

AGC-International Union of Operating Engineers Local 701 Trust Funds

15 - 82nd Drive, Suite 110 • Gladstone, Oregon 97027
Phone (866) 697-5750 or (503) 657-9740 • Fax (503) 657-9737 • Website www.agc-iuoe701trusts.com

Administered by
Welfare & Pension Administration Service, Inc.

November 12, 2021

TO: All Plan Participants of the Defined Benefit Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund

RE: Summary of Material Modifications

Dear Participant or Beneficiary,

We're pleased to announce the Board has approved some important improvements to the Defined Benefit Pension Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund ("Plan").

Working together over the last decade, we've ensured regular increases in the Basic Contribution Rate to address underfunding. That commitment, along with strong hours and some very good investment returns, have strengthened the Plan's funding over the last several years. As a result, we have good news for both retirees and active members.

13th Check

The Board approved a one-time 13th check of \$500 for all retirees, surviving spouses, and beneficiaries receiving guaranteed payments, who were in pay status as of June 1, 2021. The Board felt strongly that retirees should share in the results of restoring our Plan to better health. If you're eligible for this one-time 13th check, you will receive the additional amount in December, separate from your regular monthly payment. The 13th check will be mailed to you by December 15th – keep in mind, it may take several days to arrive, especially with holiday mail and slower postal service delivery times.

In cases where a retiree's benefit is split among two or more beneficiaries, the 13th check will be split as well with each beneficiary receiving a portion of the \$500. Those who were vested in the Plan due to service with a related plan (also known as reciprocity) and alternate payees (those with a benefit due to a divorce agreement) are not eligible for the 13th check.

40% Increase in the Hourly Benefit Accrual Rate

The Board has increased the benefit accrual rate from \$0.05 per hour to \$0.07 per hour, effective with hours worked January 1, 2022. That's a 40% increase in the benefit you'll earn going forward.

For example, say you work 1,500 hours every year. In 2021, your benefit accrual for 1,500 hours of work will be \$75 (\$0.05 x 1,500). In 2022 and later, if you work 1,500 hours, your benefit accrual for the year will be \$105 (\$0.07 x 1,500).

Keep in mind, you must work at least 500 hours in a year to earn a benefit for that year.

Temporary Suspension of Return-to-Work Limit

For the second year in a row, retirees may work unlimited hours and still receive their pension benefits. Normally, if a retiree works more than 300 hours, their pension benefit is put on hold. However, for 2021 and 2022, the Board has temporarily suspended this rule.

Questions?

If you have questions about any of these changes, please contact the Administration Office at (503) 657-9740, or (866) 697-5750.

Please keep this notice with your January 1, 2015 Summary Plan Description and the July 28, 2016, July 21, 2017, and April 20, 2018 summaries of material modifications (collectively, the "SPD").

Sincerely,

Board of Trustees**Defined Benefit Pension Plan of AGC-IUOE Local 701 Pension Trust Fund**

This notice is intended to comply with the Department of Labor requirements for Summary of Material Modifications. More detailed information about the Plan is provided in the formal Plan Document, a copy of which can be obtained by providing a written request to the Administration Office. Although we have made every effort to ensure this notice is accurate, provisions of the official Plan documents will govern in the case of any discrepancy.

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