely request for review, you may review pertinent documents at the Fund Office, during regular business hours, and may submit issues and comments in writing.

All requests for review of a denial that are made on a timely basis will be given a full and fair review, with consideration given to all comments, documents, records and other information that relate to the Application for Benefits which are received by the Fund Office on a timely basis. Please know that comments, documents, records or other information relating to an Application for Benefits received by the Fund Office after you have exhausted all levels of review under the Plan, or after the expiration of the time period for filing a request for review, will not be considered and will not serve to support a new Application for Benefits or establish a new claim under the Plan.

If a written request for review is not received by the Trustees within 90 days following the applicant's receipt of a written denial, the right to an appeal shall be lost.

D. Review of Properly Filed Appeal

Upon receipt of a properly and timely filed written appeal as described in (C) above, the Board of Trustees or its delegate(s) will review the denied claim, and reach a decision.

A decision on review shall be made no later than the date of the meeting of the Board of Trustees which immediately follows the Fund's receipt of a request for review, unless the request for review is filed within 30 days before the date of such meeting. In such case, a decision may be made no later than the date of the second meeting following the Fund's receipt of the request for review. Exception: If special circumstances require an extension of time for processing the request, a decision will be made as soon as possible but not later than the third meeting of the Board of Trustees after the receipt of a request

for review. If an extension for processing is required, the Trustees will send a written notice of the extension to you, along with a description of the special circumstances, before the extension begins. The Trustees will send a written explanation of the reasons for any decision, referring to the provision(s) of the Plan on which it is based. In the event you have not received written notice of the decision on review or written notice of an extension within the appropriate time periods, you may assume the claim has been denied.

The Board of Trustees may delegate the authority to review and decide on any appeal or request for review.

#### E. Special Rules of Applications for Disability Benefits

The Plan's claims and appeal procedures are intended to comply with ERISA (Employee Retirement Income Security Act of 1974, as amended).

If you file an Application for Benefits on the basis of a Disability, you will be notified in writing of the action taken by the Fund regarding your Application within 45 days following the receipt of a properly filed Application, unless special circumstances require an extension of the time for processing the Application. If an extension of time is required due to matters beyond the Plan's control, a written notice of the extension explaining the reasons for the extension will be provided to you prior to the termination of the 45-day period. The extension will not generally be longer than a period of 30 days from the end of the initial 45-day period. So you know, the period for making a decision may be delayed an additional 30 days, provided the Fund Office notifies you prior to the expiration of the first 30-day extension period, of the circumstances beyond its control requiring the extension and the date as of which the Plan expects to render a decision. Any notice of extension shall explain the standards on which entitlement to Disability benefits is based, the unresolved issues preventing a decision, and any additional information needed by the Fund to resolve those issues.

If your Application is denied in whole or in part, you will receive written or electronic notice informing you of the specific reason(s) for the denial, including:

- Specific references to the pertinent Plan provision(s) on which the denial is based, as applicable;
- A description of any additional material or information necessary for you to make the Application approvable, and an explanation of why such material or information is necessary;
- A description of the Plan's applicable review procedures;
- A statement of the your right to bring a lawsuit under ERISA §502(a) following an adverse determination with respect to your Application for Benefits;

- A discussion of the decision, including an explanation of the basis for disagreeing with or not with the following factors:
  - the views presented by you to the Plan of your treating health care professionals and/or vocational professionals who evaluated you;
  - the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with such denial, without regard to whether the advice was relied upon in making that denial;
  - a disability determination made by the Social Security Administration concerning the nature of your disability; and
- If the denial is based on the absence of medical necessity, or other similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided free of charge if you request one; and
- Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the denial, or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist, and
- 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 the Applicant's claim for a Disability Retirement.

For purposes of this paragraph, the term "Fund Office" shall mean the office from which the Fund is administered by the Trustees and those persons or persons designated by the Trustees.

Any determination of relevance made above, shall be made in accordance with 29 Code of Federal Regulations Section 2560.503-1(m)(8). Further, any notice made pursuant to the rules outlined above shall comply with 29 Code of Federal Regulations Section 2560.503-1(o), including but not limited to the requirement to provide notices in a culturally and linguistically appropriate manner.

F. Special Rules for Appealing the Denial of an Application for Benefits (Based on Disability)

In the event you receive a written denial of your Application, you may appeal by filing with the Trustees a timely written request for review. Your request must be made within 180 days following the receipt of the written denial and must include all facts and/or arguments that are known, or that should be known, by you. You may submit additional

materials for the Trustees' consideration or review, including a written explanation of the issues and your comments on the issues, if your appeal is timely. You will also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your Application.

All requests for review of a denial that are made on a timely basis will be given a full and fair review, with consideration given to all comments, documents, records and other information that relate to your Application which are received by the Fund Office on a timely basis.

Comments, documents, records or other information relating to your Application that are received by the Fund Office after you have exhausted all levels of review under the Plan, or after the expiration of the time period for filing a request for review, will not be considered and will not serve to support a new Application or establish a new claim under the Plan.

If you do not submit a properly filed and timely written request for review to the Fund within 180 days following the date on which you received the Fund's written denial, you will no longer have any right to appeal.

G. Special Rules for Consideration and Determination of Appeal of a Denial of Application for Disability Benefits

Upon receipt of a properly and timely filed written appeal for Disability benefits, the Board of Trustees will review the denied Application. A decision on review shall be made no later than the date of the meeting of the Board of Trustees which immediately follows the Fund's receipt of a request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a decision may be made no later than the date of the second meeting following the Fund's receipt of the request for review. If special circumstances require an extension of time for processing the Application, a decision will be rendered as soon as possible but not later than the third meeting of the Board of Trustees after the receipt of a request for review. If an extension for processing the Application is required, the Trustees will send a written notice of the extension to you, along with a description of the special circumstances, before the extension begins. The Trustees will send a written determination within 5 days after the decision is made.

The decision on an appeal with respect to an Application which is denied, in whole or in part, shall be provided in writing or electronically, and shall include:

- the specific reason(s) for the decision, and
- the specific reference(s) to the pertinent Plan provision(s) on which the decision is based; and

- a statement that you may receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your Application; and
- a statement of your right to bring a lawsuit under ERISA §502(a) including, if applicable, a description of the Plan's limitation period for bringing an action with respect to the decision, along with the calendar date on which such limitation period expires, and
- a discussion of the decision, including an explanation of the basis for disagreeing with or not with the following items, as may be applicable:
  - the views presented by you to the Plan of health care professionals treating you and/or vocational professionals who evaluated you;
  - the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with such denial, without regard to whether the advice was relied upon in making that denial;
  - a disability determination made by the Social Security Administration concerning the nature of your disability; and
- If the decision is based on the absence of medical necessity, or other similar exclusion or limit, either an explanation of the scientific or clinical judgment for the denial, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided free of charge if you request it; and
- Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the denial, or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

For purposes of this paragraph, the term "Fund Office" shall mean the office from which the Fund is administered by the Trustees and those persons or persons designated by the Trustees.

Any determination of relevance made above, shall be made in accordance with 29 Code of Federal Regulations Section 2560.503-1(m)(8). Further, any notice made pursuant to the rules outlined above shall comply with 29 Code of Federal Regulations Section 2560.503-1(o), including but not limited to the requirement to provide notices in a culturally and linguistically appropriate manner.

The decision of an appeal on review with respect to Disability benefits as described above will not afford deference to the initial denial that is the subject of the appeal. In addition, the decision of an appeal on review will be conducted impartially and fairly.

These rules also apply to determinations of your continued entitlement to Disability benefits after you have been initially found to be Disabled.

You must follow the procedure above if you believe you were not given proper consideration for benefits provided by the Plan. You must exhaust all of these remedies before taking any legal action.

Please be aware that the Board of Trustees (or their delegate) have the full authority and discretion to determine any or all questions, controversies or issues arising under the Plan, including, but not limited to, the interpretation of the Plan and its operation. Benefits will be paid under this Plan only if the Board of Trustees (or their delegate) decide in their discretion that the applicable individual is entitled to them. In addition, general inquiries about the Plan, or requests to change the terms of the Plan, are not subject to the Plan's Appeal Process.

## 12. FUTURE OF THE PLAN

Although the Board of Trustees intends to continue the Plan indefinitely, the future of the Plan will be determined by the terms of the Collective Bargaining Agreements and by conditions relating to the income and expenses of the Fund. The Trustees have the right under the terms of the Plan and its related Trust to amend or terminate the Plan at any time.

In the event of termination of the Plan or complete discontinuance of contributions, the Trustees may continue the Fund until all amounts are distributed in accordance with the Plan, or terminate the Fund and distribute a pro-rata share of the net assets to all Participants and beneficiaries having one or more Accounts on the date of termination. Each Participant or Beneficiary will have nonforfeitable rights to his or her Accounts to the extent funded, after providing for all of the expenses of the Plan, including termination expenses.

## 13. SOME QUESTIONS AND ANSWERS

Who administers the Plan? The Board of Trustees, which consists of an equal number of employee and employer representatives, in accordance with the terms of the Trust Agreement.

Who is covered by the Plan? Only Employees of Contributing Employers for whom contributions are required to be made to the Fund are covered by the Plan.

Do the benefits provided by this Plan affect Social Security benefits in any way? No, the benefits payable under the Plan are in addition to benefits which may be paid under Social Security.

May Plan benefits be assigned or offset? Generally, the answer is no, as the assignment or offset of Plan benefits is normally prohibited by Federal law (both the Internal Revenue Code of 1986, as amended, and ERISA). However, there are limited circumstances where benefits can be assigned or offset, and three occur frequently. The first involves a Qualified Domestic Relations Order or "QDRO." A QDRO is a court order which assigns all, or a portion, of your Plan Account to another person or person(s) named in the order. The second situation is a levy or lien

issued by the Internal Revenue Service (IRS) against a Participant or Beneficiary in situations where that individual has failed to pay monies owed to the IRS (e.g., personal income taxes). The third circumstance are other orders, permitted under ERISA, which allow the Plan to offset amounts owed to a Participant against amounts that the same Participant is required to pay the Plan in satisfaction of a judgment, order, decree or settlement agreement.

*What is a "Qualified Domestic Relations Order?"* QDROs are the most common situation where your Plan benefits may be assigned, so here is some additional information which may be helpful. Under ERISA, a "domestic relations order" is a court order directing the Plan to pay certain alimony, child support, or property settlement obligations you may incur. If the order meets certain legal requirements and is found to be a "qualified domestic relations order" or QDRO by the Plan, the Plan may have to pay all or a portion of your Accounts to an "alternate payee" even, in some cases, while you are still working. An "alternate payee" is the individual named in the court order, such as a Spouse, former Spouse or a child of yours, who has been assigned all or a portion of the benefits otherwise payable to you pursuant to a QDRO. *Please note that such court orders are not automatically provided to the Fund Office for processing.* You, an alternate payee, applicable legal representatives, or some other individual must provide the court order to the Fund Office so that the Plan can take appropriate action.

Assuming the Fund Office receives a domestic relations order that involves your Plan benefits, you will be notified, and the Trustees, with assistance from the Fund's professionals (as needed), will determine whether the order is a QDRO within a reasonable time. If you are receiving benefit payments from the Fund and a domestic relations order is received, your benefit payments may be suspended until the order's status as a QDRO is determined. Provided that the court order meets the requirements of a QDRO and a proper Application for Benefits is filed with the Fund Office, an alternate payee will be entitled to receive a lump sum distribution of the full amount of assigned Plan benefits as soon as possible after the QDRO is approved by the Fund and his or her new Plan Account(s) are established. If the alternate payee wishes to receive a distribution form *other than* a lump sum of the full amount, then he or she must wait until the date on which you (the Plan Participant) attains your "earliest retirement age," as defined by the Internal Revenue Code. Assuming they otherwise qualify, the Plan will also permit an alternate payee to request and obtain a hardship withdrawal.

As noted in Section 3, D(3), an administrative fee will be charged to your individual Accounts for reviewing any domestic relations order, unless the order provides that such fee is to be allocated in a different manner, such as between your Accounts and any future Account or Accounts of the alternate payee.

Finally, you should know that the Fund has procedures governing QDROs, including a sample "form QDRO" which is acceptable to the Fund. You, your Spouse, your former Spouse and/or your attorney(s) may obtain a copy of those procedures or the form QDRO, without charge, by calling or writing the Fund Office (see Section 1, A, on page 1).

*Are Plan documents available to Participants?* Yes. Copies of the Plan and Trust Agreement, Plan amendments, a summary of the annual report, the Collective Bargaining Agreements and a

full annual report are available for inspection at the Fund Office during regular business hours and, upon written request, will be furnished by mail upon payment of reasonable charges.

*If the Plan rules change, which rules apply to me?* Generally, the Plan rules in effect when you last worked in Covered Employment are the rules that will apply to you. Although some Plan rules may change retroactively, none can take away your vested rights in the value of your Accounts. Of course, your Plan Accounts are all subject to investment results and for appropriate administrative fees and charges.

*What happens if someone receives payments from the Plan by mistake, fraud, misrepresentations, etc.?* If the Plan pays too much to you, your Spouse, or your Beneficiary, or pays someone who is not entitled to a benefit, for any reason, you or that person must reimburse the Plan for all of the payments received in error. You or the person receiving the payment must notify the Fund Office immediately upon receiving any type of mistaken or fraudulent payment. If reimbursement is not made, you or the person will be responsible for paying attorneys' fees and court costs to recover the mistaken or fraudulent payments.

*What happens if payments are mistakenly made?* If the Plan pays too much to you, your Spouse, your beneficiary, an alternate payee or any other entity (such as your estate), or pays someone who is not entitled to a benefit for any reason (which we term a "mistaken payment"), you, that person or that entity must reimburse the Plan for all of the mistaken payments received in error. You, the person, or the entity receiving any mistaken payment must notify the Fund Office immediately upon receipt. If reimbursement is not made, you or that person will be responsible for paying attorneys' fees and court costs for recovery of all of the mistaken payments.

*What should I do if I have questions?* If you have questions or need information, please call or write the Fund Office. Your request will be answered or referred to the Trustees for response.

Please note that only the full Board of Trustees is authorized to interpret the plan of benefits described in this Summary Plan Description. The Plan may not be interpreted by the Executive Director, the Fund Office staff or by any Employer or Union representative or by any individual Trustee. No one can act as an agent of the Trustees. Therefore, you may not rely on any interpretation other than one in writing from the full Board of Trustees.

## **14. PLAN INFORMATION**

### **(1) Type of Plan:**

The International Union of Operating Engineers Local 877 Annuity Plan is a defined contribution employee pension plan which has been designated as a profit sharing plan. It also constitutes a plan described in ERISA Section 404(c) as outlined in the question in Section 4 entitled, "*What is the Self-Directed Investment Program?*" The amount of your benefit payable from the Plan depends not only on the amount of money which is contributed to your Accounts, but also upon the investment return of the various investment options you elect from those offered under the Plan, and the expenses of administering the Plan.

The Pension Benefit Guaranty Corporation or "PBGC" has been established to insure the members and beneficiaries of defined benefit pension plans against losing their benefits if a plan terminates. The PBGC, however, does not insure defined contribution employee pension plans, such as this Plan.

**(2) Type of Administration of the Plan:**

The Plan is administered and maintained by the Board of Trustees. The Board of Trustees is governed by the Trust Agreement established and maintained in accordance with Collective Bargaining Agreements.

**(3) Name, address and telephone number of the Plan and Administrator:**

The name of the Plan is the International Union of Operating Engineers Local 877 Annuity Plan.

The Plan is administered by the Board of Trustees. The Board of Trustees retains Ms. Melissa Thomas as the Fund Administrator and maintains a staff to perform the routine administration of the Annuity Fund.

Here is the Fund address and telephone number:

Address: Ms. Melissa Thomas, Fund Administrator  
International Union of Operating Engineers  
Local 877 Annuity Fund  
89 Access Road, Unit #4  
Norwood, MA 02062-5233

Telephone: (781) 769-5789

**(4) Names and addresses of the members of the Board of Trustees:**

Union Trustee

Mr. Allen R. McWade  
c/o IUOE Local 877 Annuity Fund  
89 Access Road, Unit #4  
Norwood, MA 02062-5233

Management Trustee

Mr. Anthony D. Pisano  
c/o IUOE Local 877 Annuity Fund  
89 Access Road, Unit #4  
Norwood, MA 02062-5233

**(5) Identification Numbers**

The employer identification number (EIN) assigned to the Fund's Board of Trustees is: 04-3228497. The Plan number assigned by the Board of Trustees is: 001.

(6) **Name and address of the person designated as agent for service of legal process is:**

Ms. Melissa Thomas, Fund Administrator  
International Union of Operating Engineers  
Local 877 Annuity Fund  
89 Access Road, Unit #4  
Norwood, MA 02062-5233

In addition, legal process may be served upon either Trustee at the addresses listed in item (4).

(7) **Contributing Employers**

You may make a written request to the Fund Office for information as to whether a particular employer or employee organization is a Contributing Employer with respect to this Plan and, if so, you may request the address of that Contributing Employer.

(8) **Collective Bargaining Agreements**

The Plan is maintained pursuant to various Collective Bargaining Agreements which provide for the rate of Employer Contributions and/or permit Deferral Contributions to the Fund, the type of work and areas of work for which such contributions are payable and certain other terms governing contributions.

Copies of the applicable Collective Bargaining Agreements may be obtained by Employees upon payment of a reasonable charge by written request to the Trustees and are available for examination at the Fund Office.

(9) **Source of contributions to the Fund and identity of any organization through which benefits are provided**

Employer Contributions to the Fund are made by individual Contributing Employers at the rates established by Collective Bargaining Agreements. Deferral Contributions are elected by Plan Participants, but Contributing Employers withhold such Deferral Contributions from the applicable Participant's compensation and then remit the applicable amount to the Fund. The Fund's assets are held and invested in the investment funds you choose under the Self-Directed Investment Program described in Section 4. Benefits are provided from the Trust Fund's assets, in accordance with the Trust Agreement, provided that any benefits payable in the form of a Joint and Survivor Annuity or Life Annuity will be made by an insurance company, as described in Section 8, unless the Trustees choose to provide such benefits in another manner.

(10) **Date of end of Plan Year:**

All financial records of the Fund are kept on a calendar year of January 1<sup>st</sup> to December 31<sup>st</sup>.

(11) **Appeal Procedure:**

If a Participant is denied in whole or in part any benefits under the Plan, remedies are available and are set forth in Section 11 of this Summary Booklet.

(12) **Your rights under the Employee Retirement Income Security Act of 1974, as amended (ERISA):**

As a Participant in the International Union of Operating Engineers Local 877 Annuity Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

*Receive Information About Your Plan and Benefits*

- (1) Examine, without charge, at the Fund Office and, after proper written request, at the union hall(s), all documents governing the Plan, including insurance contracts, 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. This examination may take place between the hours of 8:30 a.m. and 4:30 p.m. Monday through Friday, except federal holidays.
- (2) Obtain, upon written request to the Fund 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 Fund Administrator may make a reasonable charge for such copies, up to 25 cents per page.
- (3) Receive a summary of the Plan's annual financial report. The Board of Trustees is required by law to furnish each Participant with a copy of this summary annual report.
- (4) Obtain a statement telling you the amounts accumulated in your individual Accounts and whether you have the right to receive the value of such Accounts at your Normal Retirement Age if you stop working under the Plan now. If you do not have a right to your individual Accounts, the statement will tell you how many more hours you have to work to get the right to your individual Accounts. 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 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 interests of you and other Plan Participants and beneficiaries. No one, including an Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

### *Enforce Your Rights*

If your claim for a retirement 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 Trustees 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 Trustees. 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, you may have to pay these fees if the court finds your claim to have been frivolous.

### *Assistance with Your Questions*

If you have any questions about your Plan, you should contact the Fund 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 Fund 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, NW, Washington, DC 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.