

LOCALS 302 AND 612 OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS CONSTRUCTION INDUSTRY HEALTH AND SECURITY FUND
LOCALS 302 AND 612 OPERATING ENGINEERS-EMPLOYERS RETIREMENT FUND
ENGINEERS-EMPLOYERS INDUSTRY FUND
ENGINEERS-EMPLOYERS TRAINING AND RETRAINING FUND

AFL-CIO-AGC

2815 2ND AVENUE, SUITE 300 • P.O. BOX 34203 • SEATTLE, WA 98124
PHONE (206) 441-7314 • TOLL-FREE (877) 441-1212 • FAX (206) 505-WPAS (9727)

Administered by
Welfare & Pension Administration Service, Inc.

August 15, 2011

TO: All Participants, Retirees and Beneficiaries
Locals 302 and 612 of the International Union of Operating Engineers-Employers
Construction Industry Retirement Plan

RE: Notice of Change in Payment Method for Post-Retirement Accruals

The Trustees recently revised the procedures used by the Retirement Plan for processing benefits earned *after* a Participant retires and subsequently returns to work. The changes apply to retired Participants who return to work on or after September 1, 2011 and earn additional Future Service Benefits for such employment.

Lump Sum Payout

If a retired Participant returns to employment and works 250 or more Covered Hours of Employment in a Plan Year he will receive additional Future Service Benefits for that year. In the past, the Plan has been administered to allow the Participant to elect a lump sum payout for the additional benefit earned after retirement, provided the present value of the additional benefit was \$5,000 or less and the Participant was under age 60.

A lump sum payout will no longer be allowed for benefits earned by a Participant who retires, and returns to work on or after September 1, 2011, unless the present value of the Participant's pre-retirement accrual *plus* the post-retirement accrual is \$5,000 or less.

Time for Paying New Accrual

In order to simplify administration, the commencement date for receiving additional Future Service Benefits has also been modified for Participants who retire on an Early Retirement and then return to work on or after September 1, 2011.

New Rules if Same Payout Option is Elected: If the Participant elects to receive the new accrual in the same form of payment elected on his original Retirement Date, and the Participant has not attained age 60 (i.e., the Plan's Normal Retirement Age), the new benefits will commence on the later of: (1) January 1 following the Plan Year in which the Participant returned to work, provided the Participant is not working in Post-Retirement Service on that date; or (2) the date the first payment is due following termination of Post-Retirement Service, but only with respect to the benefits earned for the prior Plan Year. A Participant's benefits will be adjusted only once per Plan Year.

Here are some examples:

Example 1: A Participant retires on an Early Retirement and elects a Modified Life Annuity. He returns to work September 1, 2011 and accrues additional Future Service Benefits. The Participant terminates employment November 30, 2011 and is under age 60. He elects to receive the additional Future Service Benefits as a Modified Life Annuity, which is the same payout option elected on his original Retirement Date. The Participant's monthly benefit payments resume effective December 1, 2011, but his monthly benefit will not be increased to include the additional Future Service Benefit until January 1, 2012, i.e., January 1 following the Plan Year in which he returned to work. If the Participant resumes employment prior to January 1, 2012 and is still working on that date, the accrual earned in 2011 will not be paid until he terminates Post-Retirement Service.

Example 2: The facts are the same as in Example 1, except the Participant does not terminate Post-Retirement Service until February 28, 2012. The Participant's monthly benefit payments resume effective March 1, 2012. The additional Future Service Benefits earned in 2011 will also commence effective March 1, 2012. If the Participant earned Future Service Benefits between January 1, 2012 and February 28, 2012, those benefits will not commence until January 1, 2013 (assuming he is not working in Post-Retirement Service on that date). There is a delay in paying the 2012 benefit until the year is over, so that all additional benefits earned during that year can be included in the adjustment.

No Change in Rules if Different Payout Option Is Elected. If the Participant retired on an Early Retirement and elects to receive the new accrual in a different form of payment than elected at the original Retirement Date, the Plan will continue to pay all benefits accrued after the original Retirement Date in one form of payment at the later of the Participant's Normal Retirement Date or the first of the month following the Participant's termination of Post-Retirement Service.

Example 3: The facts are the same as in Example 1, except the Participant elects to receive the new accrual as a 50% Survivor Option rather than a Modified Life Annuity. The Participant turns age 60 on March 15, 2013 and has not returned to Post-Retirement Service since November 30, 2011. Monthly benefit payments resume December 1, 2011. However, since the Participant elected a different payout option for the new accrual, it will not be paid until April 1, 2013, i.e., the first of the month after the Participant both attains Normal Retirement Age and terminates Post-Retirement Service.

No Change in Rules for Participants Age 60 and Older: Participants who retire on a Normal Retirement or who attain Normal Retirement prior to termination of Post-Retirement Service will continue to receive the new accrual the first of the month following termination of Post-Retirement Service, regardless of whether a new form of payment is elected.

Example 4: The facts are the same as in Example 1, except the participant attains his Normal Retirement Age (i.e., 60) on October 15, 2011 and then terminates employment on November 30, 2011. The Participant's benefit payments resume effective December 1, 2011, and the additional Future Service Benefit will be added to his monthly benefit effective on that date, i.e., the first of the month after the Participant both attains the Normal Retirement Age and terminates Post-Retirement Service.

Questions

This notice is a summary of material modifications to the 2007 Edition of the Summary Plan Description. Please keep this notice with your 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. You may also visit our website at www.engineerstrust.com.

If you have any questions concerning the above, please contact one of the following pension representatives at the Welfare & Pension Administration Service, Inc. at (206) 441-7314 or (877) 441-1212:

If your last name begins with the letter:

A – J	Byron Stevens	Extension 3204
K – Z	David Spradlin	Extension 3211

Sincerely,

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

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

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

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August 15, 2011

**To: All Participants, Retirees and Beneficiaries
Locals 302 and 612 of the International Union of Operating Engineers-Employers
Construction Industry Retirement Plan**

Re: Administration Office Contacts

The Participants of the International Union of Operating Engineers Locals 302 and 612 have access to multiple Administration Offices for your convenience.

While you may continue to direct your Pension, Claims, or Eligibility questions to the appropriate party at the Seattle Administration Office, the Alaska and Oregon Offices are open as an additional opportunity to serve you.

Seattle, WA – Office hours 8 am to 5 pm

Welfare & Pension Administration Service, Inc.

Phone: (206) 441-7314 or (877) 441-1212

2815 Second Avenue, Suite 300 • P.O. Box 34203 • Seattle, WA 98124

Anchorage, AK – Office hours 8:30 am to 4:30 pm

Labor Trust Services, Inc.

Phone: (800) 716-0302

375 W. 36th Avenue, Suite 200 • Anchorage, AK 99503

Gladstone, OR – Office hours 8 am to 5 pm

Welfare & Pension Administration Service, Inc. of Oregon

Phone: (866) 374-9727

15 – 82nd Drive, Suite 200 • Gladstone, Oregon 97027

Enclosed is a Contact List for the Administration Offices listed above for your convenience.

