

# Locals 302 and 612 of the International Union of Operating Engineers Trust Funds

2815 2<sup>nd</sup> Avenue, Suite 300 • P.O. Box 34203 • Seattle, Washington 98124 • Phone (206) 441-7314 or (877) 441-1212 • Fax (206) 505-9727

Administered by  
Welfare & Pension Administration Service, Inc.

December 23, 2008

**TO: All Participants**  
**Locals 302 and 612 of the International Union of Operating**  
**Engineers-Employers Construction Industry Retirement Fund**

**RE: IMPORTANT NOTICE OF PLAN CHANGES**

The Board of Trustees recently adopted several amendments to the Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Plan (“Retirement Plan”) which are described in this notice.

## **NEW PAYMENT OPTION—75% SPOUSE OPTION**

In accordance with the Pension Protection Act, the Retirement Plan was amended to add a 75% Spouse Option **for married participants who retire on or after January 1, 2009.**

If you elect the 75% Spouse Option, you receive actuarially reduced monthly payments for your lifetime. Following your death, 75% of the amount of your monthly payment continues to your spouse for his/her lifetime. If your spouse predeceases you, all benefits cease with the payment for the month in which your death occurs.

Please note that if you were;

- single at retirement; or
- married at retirement, but your spouse subsequently dies; or
- you divorced following retirement and your spouse relinquished all rights to a plan benefit under a qualified domestic relations order

**and** you later marry, you may change the payment option elected at retirement to a 50%, 75% or 100% Spouse Option. To be eligible to make this change, **you must notify the administration office of your new marriage on a timely basis.** You will be required to send a copy of your new spouse’s birth and marriage certificates. Please refer to your Plan booklet for more information, including a description of the election period.

**Other Payment Options:** In addition to the 75% Spouse Option, the Plan will continue to offer the following payment options: a Modified Life Annuity with a 60-Month Guarantee; a 50% or 100% Spouse Option (with or without a cost-of-living adjustment); and a Social Security Adjustment Option. These options are described in your Plan booklet.

## **ROLLOVER TO ROTH IRA**

Effective for distributions after December 31, 2007, the Plan was amended pursuant to the Pension Protection Act to allow a participant or surviving spouse to make an eligible rollover distribution directly to a Roth IRA. Under the Plan, only retirement benefits with a present value of \$5,000 or less, and certain death benefits, qualify as eligible rollover distributions.

A rollover to a Roth IRA is not permitted if the distributee's "modified adjusted gross income" ("AGI") exceeds \$100,000 or he/she is married and files a separate return. The AGI threshold is eliminated after 2009. The amount rolled over into a Roth IRA is includable in income as if a withdrawal had been made.

Tax-free rollovers of an eligible rollover distribution are also still allowed to an individual retirement account, individual retirement annuity, annuity plan, or qualified plan.

## **ROLLOVER TO INHERITED IRA**

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover to a traditional IRA, Roth IRA or eligible employer plan. You may, however, make a direct transfer to an "inherited IRA." To avoid adverse tax consequences, the inherited IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and also identifies the deceased individual and the beneficiary, for example, "Tom Smith as beneficiary of John Smith."

## **DEATH BENEFITS FOR PARTICIPANTS WHO DIE PERFORMING MILITARY SERVICE**

The Trustees approved amendment of the Plan in accordance with the Heroes Earnings Assistance and Relief Tax Act, to treat participants who leave covered employment for qualified military service, and subsequently die while performing military service, as if they resumed employment with a contributing employer immediately prior to death. The effect of this provision is to provide participants (or former participants) who die performing qualified military service with the same death benefits available to participants who die while in covered employment. Please note that contributions are not credited for military service under this provision. This change is effective for participants who die on or after January 1, 2007.

### ***For More Information***

Please refer to your summary plan description booklet for information about other Plan provisions. You may also visit the website at [www.engineerstrust.com](http://www.engineerstrust.com) for Plan information. If you have any questions about this notice, you may contact the Administration Office at (206) 441-7314 or (877) 441-1212.

### ***Summary of Material Modification***

This notice is intended to satisfy the ERISA requirements for a summary of material modification. **This notice should be kept with your Plan booklet.** If you have any questions concerning the benefits described in this notice, or Plan benefits in general, call or write the Administration Office at the address and phone number listed above.

**Board of Trustees  
Locals 302 and 612 of the International Union of Operating  
Engineers-Employers Construction Industry Retirement Plan**