

# AGC-International Union of Operating Engineers Local 701 Trust Funds

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Administered by  
Welfare & Pension Administration Service, Inc.

## Defined Benefit Pension Plan

### SUPPLEMENTARY NOTICE FOR PARTICIPANTS ELIGIBLE TO RETIRE

#### I. Qualified Joint & Survivor Annuity Information

The following information is intended to provide you, as a participant in the Defined Benefit Pension Plan of the AGC-International Union of Operating Engineers Local 701 Pension Trust Fund (the "Plan"), and your spouse with information about the forms of benefit payments available under the Plan, including the qualified joint and survivor annuity options ("Spouse Options") and the effect of electing a different payment option. **You and your spouse should carefully read this information.**

##### 1. What is a Qualified Joint and Survivor Annuity (QJSA)?

Federal law requires that the Plan pay retirement benefits in a special payment form unless you choose a different payment form and your spouse consents in writing to that choice. This special payment form is often called a "qualified joint and survivor annuity" or "QJSA" payment form. The QJSA payment form pays you a monthly retirement payment for the rest of your life. This is often called an "annuity." Under the QJSA payment forms, the Plan will pay your spouse after you die a percentage (50%, 75%, or 100%) of the monthly retirement benefit you were receiving. That spouse benefit is often called a "survivor annuity" or a "survivor benefit." Your spouse will receive that survivor benefit for the rest of his or her life.

##### Example

John Smith is a Plan participant and has accrued a monthly retirement benefit of \$840, payable as a single life annuity. At retirement, John is married to Ann and elects the 50% QJSA payment form. The Plan will pay John \$765.24 each month until his death. Upon John's death, the Plan will pay Ann \$382.62 each month until her death.

The QJSA forms of payment available under the Plan are the 50% Spouse Option (the default form of payment if you are married at retirement), the 75% Spouse Option, and the 100% Spouse Option. If you are not married at retirement, the Plan's default form of payment is the single life annuity. Under the single life annuity form of payment, you will receive a monthly retirement benefit for life. After you die, no benefits will be paid to your survivor or beneficiary.

##### 2. How Can You Elect a Different Benefit Payment Form?

If you are married at retirement and would like to choose a form of payment other than a Spouse Option, your spouse must agree to that choice in writing. By agreeing, your spouse gives up his or her right to the QJSA survivor benefit. You do not need your spouse's consent to

elect any of the Spouse Options (50%, 75%, or 100%). Under any of these Spouse Options, if your spouse dies before you, your monthly benefit will be adjusted to the single life annuity benefit amount.

### **3. Does Your Spouse Have to Give Up His or Her Right to the QJSA Benefit?**

Your spouse's consent to waive his or her right to the QJSA payment form and agree to the optional form you elect must be voluntary. To waive his or her right to the QJSA, your spouse must sign the Spousal Consent section on the last page of the Election of Retirement Benefits form.

### **4. What Other Benefit Forms Can You Choose?**

If your spouse agrees or if you are not married at retirement, you can choose to have your retirement benefits paid in a different form as described below. These payment forms may give you larger retirement benefits while you are alive, but might not pay your spouse any benefits after you die.

#### Example of Single Life Annuity Option

John and Ann decide not to elect one of the Spouse Options and decide instead to elect the single life annuity payment form. When John retires, the Plan will pay him \$840.00 per month until his death. Ann will not receive any payments from the Plan after John's death.

#### Example of Five Year Certain and Life Thereafter Option

John elects, with Ann's consent, the Five Year Certain and Life Thereafter form of payment. John designates Ann as his beneficiary. When John retires, the Plan will pay John \$823.20 a month until his death. If John dies before receiving 60 monthly payments, Ann will receive the remaining payments until a total of 60 monthly payments have been made to John and Ann. If John dies after he has received 60 monthly payments, Ann will not receive any payments after John's death.

If your spouse consents in writing, you can name one or more people other than your spouse to receive all or a part of the balance of the 60 payments from the Plan under the Five Year Certain and Life Thereafter option. The person(s) you designate to receive all or part of the 60 guaranteed payments is called a "beneficiary." If your spouse agrees to your designation of a non-spouse beneficiary or beneficiaries for all of the guaranteed payments, your spouse will not receive any payments from the Plan after you die. If your spouse agrees to your designation of a non-spouse beneficiary or beneficiaries for a part of the guaranteed payments, your spouse will receive less than what he or she would have received had your spouse not waived his or her right to the 60-guaranteed payments.

#### Example of Naming a Beneficiary Who Is Not the Spouse

John elects, with Ann's consent, the Five Year Certain and Life Thereafter form of payment. Under that option, the Plan will pay John a monthly benefit of \$200 for his life, with 60-guaranteed payments. John and Ann agree that should John die before receiving 60 monthly payments, 50% of the remaining guaranteed payments will be paid to Ann and the other 50% will be paid to their child, Chris. If John dies after only

receiving 50 monthly payments, Ann will receive \$100 per month for 10 months and Chris will also receive \$100 per month for 10 months.

You may designate your beneficiary or beneficiaries for the Five Year Certain and Life Thereafter form of payment by completing the beneficiary designation section on the Election of Retirement Benefits form.

#### **5. Can You Make Future Changes if Your Spouse Signs the Spousal Consent Form?**

By signing the Spousal Consent section of the Election of Retirement Benefits form, your spouse agrees to your elected form of benefit payment and your designated beneficiary, if applicable. You cannot change the payment form or beneficiaries unless your spouse agrees to the change by signing and returning a new Spousal Consent form. You may, however, change to one of the Spouse Options (50%, 75%, or 100% Spouse Option) without obtaining your spouse's consent.

Once your payments start, you may not make any changes to the payment form elected. You may, however, change your beneficiary or beneficiaries under the Five Year Certain and Life Thereafter payment form with your spouse's consent.

#### **6. Can Your Spouse Change His or Her Mind After Signing the Spousal Consent Form?**

Your spouse may revoke his or her Spousal Consent by notifying the Plan Administrator in writing not later than the date of your first benefit payment. After such date, your spouse will no longer be able to revoke his or her Spousal Consent.

#### **7. What Should Your Spouse Know Before Signing the Spousal Consent Form?**

This is a very important decision. Before signing the Spousal Consent, your spouse should understand what retirement benefits he or she may receive and what benefits he or she will no longer be able to receive by signing the Spousal Consent.

You should have received information on the forms of retirement benefits available under the Plan, which you should share with your spouse. If you and your spouse have not received this information, you should request a copy and both you and your spouse should carefully read it. To request this information or if you have any questions, contact the Administrator at (503) 657-9740 or (866) 697-5750.

## **II. Your Right To Defer Payment Of Your Benefit**

If you are eligible to retire on an early retirement date, you should consider the advantages and disadvantages of beginning payment of your pension benefit at this time. Three factors (described in more detail below) bear special consideration:

- Generally, the longer you wait to start your benefit, the larger your monthly payments will be.
- If you do not start benefits before you die, your death benefits under the Plan may be affected. See the additional information below.
- If you retire now and are subsequently reemployed your benefit payments may be suspended during your period of reemployment.

**1. The longer you wait to start your benefit, the larger your monthly payments will be.**

Your monthly benefits are generally larger if you wait until a later date to start your benefits.

Your accrued benefit earned before January 1, 2011 is reduced by  $\frac{1}{2}$  of 1% for each month you begin payment prior to attaining age 62 (unless you qualify for the age 60 and 30 years of credited service age-unreduced early retirement benefit described in your Summary Plan Description). The table below shows the benefit payable at each whole age from 52 to 65 as a percentage of your December 31, 2010 accrued benefit payable at age 65.

<b>If you elect to start your benefit at this age:</b>	<b>Your monthly benefit will be this percentage of your accrued monthly benefit payable as a Life Annuity beginning at age 65:</b>
52	40%
53	46%
54	52%
55	58%
56	64%
57	70%
58	76%
59	82%
60	88%
61	94%
62	100%
63	100%
64	100%
65	100%

Your accrued benefit earned after December 31, 2010 is reduced by  $\frac{1}{2}$  of 1% for each month you begin payment prior to attaining age 65 (unless you qualify for the age 60 and 30 years of credited service age-unreduced early retirement benefit described in your Summary Plan Description). The table below shows the benefit payable at each whole age from 52 to 65 as a percentage of your December 31, 2010 accrued benefit payable at age 65.

<b>If you elect to start your benefit at this age:</b>	<b>Your monthly benefit will be this percentage of your accrued monthly benefit payable as a Life Annuity beginning at age 65:</b>
52	22%
53	28%
54	34%
55	40%
56	46%
57	52%
58	58%
59	64%

<b>If you elect to start your benefit at this age:</b>	<b>Your monthly benefit will be this percentage of your accrued monthly benefit payable as a Life Annuity beginning at age 65:</b>
60	70%
61	76%
62	82%
63	88%
64	94%
65	100%

You may elect to retire as of your normal retirement date or a late retirement date if you work after your normal retirement date. For additional information, see the “When You Can Retire” Section of your Summary Plan Description.

Regardless of when you start your benefits, you may choose to receive your benefit in any of the payment forms described on the Election of Retirement Benefits form. For more information, see “How Your Retirement Benefits May Be Paid” of your Summary Plan Description.

## **2. Your death benefits may be affected if you delay retirement.**

You should also consider what happens to your benefits if you die before you retire (see the “Survivor Benefits” Section of your Summary Plan Description). If you are married and you die before retirement, the Plan will pay a benefit to your spouse equal to the amount that would have been provided under the 50% Spouse Option. If you are not married at the time of your death, your beneficiary may be eligible for a 60-month death benefit (see the “If You Die Before Retirement” Section of your Summary Plan Description).

If you die while receiving disability payments, your beneficiary may be eligible to receive a lump-sum survivor benefit (see the “Lump Sum Survivor Benefit” Section of your Summary Plan Description).

If you die after retirement, any benefit payable to your surviving spouse or beneficiary will depend on the payment option you elected when you retired (see the “How Your Retirement Benefits May Be Paid” and “Survivor Benefits” Sections of your Summary Plan Description).

## **3. If you begin payments now, your benefits may be suspended during a period of re-employment.**

The Plan's reemployment after retirement rules require that benefit payments be suspended during certain periods in which you are reemployed (see “Reemployment After Retirement Rules” on the Election of Retirement Benefits form and the “Working After Retirement” Section of the Summary Plan Description).