

Defined Benefit Pension Plan



**AGC - International Union
of Operating Engineers
Local 701**



Summary Plan Description

January 2015

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.

December 6, 2023

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,

The Board of Trustees (“Board”) of the Defined Benefit Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund is pleased to announce that it has approved three significant improvements to the Defined Benefit Pension Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund (“Plan”).

The Plan’s funding remains resilient during this challenging investment period due to regular increases in the Basic Contribution Rate along with strong hours worked this past year and expected going forward. As a result, the Board is able to provide a 5% Cost of Living Adjustment, a 13th check, and continued suspension of the return-to-work 300-hour limit for retirees.

5% Cost of Living Adjustment (COLA) Increase

The Board is thrilled to provide a one-time 5% Cost of Living Adjustment increase for all retirees, surviving spouses and beneficiaries receiving guaranteed payments, who were in pay status as of June 1, 2023. The 5% COLA increase is effective January 2024 and you should see an increase in your benefits on the February 2024 check.

13th Check

The Board is pleased to provide a 13th check when the Plan’s financial picture allows it. For the third year in a row, the Board has 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, 2023. 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 issued to you in the same manner as your regular pension benefits (either by direct deposit or mail) by December 15th.** Please keep in mind, the check may take several days to arrive if issued by mail, 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.

Temporary Suspension of Return-to-Work Limit Continues

In addition, in 2024, a retiree may work up to 1,800 hours in covered employment for a contributing employer and still receive pension benefits. Once you reach the 1,800-hour limit, your retirement benefits will be suspended for any month in which you work 40 or more covered hours. Normally, if a retiree works more than 300 hours, their pension benefit is put on hold, but because experienced workers are in short supply, the Board has suspended this rule for 2021 – 2024. If you are a retired participant and you return to work in a job for which contributions are not required to be made to the Plan (non-covered hours), the Plan’s regular return to work rules apply.

Questions?

If you have questions about any of these changes, please contact Mia Nowland at 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, April 20, 2018, and November 12, 2021, November 18, 2022 and January 18, 2023 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.

AGC-International Union of Operating Engineers Local 701 Trust Funds

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Phone (866) 697-5750 or (503) 657-9740 • Fax (503) 657-9737 • Website www.agc-iuoe701trusts.com

Administered by
Welfare & Pension Administration Service, Inc.

January 18, 2023

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

RE: Return-to-Work Rules for 2023

Dear Participant,

The Board of Trustees (“Board”) of the Defined Benefit Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund is sending this notice to detail the return-to-work rules that will apply during 2023 under the Defined Benefit Pension Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund (“Plan”).

Normally, if a retiree works more than 300 hours, their pension benefit is put on hold. However, when experienced workers are in short supply, the board of trustees has the authority to temporarily suspend or modify this rule. For 2023, the trustees have modified the return-to-work rules as shown below:

- If you are a retired participant, you may work up to 1,800 covered hours with an employer that is required to contribute to the Plan and still receive your pension benefits.
- Once you reach the 1,800-hour limit, your benefit will be suspended for any month in which you work 40 or more covered hours.

If you are a retired participant that returns to work in a job for which contributions are not required to be made to the Plan (noncovered hours), the Plan’s regular return-to-work rules apply.

Questions?

If you are considering reemployment after retirement and are not sure if it will count toward the suspension of your retirement benefit, please contact the Gladstone Administration Office at (503) 657-9740, or (866) 697-5750, extension 2732.

Please keep this notice with your January 1, 2015 summary plan description and the July 28, 2016, July 21, 2017, April 20, 2018, November 12, 2021, and November 18, 2022 summaries of material modifications (collectively, the “SPD”).

Sincerely,

Board of Trustees

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

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This notice is intended to supplement the November 18, 2022 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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Administered by
Welfare & Pension Administration Service, Inc.

November 18, 2022

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,

The Board of Trustees ("Board") of the Defined Benefit Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund is pleased to announce that it has approved two significant improvements to the Defined Benefit Pension Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund ("Plan").

The Plan's funding remains resilient during this challenging investment period due to regular increases in the Basic Contribution Rate along with strong hours worked this past year and expected going forward. As a result, the Board is able to provide a 13th check again this year and continued suspension of the return-to-work limit for retirees.

13th Check

A 13th check doesn't happen every year, but the Board is pleased to be able to provide them when the Plan's financial picture allows it. For the second year in a row, the Board has 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, 2022. 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 issued to you in the same manner as your regular pension benefits (either by direct deposit or mail) by December 15th.** Please keep in mind, the check may take several days to arrive if issued by mail, 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.

Temporary Suspension of Return-to-Work Limit Continues

In addition, retirees may work up to 1,800 hours in 2023 and still receive their pension benefits. Normally, if a retiree works more than 300 hours, their pension benefit is put on hold. Because experienced workers are in short supply, the Board has temporarily suspended this rule in 2021, 2022 and 2023.

Questions?

If you have questions about any of these changes, please contact Mia Nowland at the Administration Office at (503) 657-9740, or (866) 697-5750, extension 2732.

Please keep this notice with your January 1, 2015 Summary Plan Description and the July 28, 2016, July 21, 2017, April 20, 2018, and November 12, 2021 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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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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Administered by
Welfare & Pension Administration Service, Inc.

April 20, 2018

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,

Since issuance of the January 1, 2015, Summary Plan Description booklet and the July 28, 2016, and July 21, 2017, summaries of material modifications (collectively, the “SPD”), the Plan was amended to reflect certain legal changes that affect the information in the SPD, effective April 1, 2018. The changes are summarized below, with references to the corresponding SPD sections and page numbers. **Please keep this summary of material modifications to the SPD with your booklet.**

Denial of a Claim - Contents of Notice - Disability Claims (SPD pages 57 and 58). The section is replaced by the following:

Disability Claims: The notice of an adverse disability benefit determination, including a rescission, will also include the following information:

- Either the specific internal rules, guidelines, protocols, standards, or other similar criteria that were relied on in deciding the claim, or a statement that such criteria do not exist.
- If the denial was based on a medical necessity, experimental treatment, or similar exclusion or limit, the notice will either explain the scientific or clinical judgment for the decision, or it will state that you may obtain such an explanation free of charge upon request.
- A discussion of the decision, including an explanation of the basis for disagreeing with, or not following:
 - The views presented by you, to the Plan, of health care professionals treating you or vocational professionals who evaluated you;
 - The views of medical or vocational experts whose advice was obtained by the Plan in connection with the claim, without regard to whether the advice was relied upon in making the decision;
 - A disability determination made by the Social Security Administration and presented by you to the Plan; and
- A statement that you are entitled to receive, upon request and free of charge, a copy of all documents relevant to the claim.

Review of a Denied Claim (SPD pages 58 through 61). The section is replaced in its entirety by the following:

Time Period to Request Review

General Claims: If your claim is denied in whole or in part, you have the right to request the Board of Trustees to review the claim. Except as provided below for disability claims, your request must be in writing and must be made by personal delivery or mailing to the Board of Trustees within 60 days after being advised of the Board of Trustees' decision. *If your written request for review is not made within the applicable time period, you waive any right to review under these procedures and any right to sue in state or federal court.*

Disability Claims: Your request for review of a denied disability claim must be made within 180 days after you are advised of the denial. *If you fail to request review within the 180 days, you waive any right to review under these procedures and any right to sue in state or federal court.*

Review Procedure

General Claims: The Board of Trustees will then conduct a review. As a part of that review process, you may present your position. In doing so, you may review all pertinent documents, if any, supporting the claim, and you may submit issues and comments in writing. The information you submit will be taken into account in the review process even if it was not considered in deciding the initial claim. You will also be provided, on request and free of charge, reasonable access to, and copies of, all information relevant to your claim. The Board of Trustees may, but is not required to, hold a hearing if it believes it is necessary.

Disability Claims: The following additional rules apply with respect to a disability claim:

- The review will not give any deference to the initial claim decision. It will be conducted by a Plan fiduciary who did not decide the initial claim and who is not a subordinate of the person who decided the initial claim.
- If the initial claim denial was based in whole or in part on a medical judgment, the Plan fiduciary will consult a health care professional with appropriate training and experience. The health care professional must be someone who was not consulted in connection with the initial claim decision, and who is not a subordinate of any health care professional who was consulted on the initial claim.
- You will be notified of any medical or vocational experts who were consulted in connection with the initial claim decision.
- Before the Trustees notify you of their decision, they will provide you, free of charge, with any new or additional evidence that they considered in connection with your claim. Before a decision is made based on the new or additional evidence, the Trustees will provide you, free of charge, with a description of their rationale as soon as possible and sufficiently in advance of their final decision to allow you a reasonable opportunity to respond.

Time Period for Decision on Review

The Board of Trustees holds regularly scheduled meetings at least quarterly (every three months). If you request review of your claim more than 30 days prior to the date of the Trustees' next regularly scheduled meeting, the Trustees will make a decision on your claim at that next regularly scheduled meeting. If you submit your request for review 30 or fewer days before the date of the Trustees' next regularly scheduled meeting, the Trustees' decision will be made by the date of the second regularly scheduled Trustees' meeting following the filing of your request. If special circumstances, such as the need to hold a hearing, require a further extension of time for reviewing your claim, the Trustees will make their decision by the date of the third regularly scheduled meeting after you file the request for review. If an extension of time is needed, you will be notified in writing, prior to the start of the extension, of the reason the extension is needed and the date by which the Trustees expect to make their decision. The Trustees will notify you of their decision as soon as possible, but no later than five days after they reach a decision.

In the event the Trustees do not hold regularly scheduled meetings at least quarterly, the time periods described below will apply to the review of your claim.

General Claims: Except as provided below for disability claims, the Board of Trustees will issue a written or electronic decision within 60 days after the date on which you request review. If special circumstances require an extension of time for processing (such as the need to hold a hearing), a decision will be made and furnished to you not later than 120 days after review is requested. If an extension is required, you will be notified within 60 days after you request review. The notice will describe the special circumstances and the date by which a decision is expected.

Disability Claims: The Board of Trustees will issue a written or electronic decision within 45 days after the date on which review is requested. If special circumstances require an extension of time for processing, a decision will be made and furnished to you not later than 90 days after review is requested. If an extension is required, you will be notified within 45 days after review is requested. The notice will indicate the special circumstances and the date by which a decision is expected.

Contents of Review Decision

General Claims: The decision on review will include the reasons for the decision and pertinent Plan provisions on which it is based. The decision will also inform you of your right to request information relevant to the claim and to bring a civil action under ERISA. A copy of the decision will be furnished to you.

Disability Claims: The decision on review of a disability claim will also include the additional information described in "Contents of Notice, Disability Claims," beginning on page 57. The statement of your right to bring an action under ERISA Section 502(a) will also describe the limitations period that applies to your right to bring such action (see "Effect of Review and Subsequent Review" on page 61), including the calendar date on which the limitations period expires for your claim.

Additional Rules Applicable to Claims for Disability Benefits

Avoiding Conflict of Interest: All disability claims will be reviewed in a manner designed to ensure the independence and impartiality of those involved in making the decision, including those retained as medical or vocational experts. Decisions regarding hiring, compensation, termination, promotion, or other similar matters with respect to any individual (such as claims adjudicator or medical or vocational expert) shall not be made based upon the likelihood that the individual will support the denial of the claim.

Notices: Notices will be provided in a manner that is culturally and linguistically appropriate. If 10% or more of the population in the county in which you reside is literate only in the same non-English language (the “applicable non-English language”) as determined in guidance published by the U.S. Department of Labor, then the Plan will:

- Provide oral language services in the applicable non-English language and provide assistance with filing claims and requests for review in the applicable non-English language;
- Provide, upon request, a notice in the applicable non-English language; and
- Include in the English versions of all notices, a statement, prominently displayed, in the applicable non-English language, indicating how to access the language services provided by the Plan.

Assertion of Deemed Exhaustion of Claims Procedure: If you request a written explanation of a failure by the Plan to follow its claim procedure with respect to a claim for disability benefits, the Plan shall provide you with such explanation within 10 days. The explanation shall include a specific description of the reasons, if any, that the violation should not cause the claims procedure to be deemed exhausted. If a court rejects your request for immediate review on the basis that the Plan met the standards under 29 CFR § 2560.503-1(1)(2)(ii), the claim shall be treated as re-filed upon the Plan’s receipt of the court’s decision. The Plan shall provide you with notice of the resubmission within a reasonable time after receipt of the court’s decision.

Effect of Review and Subsequent Review

The Trustees’ decision on review is final and binding upon you, the Board of Trustees, and all other persons involved.

If your claim has been denied, you cannot undertake any legal action with respect to the claim until you have exhausted all the procedures described above. If you fail to follow those procedures, you waive any right to further review, judicial or otherwise. In no event will you be able to file a lawsuit more than two years from the date the Plan’s internal review has concluded.

Any further review, judicial or otherwise, will be based on the record before the Board of Trustees and will be limited to whether the Board of Trustees acted arbitrarily or capriciously in the exercise of its discretion.

If you have any questions regarding these changes, contact the Gladstone Administration Office at the address or telephone numbers listed above.

Sincerely,

**BOARD OF TRUSTEES
DEFINED BENEFIT PENSION PLAN OF AGC-IUOE LOCAL 701 PENSION TRUST FUND**

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

Administered by
Welfare & Pension Administration Service, Inc.

July 21, 2017

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

RE: Summary of Material Modifications

Dear Participant or Beneficiary,

Since issuance of the January 1, 2015 Summary Plan Description booklet and the July 28, 2016 summary of material modifications (collectively, the “SPD”), the Board of Trustees has changed. That change was effective September 1, 2016. **Please keep this summary of material modifications to the SPD with your booklet.**

Letter to Participants. The letter addressed “To All Participants” from the Board of Trustees before the Table of Contents is amended to update the Board of Trustees as listed under Other Plan Information below.

Other Plan Information (SPD page 49). The list of the members of the Board of Trustees is replaced with the following:

Board of Trustees	
Union Trustees	Employer Trustees
Mr. James Anderson (Chairman) IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. John Anderson (Secretary) Ness & Campbell Crane, Inc. 5730 NE 138 th Avenue Portland, OR 97320
Mr. Darren Glebe (Vice Chairman) IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. Kyle Izatt (Vice Secretary) Advanced American Construction 8444 NW Saint Helens Rd Portland, OR 97231
Mr. Robert Crane IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. Dave Alexander Lakeside Industries 4850 N.W. Front Ave. Portland, OR 97210
Mr. Jack Miller IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. James M. Wright 3356 Elmwood Court Medford, OR 97504

If you have any questions regarding this change, contact the Gladstone Administration Office at the address or telephone numbers listed above.

Sincerely,

**BOARD OF TRUSTEES
DEFINED BENEFIT PLAN OF AGC-IUOE LOCAL 701 PENSION TRUST FUND**

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

Administered by
Welfare & Pension Administration Service, Inc.

July 28, 2016

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

RE: Summary of Material Modifications

Dear Participant or Beneficiary,

Since issuance of the January 1, 2015 Summary Plan Description (“SPD”) booklet, there have been certain amendments to the subject Plan as well as legal and factual changes that affect the information in the SPD. The changes are summarized below, with references to the corresponding SPD sections and page numbers. **Please keep this summary of material modifications to the SPD with your booklet.**

Retirement Benefits—How Your Retirement Benefits May Be Paid (SPD pages 27-29).

The first four paragraphs in this section are revised to read as follows, effective January 1, 2017:

“Because the financial need of each participant differs at retirement, the plan provides several different forms of payment to assist you in fulfilling your particular needs.

“Small Benefits Are Paid in a Lump Sum

“If the actuarial present value of your benefit is \$5,000 or less, the Trustees will pay your retirement benefit in a lump sum instead of setting up monthly payments. No other form of payment will be available, and no further benefit will be payable, from the plan. You may ask the Gladstone Administration Office to pay all or part of this lump-sum cash-out directly to a traditional IRA (individual retirement account or individual retirement annuity), a Roth IRA, another employer’s qualified plan, or a SIMPLE IRA (provided the rollover is made after the two-year period following the date you first participated in the SIMPLE IRA). This is called a direct rollover.

“If the actuarial present value of your benefit is greater than \$1,000, but is not more than \$5,000, and you do not elect to receive a distribution directly or as a direct rollover as described above, your lump-sum distribution will automatically be rolled over to an IRA designated by the Trustees (“Automatic Rollover IRA”). Until you instruct how the IRA’s funds are to be invested, they will be invested in a FDIC-insured bank money market demand account (which is designed to preserve principal and provide a reasonable rate of return and liquidity). All fees connected with the Automatic Rollover IRA will be paid from the IRA, unless you pay them from other funds. For information about the Plan’s Automatic Rollover IRA procedures, provider, and associated fees, please contact the Gladstone Administration Office.

“Unless a direct rollover is made or expected payments for the year total less than \$200, 20% of your lump-sum distribution must be withheld for federal income taxes. A partial direct rollover will not be permitted if it is less than \$500. Also, a direct rollover may not be divided and paid to more than one traditional IRA, Roth IRA, other employer’s qualified plan, or SIMPLE IRA. A distribution that is rolled over to a Roth IRA will be taxable (but it will not be subject to the 10% additional tax under Internal Revenue Code Section 72(t)).”

Effective January 1, 2017, the following new sub-heading is added on page 27 immediately before the fifth paragraph in this section: “***Benefits Valued Above \$5,000***”.

Survivor Benefits—If You Die Before Retirement—Surviving Spouse Benefit (SPD page 41)

Effective January 1, 2017, the following sentence is added to the end of this section:

“Notwithstanding the above, if the actuarial present value of your surviving spouse’s benefit is \$5,000 or less, the Trustees will pay the benefit in a lump sum instead of setting up monthly payments.”

Survivor Benefits—Direct Rollover by Spouse or Nonspouse Beneficiary (SPD pages 42-43).

This section is updated in the following respects:

1. Effective January 1, 2015, the second sentence of the first paragraph is revised to read as follows:

“Lump-sum payments (including a \$2,000 lump-sum survivor benefit and a lump-sum cash out payment for surviving spouse benefits with an actuarial present value of \$1,000 or less) and 60-Month Benefit payments are “eligible rollover distributions”.”

Effective January 1, 2017, “\$5,000” replaces “\$1,000” in the sentence above.

2. Effective December 18, 2015, the following sentence is added to the end of the second paragraph:

“Your spouse or nonspouse beneficiary also may roll over an eligible rollover distribution to a SIMPLE IRA, provided the rollover is made after the two-year period following the date he or she first participated in the SIMPLE IRA.”

In addition, the third paragraph is revised to eliminate reference to “a SIMPLE IRA,” and now reads as follows:

“An eligible rollover distribution cannot be paid directly to a Coverdell Education Savings Account (formerly known as an education IRA) or a designated Roth account in an employer plan.”

If you have any questions regarding these changes, contact the Gladstone Administration Office at the address or telephone numbers listed above.

Sincerely,

**BOARD OF TRUSTEES
DEFINED BENEFIT PENSION PLAN OF AGC-IUOE LOCAL 701 PENSION TRUST FUND**

Defined Benefit Pension Plan

**AGC - International Union
of Operating Engineers
Local 701
Pension Trust Fund**

Summary Plan Description

January 1, 2015

If you have questions about your benefits, contact the Gladstone or Seattle Administration Office at the following address or telephone numbers:

Gladstone Administration Office
15 82nd Drive, Suite 200
Gladstone, OR 97027
(503) 657-9740
(866) 697-5750 (toll free)

or

Seattle Administration Office
P.O. Box 34203
Seattle, WA 98124
(206) 441-7574
(866) 697-5750 (toll-free)

www.agc-iuoe701trusts.com

To All Participants:

We are pleased to provide you with this revised booklet describing the benefits of the Defined Benefit Pension Plan of AGC-International Union of Operating Engineers Local 701 Pension Trust Fund (the “plan”). The active coverage portions of this booklet apply to individuals who are active participants in the plan on or after January 1, 2015. If you terminated or retired before that date, you should consult the booklet in effect on the earlier of your termination or retirement date for a description of the active coverage provisions that apply to you. The other provisions of this booklet apply to all participants, such as the claims procedure and administrative provisions.

This summary plan description booklet is based on the detailed plan document that governs the plan. Language in the plan document is necessarily complex. This booklet provides a simplified description of the plan. In the event of any conflict between the summary plan description and the plan document, the plan document will govern. You may review the actual plan document at the Gladstone Administration Office and at other specified locations, such as work sites and union halls, or obtain a copy by submitting a written request to the Gladstone Administration Office.

We urge you to read this booklet carefully because it describes your right to benefits under the plan, and the amount of that benefit, if any. Keep this booklet with your other important papers so you may refer to it when you terminate, change jobs, or retire.

If you have any questions about your participation or eligibility for benefits, or about any matter concerning the trust fund or plan administration, contact the Gladstone Administration Office. No contributing employer, employer association, labor organization or its employees has any authority to answer your questions.

Sincerely yours,

Board of Trustees

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Table of Contents

How the Plan Works	1
Participation	2
Cost of the Plan	3
Measurement of Service	4
Credited Service	4
Credited Future Service	4
Covered Hours of Employment	5
Years of Service	5
Hours of Service	6
Military Service Under USERRA.....	7
Family and Medical Leave Act of 1993	10
Vesting	11
Termination Before Becoming Vested	13
Amount of Your Earned Benefit	14
Future Service Benefit	14
Termination of Participation	20
Reemployment After Termination.....	21

Retirement Benefits	22
When You Can Retire	22
Early Retirement	22
Retirement with 30 or More Years of Credited Service	22
Retirement with Less than 30 Years of Credited Service	22
Normal Retirement.....	25
Late Retirement.....	25
How Your Retirement Benefits May Be Paid.....	27
Life Annuity.....	28
Five Year Certain and Life Thereafter	28
Spouse Options	28
Applying for Retirement Benefits.....	31
When Retirement Income Payments Begin	32
Working After Retirement	33
Benefit Suspension Rules	33
When You Stop Working.....	37
Disability Benefits	38
Eligibility	38
Determination of Disability	38
Amount of Disability Benefits	39
Applying for Disability Benefits.....	40
Survivor Benefits.....	41
If You Die Before Retirement.....	41
Surviving Spouse Benefit	41
60-Month Benefit.....	41
If You Die After Retirement	42
Lump-Sum Survivor Benefit.....	42
Direct Rollover by Spouse or Nonspouse Beneficiary	42
Designating Your Beneficiary	44
Service With Related Plans (Reciprocity).....	46

Other Plan Information.....	48
Name of Plan.....	48
Type of Plan.....	48
Identification Numbers	48
Board of Trustees.....	48
Plan Administrator.....	49
Plan Documents.....	50
Plan Sponsors.....	50
Collective Bargaining Agreements	50
Legal Process.....	51
Qualified Domestic Relations Orders	51
Plan Year.....	51
Funding.....	51
Insured Benefits and the Future of the Plan.....	52
Funding-Based Benefit Limits.....	54
Claim Procedures.....	55
Submitting a Claim	55
Denial of a Claim.....	55
Time Period for Denial Notice.....	55
Contents of Notice	56
Review of a Denied Claim.....	57
Time Period to Request Review	57
Review Procedure	57
Time Period for Decision on Review.....	58
Contents of Review Decision.....	59
Effect of Review and Subsequent Review.....	59
Your Rights as a Plan Participant.....	61
Receive Information About Your Plan and Benefits	61
Prudent Actions by Plan Fiduciaries.....	62
Enforce Your Rights	62
Assistance With Your Questions	63

How the Plan Works

This plan is a defined benefit pension plan that provides you with a monthly income payment when you are no longer working.

You become a plan participant once your employer is required to begin contributing to the plan's trust fund for covered hours you complete under the plan. The amount your employer contributes is determined by a collective bargaining agreement with Local 701 or by a special agreement with the Trustees. Each year, as long as you work a minimum number of covered hours, you earn a benefit under the plan. The benefit earnings rate is determined by the joint labor-management Board of Trustees, which maintains and administers the plan. You vest, or become the owner of this benefit, after you complete a minimum amount of service for contributing employer(s).

You may start receiving your earned benefit once you meet the age and service requirements for normal or early retirement. If you are eligible to retire before your 65th birthday, your benefit may be reduced depending on when it was earned and your age at the time you commence benefits. You can choose from a variety of payment methods to meet your particular needs at retirement. In addition, the plan provides special benefits in case you become totally and permanently disabled, or in case you die.

Your benefit under this plan is paid in addition to the Social Security benefit you are entitled to receive, along with any amount(s) you may receive from other retirement plan(s).

Participation

Your participation in the plan automatically begins when employer contributions are made (or owed) on your behalf, in accordance with a collective bargaining agreement with Local 701 or a special agreement with the Trustees. To find out whether a particular employer contributes to the plan, contact the Gladstone Administration Office.

To participate in this plan, you must be considered an employee under the Taft-Hartley Act. Sole proprietors, partners and owners, for example, are generally not eligible for plan participation.

You are no longer considered a plan participant if your plan participation terminates, as described on page 20.

Cost of the Plan

The plan is funded by your employer's contributions and the trust's investment returns. The amount of these contributions is determined by your employer's collective bargaining agreement with Local 701 or by the special agreement your employer has with the Trustees. You do not make contributions to the plan.

Measurement of Service

Your earned benefit, vesting, and eligibility for retirement, disability, and death benefits depend on the credited service, covered hours of employment, and years of service you earn under the plan.

Credited Service

Generally, credited service is made up of credited future service (credited service earned on or after April 1, 1960) and credited past service (credited service you earned on or before March 31, 1960, or January 1, 1957 if you were employed in the Dredge Industry). Contact the Gladstone Administration Office if you think you have past credited service.

Credited Future Service

Your credited future service will determine whether you accrue a benefit for a given year. To earn a future service benefit in a plan year, you must earn a year of credited future service for that year. The plan year is January 1 through December 31.

You earn a year of credited future service for each plan year in which you work the minimum covered hours of employment (as defined on page 5) as shown in the following chart:

Plan Year	Minimum Covered Hours of Employment
April 1, 1960 - 1977	200
1978 - 1980	500
1981 - 1987	300
1988 - 2003	200
2004 or later	500

You may not earn more than one year of credited future service during any plan year.

Covered Hours of Employment

Covered hours of employment are used to determine your credited future service and to calculate your earned benefit. They are also used to determine vesting and to establish your eligibility for a retirement, disability, or death benefit. Covered hours of employment are the hours of employment for which your employer is required to contribute to the plan. (The Port of Portland is required to make contributions to the plan for certain hours but not for others. Only the contributory hours are covered hours of employment.)

For your covered hours of employment in any year to count toward earning a benefit, you must earn a year of credited future service for that year, as described above. This rule does not apply to the plan year in which you retire, become totally and permanently disabled, or die.

If you have any questions regarding the determination of covered hours of employment, please contact the Gladstone Administration Office.

Years of Service

Your years of service are used to determine vesting and to establish your eligibility for a retirement, disability, or death benefit.

You earn a year of service for each calendar year in which you work at least 500 hours of service (as defined on page 6). This “hours of service” minimum was different for plan years prior to 2004 as shown in the following chart:

Plan Year	Minimum Hours of Service
April 1, 1960 - 1977	200
1978 – 1980	500
1981 – 1987	300
1988 – 2003	200
2004 or later	500*

*For vesting purposes only, if you have three or more years of service as of December 31, 2003, you continue to earn a year of service for each plan year in which you have 200 or more hours of service. See page 11 for a description of the vesting service rules.

Hours of Service

Hours of service include covered hours of employment (as described above) as well as noncovered hours. You earn noncovered hours:

- For employment after 1975 (or after the date your employer first contributes to the plan, if later) in a job classification that does not require your employer to contribute to the plan, provided that if you are not vested, no quit, discharge, or retirement occurs between your covered hours and the uncovered hours you earn. (Noncovered hours can be before or after your covered hours.);
- For employment with the Port of Portland under a collective bargaining agreement with Local 701 in a position for which contributions are not required to be made to the plan;
- For employment with an employer that contributes to the Defined Contribution Plan of the AGC-International Union of Operating Engineers Local 701 Pension Trust Fund, but not to this plan;

- While on leave from your employment under the Family and Medical Leave Act of 1993, as described on page 10; and
- For hours worked under related pension plans as described on page 46.
- Noncovered hours count towards your vesting and retirement eligibility. They do not count towards credited future service.

Military Service Under USERRA

If you leave covered employment for service in the United States uniformed services (including the military, National Guard, and the Commissioned Corps of the Public Health Service), the period of military service may prevent a break in service (as described on page 20), and you may receive benefit accrual and vesting for the time you are away.

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), if you are absent from work due to military service, you are generally entitled to reemployment rights and benefits if:

- You (or a military officer) provide advance notice of the military service to your employer, unless advance notice is prevented by military necessity or is otherwise impossible or unreasonable.
- Your military absence from your employer is for a cumulative period of less than 5 years, unless a longer period is necessary to complete an initial period of obligated service or you are ordered to or retained on active duty.
- You report to, or apply for reemployment with, your employer within a certain number of days after the completion of your military service, as follows:

<u>Period of Military Service</u>	<u>Reporting/Application Deadline</u>
Less than 31 days*	1 day*
31-180 days	14 days
More than 180 days	90 days
<p>* If the period of military service is less than 31 days, or if the absence from employment is for the purposes of an examination to determine your fitness for military service, you must report to your employer not later than the first workday following completion of the military service and the expiration of eight hours after a period allowing for safe transportation to your residence.</p> <p>If you are hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, military service, you must report to your employer or submit an application for reemployment at the end of the recovery period. The recovery period may not exceed two calendar years.</p> <p>These deadlines may be extended if reporting by the deadlines is impossible or unreasonable.</p>	

- You did not receive a dishonorable discharge or another type of discharge or separation from service that terminates your USERRA rights.
- If your military service is greater than 30 days and if requested by your employer, you provide documentation that the second, third, and fourth requirements above are satisfied. The documentation is not required if it does not exist or is not readily available.

Upon a qualifying reemployment, you are entitled to the benefits you would have received had you remained in employment, but in no event will you be entitled to any greater rights than those provided under USERRA. Your benefits for the period of military service are calculated based on the contributions your employer would have been required to make if you had not gone into military service.

When you have a qualifying reemployment, your military service is treated as service with your employer for all purposes under the plan. The hours credited are those you normally would have received had you continued working. The entire period of absence due to or necessitated by the military service is treated as service with your employer, including any necessary preparation time before beginning military service and the time after the completion of military service within which you must apply for reemployment.

Upon reemployment you should notify your employer that you have been serving in the military. Your employer will notify the Seattle Administration Office of your reemployment.

If you die while performing qualified military service, your survivors will be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan if you had resumed active employment and then died. For example, if you were otherwise eligible for the 60-month death benefit described in “If You Die Before Retirement,” you would be treated as having earned 500 or more hours of service in the calendar year before your death.

Family and Medical Leave Act of 1993

The Family and Medical Leave Act (FMLA) may apply to you when you work for an employer that has 50 or more employees within a 75-mile radius.

To be eligible, you must have worked for your current employer for at least 12 months; you also must have worked for at least 1,250 hours in the 12 months before your leave. If you meet these requirements, and if your employer has enough employees to be covered under the FMLA, the law requires your employer to grant your request for up to 12 weeks of unpaid leave during a 12-month period due to any of the following:

- The birth of your child, or placement of a child with you for adoption or foster care;
- The serious health condition of your child, spouse, or parent; or
- Your own serious health condition.
- During FMLA leave, this plan will grant you non-covered hours of service as described above.

Vesting

Vesting is your right to your earned benefit, even if you are no longer earning hours of service. Generally, you vest when you satisfy one of the following conditions:

- You have 5 years of service (including at least one year of credited future service), and have:
- One year of service in 1997 and one hour of service in 1998; or
- One year of service in this or a related plan during a plan year ending December 31, 1998 or later; or
- In the case of a participant who is not subject to a collective bargaining agreement with a contributing employer, one hour of service after December 31, 1988;
- You have 10 years of service (including at least one year of credited future service);
- You have 15,000 covered hours of employment; or
- You earned a year of service in the year you reached normal retirement age or the prior year.

Beginning January 1, 2004, you must earn 500 or more hours of service during the plan year to earn a year of service for vesting, except as otherwise provided in the paragraph below. Any vesting service you earned before January 1, 2004, is unchanged.

If you have three or more years of service as of December 31, 2003, you will continue to earn a year of service for vesting for each plan year you are credited with 200 or more hours of service. In other words, you will

continue earning vesting service on and after January 1, 2004, as you did before that date. (This exception applies *only* to your vesting service. It does not apply to the hours of service requirements for earning benefits, or for becoming eligible for early, normal, or disability retirement.)

Example

John earns years of service for vesting and eligibility purposes by working for a contributing employer as follows:

2001: 200 hours – 1 year for vesting and eligibility

2002: 200 hours – 1 year for vesting and eligibility

2003: 200 hours – 1 year for vesting and eligibility

2004: 200 hours – 1 year for vesting only

2005: 200 hours – 1 year for vesting only

Total years for vesting – 5

Total years for eligibility – 3

Beginning January 1, 2004, the requirement to earn a year of service for *both* vesting and eligibility purposes increased to a minimum of 500 hours worked. However, in our example, because he had at least three years of service for vesting on January 1, 2004, John continues to earn a year of service for vesting purposes only if he works at least 200 hours in a year. As a result he is vested with five years of service and is eligible to receive a benefit upon reaching his normal retirement date. He may not, however, be eligible for early retirement with only three years of service for eligibility. If John dies before reaching his normal retirement date, his surviving spouse or beneficiary is eligible for a death benefit described in “If You Die Before Retirement” on page 41.

Termination Before Becoming Vested

If you are not vested when your plan participation terminates, you will lose all credited service, covered hours of employment, years of service, and any benefit you earned before your termination. However, your service and earned benefit will be reinstated if you become a participant again and meet the requirements described under “Reemployment After Termination” on page 21.

Amount of Your Earned Benefit

Your monthly earned benefit is the sum of your future service benefit and your past service benefit (if any). Past service benefits are based on past credited service. Contact the Gladstone Administration Office if you think you earned past service benefits.

Future Service Benefit

To earn a future service benefit in any plan year, you must earn a year of credited future service in that plan year. This rule does not apply to the plan year in which you retire, become totally and permanently disabled, or die. Your monthly future service benefit is calculated as follows:

- For January 1, 1957, through December 31, 1959 (if employed in the Dredge Industry by an employer that began contributing for your work on January 1, 1957), your future service benefit, if any, is shown in the chart below. If you are entitled to receive a future service benefit for this period, under no circumstances will your total future service benefit for this three-year period be less than \$23.10 per month.
- For 1960 through 1969, your future service benefit (if any) is as shown in the following chart:

If you have this number of covered hours of employment...	You earn this monthly future service benefit...
2,800 or more	\$20.35
2,600 - 2,799	18.92
2,400 - 2,599	17.55
2,200 - 2,399	16.17
2,000 - 2,199	14.80
1,800 - 1,999	13.42
If you have this number of covered hours of employment...	You earn this monthly future service benefit...
1,600 - 1,799	11.99
1,400 - 1,599	10.62
1,200 - 1,399	9.24
1,000 - 1,199	7.87
800 - 999	6.49
600 - 799	5.06
400 - 599	3.69
200 - 399	2.31
199 or fewer	None

For plan years after December 31, 1969, your future service benefit is determined according to the chart below. The basic contribution rate in any given year, as referenced in the footnotes to the chart, is specified in the Master Labor Agreement.

Period	Rate	Base
1/1/70-12/31/70	2.035%	Of employer contributions
1/1/71-5/31/78	1.85%	Of employer contributions
6/1/78-12/31/80	1.82¢	Per hour of covered employment ¹
	1.5%	Of employer contributions ²
1/1/81-5/31/86	2.1¢	Per hour of covered employment ¹
	1.5%	Of employer contributions ²
6/1/86-12/31/86	2.2¢	Per hour of covered employment ¹
	1.5%	Of employer contributions ²
1/1/87-12/31/94	2.3¢	Per hour of covered employment ³
1/1/95-12/31/95	2.5¢	Per hour of covered employment ³
Period	Rate	Base
1/1/96-12/31/96	2.6¢	Per hour of covered employment ³
1/1/97-12/31/97	3.0¢	Per hour of covered employment ³
1/1/98-12/31/98	3.6¢	Per hour of covered employment ³
1/1/99-12/31/99	4.25¢	Per hour of covered employment ⁴
1/1/00-12/31/00	5.0¢	Per hour of covered employment ³
1/1/01-12/31/01	5.5¢	Per hour of covered employment ⁴
1/1/02-12-31/07	6.0¢	Per hour of covered employment ⁴ * But see the special rule, described below, for 1/1/07-12/31/07
1/1/08-12/31/10	7.0¢	Per hour of covered employment ⁵
1/1/11-12/31/12	6.0¢	Per hour of covered employment ⁴
1/1/13-12/31/14	4.0¢	Per hour of covered employment ⁴
1/1/15 until changed	5.0¢	Per hour of covered employment ⁴

- ¹ If your employer's hourly contribution rate was at least \$1.21.
- ² If your employer's hourly contribution rate was less than \$1.21.
- ³ If your employer's hourly contribution rate was other than the basic rate, the future service benefit rate is adjusted proportionately.
- ⁴ If your employer's hourly contribution rate was less than the basic rate, the future service benefit rate is adjusted proportionately.
- ⁵ If your employer's hourly contribution rate was less than the basic rate, the future service benefit rate is adjusted proportionately but will not be less than 6.0¢.

*** Special rule for 1/1/07 through 12/31/07**

Notwithstanding the above for January 1, 2007, through December 31, 2007, your future service benefit (if any) equals 7.0¢ per covered hour of employment for work with an employer (excluding "private works employers" as defined in the Master Labor Agreement) that contributes at the full basic contribution rate. If your employer contributes other than the basic contribution rate (or is a private works employer), your future service benefit (if any) equals 6.0¢ per covered hour of employment adjusted proportionately for the difference between your employer's contribution rate and the basic contribution rate. The additional 1.0¢ accrual is not subject to proration.

Future service benefits have been increased as follows:

Future service benefits as of this date...	Are increased by this amount...
June 1, 1986	5%
December 31, 1988	7%

December 31, 1995	4%
December 31, 1996	5%
December 31, 1997	5%
December 31, 1999	3%
December 31, 2000	10%
December 31, 2001	10%

These increases do not apply to participants who are retired or receiving disability benefits as of the increase date. In addition, the 1997, 1999, 2000, and 2001 increases do not apply to participants who are terminated as of the increase date, even if they are vested.

Example

Beth has unbroken service starting in 1980 and 1,500 covered hours of employment each plan year. Her employers always contributed at the basic contribution rate, and she qualifies for all the increases to her future service benefit. Beth’s benefit as of January 1, 2016, is calculated as follows:

Calculation of Beth’s Future Service Benefit				
Period	(a) Rate	(b) Covered Hours	(c) = (a)x(b) Benefit Accrued	Sum of (c) Benefit Subtotal
1/1/80 -12/31/80	1.82¢	1,500	\$27.30	\$27.30
1/1/81- 5/31/86	2.1¢	8,125	\$170.63	\$197.93
Benefit Increase at 5/1/86	5% x \$197.93		\$9.90	\$207.83
6/1/86 - 12/31/86	2.2¢	875	\$19.25	\$227.08
1/1/87– 12/31/88	2.3¢	3,000	\$69.00	\$296.08
Benefit Increase at 12/31/88	7% x \$296.08		\$20.73	\$316.81
1/1/89-12/31/94	2.3¢	9,000	\$207.00	\$523.81
1/1/95-12/31/95	2.5¢	1,500	\$37.50	\$561.31

Benefit Increase at 12/31/95	4% x \$561.31		\$22.45	\$583.76
1/1/96-12/31/96	2.6¢	1,500	\$39.00	\$622.76
Benefit Increase at 12/31/96	5% x \$622.76		\$31.14	\$653.90
1/1/97-12/31/97	3.0¢	1,500	\$45.00	\$698.90
Benefit Increase at 12/31/97	5% x \$698.90		\$34.95	\$733.85
1/1/98-12/31/98	3.6¢	1,500	\$54.00	\$787.85
1/1/99-12/31/99	4.25¢	1,500	\$63.75	\$851.60
Benefit Increase at 12/31/99	3% x \$851.60		\$25.55	\$877.15
1/1/00-12/31/00	5.0¢	1,500	\$75.00	\$952.15
Calculation of Beth's Future Service Benefit				
Period	(a) Rate	(b) Covered Hours	(c) = (a)x(b) Benefit Accrued	Sum of (c) Benefit Subtotal
Benefit Increase at 12/31/00	10% x \$952.15		\$95.22	\$1,047.37
1/1/01-12/31/01	5.5¢	1,500	\$82.50	\$1,129.87
Benefit Increase at 12/31/01	10% x \$1,129.87		\$112.99	\$1,242.86
1/1/02-12/31/06	6.0¢	7,500	\$450.00	\$1,692.86
1/1/07-12/31/10	7.0¢	6,000	\$420.00	\$2,112.86
1/1/11-12/31/12	6.0¢	3,000	\$180.00	\$2,292.86
1/1/2013-12/31/14	4.0¢	3,000	\$120.00	\$2,412.86
1/1/15-12/31/15	5.0¢	1,500	\$75.00	\$2,487.86
Total Future Service Benefit:				\$2,487.86

In this example, Beth's earned benefit is \$2,487.86 per month, payable as a Life Annuity beginning at her normal retirement age. This is the sum of all her benefit accruals, including the increases. This is the amount she will receive for the rest of her life, starting at normal retirement. This amount would be adjusted if she retired early or elected a form of payment other than the Life Annuity.

Termination of Participation

If you earn fewer than 500 hours of service in a calendar year, you will have a break in service for that year and your plan participation will terminate. (Different rules applied before January 1, 2004. Contact the Gladstone Administration Office for details.) However, your participation will not terminate if you are absent from work for at least six months for any of the following reasons:

- One voluntary enlistment and any period of conscription in the United States Armed Forces, other than military service under USERRA (as described on page 7);
- Governmental or quasi-public employment under a collective bargaining agreement with Local 701 which does not require plan contributions;
- A strike or lockout;
- Disability (with satisfactory proof submitted to the Trustees); or
- Other absence approved by the Trustees in accordance with the formal guidelines adopted by the Trustees.
- The hours you otherwise would have worked will be counted as hours of service to help prevent a break in service (either in the year the absence begins or in the next year) if you are absent from work because of:
 - Your pregnancy;
 - The birth of your child;

- The placement of a child with you for adoption; or
- To care for your newborn natural or newly adopted child.

To have voluntary enlistment, conscription, or government or quasi-public employment count as described above, you must submit proof of this service prior to taking such leave (unless precluded by military necessity or is otherwise impossible). To have a strike, lockout, disability or other absence count as described above, you must apply and submit any proof required by the Trustees before the end of the year following the year in which you failed to work 500 hours.

Reemployment After Termination

If your plan participation terminated before you were vested (as described on page 11) and you are later reemployed by a contributing employer, you may be eligible to have your service and earned benefit reinstated.

You qualify for reinstatement if you earn a year of service before the total number of your consecutive one-year breaks in service equals or exceeds the greater of five or your total years of service before your break.

If you fail to earn a year of service by this deadline, you will permanently lose all prior service and earned benefit and will be treated as a new plan participant with a new participation date.

If you were vested when your participation terminated and you return to work and earn hours of covered employment, all the service and earned benefits you earn after your reemployment date will be added to your earlier service and earned benefit.

Retirement Benefits

When You Can Retire

To be eligible to begin receiving retirement benefits, you must terminate employment as an operating engineer or supervisor in Oregon or Washington. To retire early, you must completely withdraw from that type of employment for at least 30 days before your early retirement effective date. To take normal or late retirement, you must have worked in that type of employment for fewer than 40 hours during the month before your retirement date. If you return to work later, some or all of your benefit may be suspended based on the number of hours of post-retirement service you perform, as described under “Working After Retirement” on page 33.

Early Retirement

Retirement With 30 or More Years of Credited Service

You may retire early with full benefits on the first day of any month on or after age 60 if you have 30 or more years of credited service. This amount will be reduced if your benefit is paid under an option that provides continuing income to your spouse or other beneficiary after your death.

Please note that only covered hours of employment are used to determine whether you have earned enough credited service to qualify for unreduced early retirement. Noncovered hours of employment (see page 6) will not count towards the 30 years of credited service requirement.

Retirement With Less Than 30 Years of Credited Service

If you do not have 30 or more years of credited service, the early retirement benefit reduction applied to your normal retirement benefit depends on when your benefit was earned. Different reduction factors apply to benefits earned through December 31, 2010 and benefits earned

after December 31, 2010.

You may retire early with reduced benefits on the first day of any month if you meet one of the following requirements:

- You are at least age 52 and have 5 or more years of service, and satisfy one of the following requirements:
- You earned a year of service in 1997 and at least one hour of service in 1998; or
- You earn a year of service in this plan or a related plan during 1998 or a later year;
- You are at least age 52 and have 10 or more years of service; or
- You are at least age 52 and have 15,000 or more covered hours of employment; or
- You are at least age 62 and have 9,000 or more covered hours of employment.

Your benefit will be based on your earned benefit as of your early retirement date. However, because your benefit is expected to be paid for a longer period of time, this amount will be reduced as described below:

- The portion of your normal retirement benefit earned through December 31, 2010 will be reduced by $\frac{1}{2}$ of 1% for each month your early retirement date precedes your 62nd birthday.
- The portion of your normal retirement benefit earned after December 31, 2010 will be reduced by $\frac{1}{2}$ of 1% for each month your early retirement date precedes your 65th birthday.

In addition, these amounts will be further reduced if your benefit is paid under an option that provides continuing income to your spouse or other beneficiary after your death.

Example

Tom has 10 years of credited service and decides to retire at age 62 on January 1, 2015. As of that date, his earned benefit for work through December 31, 2010 is \$1,000 and his benefit for work from January 1, 2011 through November 30, 2014 is \$270. Tom’s total earned benefit is \$1,270 per month, payable as a Life Annuity beginning at his normal retirement date (age 65). Tom’s early retirement benefit is as follows:

(a) Benefits earned before January 1, 2011:	\$1,000.00
Early Retirement Factor before January 1, 2011 (unreduced age 62):	1.00
(c) Benefits earned after December 31, 2010:	\$270.00
Early Retirement Factor after December 31, 2010:	0.82*
Total Early Retirement Benefit effective January 1, 2015 [(a) x (b)] + [(c) x (d)]:	\$1,221.40

* Tom is retiring 3 years (36 months) before age 65. The early retirement factor is $[1-(0.005 \times 36)] = 0.82$

Normal Retirement

To be eligible for normal retirement, you must be at least age 65 and meet one of the following requirements:

- You have 5 or more years of service, and satisfy one of the following requirements:
 - You earned a year of service in 1997 and at least one hour of service in 1998; or
 - You earn a year of service in this plan or a related plan during 1998 or a later year; or
- You have 9,000 or more covered hours of employment; or
- You reach the fifth anniversary of your plan participation date without a termination. (See page 20 for information on how your participation date could change.)

Your normal retirement age is the date you are at least 65 and have satisfied one of these requirements. Your normal retirement date is the first day of the month on, or immediately after, your normal retirement age.

Your benefit will be the benefit you have earned as of your normal retirement date. This amount will be reduced if your benefit is paid under an option that provides continuing income to your spouse or other beneficiary after your death.

Late Retirement

If you choose to continue working after your normal retirement age, your late retirement date will be no later than the April 1 following the calendar year you reach age 70½ or retire, whichever is later. This April 1 deadline is called your “required beginning date.”

If you retire on a late retirement date, your monthly pension will be the benefit you have earned as of your late retirement date. If your monthly pension does not start by the April 1 after the year in which you reach age 70½, your benefit will be increased on an actuarial equivalent basis to reflect the later start. This amount will be reduced if your benefit is paid under an option that provides continuing income to your spouse or other beneficiary after your death.

How Your Retirement Benefits May Be Paid

Because the financial need of each participant differs at retirement, the plan provides several different forms of payment to assist you in fulfilling your particular needs.

If the actuarial present value of your benefit is \$1,000 or less, the Trustees will pay your retirement benefit in a lump sum instead of setting up monthly payments. No other form of payment will be available, and no further benefit will be payable from the plan. You may ask the Gladstone Administration Office to pay all or part of this lump-sum cash-out directly to a traditional IRA (individual retirement account or individual retirement annuity), a Roth IRA, or another employer's qualified plan. This is called a direct rollover. Unless a direct rollover is made, 20% of the lump sum must be withheld for federal income taxes.

The direct rollover rules do not apply to payments in a year in which the expected payments total less than \$200. A partial direct rollover will not be permitted if it is less than \$500. In addition, a direct rollover may not be divided and paid to more than one traditional IRA, Roth IRA, or other employer's qualified plan. A distribution that is rolled over to a Roth IRA will be taxable (but it will not be subject to the 10% additional tax under Internal Revenue Code Section 72(t)).

If the actuarial present value of your benefit is greater than \$1,000, but is not more than \$5,000, you may elect to receive your retirement benefit in the form of a single lump sum or in monthly payments as described below.

If the actuarial present value of your benefit is more than \$5,000, your retirement benefit will be paid in monthly payments under one of the payment forms described below. The amount of monthly income differs under each form, but the expected value is the same for all forms of payment (based on an assumed interest rate and average life expectancy

for you and your spouse or other beneficiary). The forms of payment are summarized below.

Life Annuity

Under this option, you receive monthly benefit payments for life. After you die, no benefits are paid to any survivor or beneficiary.

If you are single when you retire, your benefit will automatically be paid as a Life Annuity unless you elect otherwise.

Five Year Certain and Life Thereafter

Under this option, your monthly benefit payment is reduced to guarantee 60 payments. You receive this reduced amount for life and, if you die before receiving 60 payments, your beneficiary receives the balance of your 60 guaranteed payments. If you and your beneficiary both die before 60 payments have been made, the balance of the 60 payments is payable to the estate of the last survivor of you and your beneficiary.

Spouse Options

If you choose a Spouse Option, your monthly benefit amount is reduced to pay a lifetime benefit to you and your surviving spouse if you die first. You receive this reduced amount for life and, if you die before your spouse, your spouse receives a lifetime monthly income as follows:

- A **50% Spouse Option** gives your spouse half the amount you were receiving before your death;
- A **75% Spouse Option** gives your spouse 75% of the amount you were receiving before your death; and
- A **100% Spouse Option** gives your spouse the same amount you were receiving before your death.

If you are married when you retire, your benefit will automatically be paid as a 50% Spouse Option unless you elect otherwise. Regardless of the form you elect, your spouse must consent to this election in writing, unless the actuarial present value of your benefit is \$5,000 or less. Your spouse's written consent must be on the official plan form, witnessed by a notary public, and submitted during the 180 days before the first payment is made. You may not change your form of payment (or your beneficiary) without your spouse's written, notarized consent.

The term "spouse and "married" include a same-sex spouse or same-sex marriage. Thus, surviving spouse benefits may also extend to your same-sex spouse (see Surviving Spouse Benefit, page 41).

In addition, if you earned a benefit from January 1, 2008 through December 31, 2011 working for an employer that contracted with the City of Portland and you had a registered domestic partner, he or she may be entitled to be treated as a spouse with respect to those benefits only. Please contact the Gladstone Administration Office if you have any questions.

If you elect a Spouse Option, you must submit proof of your spouse's age, proof of your marriage, and proof of any name changes of your spouse.

If you are receiving one of the Spouse Options and your spouse dies before you, your future monthly payments will be increased to the amount that would have been paid if you had chosen the Life Annuity when you originally retired.

Example

Tom has 10 years of credited service and decides to take early retirement when he is age 62 and his wife is 60. He qualifies for a reduced early retirement benefit equal to \$1,221.40 per month, payable as a Life Annuity, as calculated beginning on page 28.

Option	Tom's Monthly Benefit	Monthly Benefit to Tom's Wife After His Death
Life Annuity	\$1,221.40	None
Five Year Certain and Life Thereafter	\$1,196.97	\$1,196.97*
50% Spouse Option	\$1,112.70	\$556.35**
75% Spouse Option	\$1,065.06	\$798.80**
100% Spouse Option	\$1,021.09	\$1,021.09**

* If Tom dies before the 60th payment, his wife will receive \$1,196.97 each month for the balance of the 60 guaranteed payments. If Tom dies after the 60th payment has been received, his wife will receive no further payments from the plan. If Tom and his wife both die before receiving 60 payments, the balance of the 60 payments is payable to the beneficiary of the last one to die.

** If Tom dies before his wife, his wife will receive the applicable percentage of his benefit as shown in the chart. If Tom's wife dies before Tom, his benefit will increase to \$1,221.40, the benefit amount as if he had elected the Life Annuity.

You may obtain a quotation of your own benefit by contacting the Gladstone Administration Office.

Applying for Retirement Benefits

When you decide to retire, contact the Gladstone Administration Office for an Application for Pension Benefits or visit the website at *www.agc-iuoe701trusts.com*. Complete the application and submit it (along with proof of your age and/or any name changes, marriage or divorce) to the Gladstone Administration Office at least two months, but no more than six months, before you wish to retire.

If you are eligible for early retirement, you have the right to delay your retirement until your normal retirement age.

The Gladstone Administration Office will determine whether you are eligible for retirement. If you are eligible for a benefit, the Gladstone Administration Office will make available to you, at least 30 days but not more than 180 days before your retirement date, a written explanation of the terms and conditions of the automatic benefit form (described under “How Your Retirement Benefits May Be Paid” on page 27), your right to elect to waive the benefit (including the effect of electing not to receive this benefit), the need for your spouse to consent to that election, and your right to revoke that election. The written explanation will also include a description of all the optional benefit forms, the eligibility conditions and other material features of each optional benefit form, and the dollar amount of your benefits under each benefit form. The dollar information may be specific to you or you may be given generic information using examples or reasonable estimates. If the explanation contains generic dollar information, you may request a more precise calculation of your benefits at any time after the explanation is provided. If you are retiring early, the written explanation will also describe your right to defer receipt of your retirement benefit until your normal retirement age, and the consequences of failing to defer receipt. The written explanation will be made available to you by first-class mail or personal delivery. If you do

not receive that information, you should contact the Gladstone Administration Office.

Your spouse must consent to your election not to receive one of the Spouse Options, and the consent must be witnessed by a notary public. The spouse's consent is effective only with respect to that spouse. For the spouse's consent to be effective, your election must designate a benefit option and beneficiary, if applicable, that cannot be changed without your spouse's further consent, unless the spouse's consent permits you to change your election without the spouse's further consent. This election can be revoked at any time before your retirement date. These elections can be made and revoked more than once during the election period.

Once you receive the notices, you have at least 30 days to consider whether to elect a distribution and whether to elect a particular distribution option under "How Your Retirement Benefits May Be Paid" beginning on page 27. In some limited situations, however, your distribution can be made or begun earlier than 30 days after you receive the notice and explanation, but in no event will you have fewer than seven days from the date you received the notice and explanation to revoke your election. Your distribution option governs the payment of all future benefits. After the election period expires, you cannot change your distribution option. If you elect one of the Spouse Options, which provide continuing income to your surviving spouse after your death, you must submit proof of your spouse's age and proof of your marriage and/or any name changes.

When Retirement Income Payments Begin

Your monthly benefit payments will begin as of the first day of the month after the later of:

- You satisfy eligibility requirements for retirement; or

- The Gladstone Administration Office receives your application.

You may also ask for your payments to begin at a later date, but your payments must begin by the required beginning date specified on page 25.

If you apply for retirement benefits later than 30 days before your normal retirement date, you will be entitled to retroactive payments. However, the benefit suspension rules (described below) apply to certain employment after your normal retirement date.

Working After Retirement

If you retire and then work as an operating engineer or supervisor in Oregon or Washington, you must notify the Gladstone Administration Office immediately.

Benefit Suspension Rules

In general, you are limited in the amount of work you may perform in the industry after retirement. If you exceed the limit, your benefit payments may be suspended. The limitation and applicable suspension rule also depends on when your benefit was earned, as described in the following sections.

If you return to work, but fail to notify the Gladstone Administration Office that you have returned to work, the plan presumes that you are working 40 or more hours per month after three months of reemployment. It also presumes you have been working at your job site as long as your employer has been working at that site.

Work hours are counted on the basis of your employer's four- or five-week pay period ending in a calendar month. If your employer does not keep hourly work records, the Gladstone Administration Office will

withhold your benefit for any month you work at least eight days or eight separate shifts.

As a condition to receiving retirement benefits, the Trustees may request that you certify your unemployment or provide proof that any employment is not of the type that would bring about suspension of retirement benefits.

If you are receiving retirement benefits and return to work before the April 1 after the calendar year in which you reach age 70½, your benefits may be suspended while you continue working, but will be restarted automatically beginning on that April 1. If you are receiving retirement benefits and return to work on or after the April 1 after the calendar year in which you reach age 70½ your benefits will not be suspended.

If you are considering reemployment after retirement and wonder whether it would count toward the suspension of your retirement benefit, you should contact the Gladstone Administration Office. The Gladstone Administration Office will notify you of the determination within a reasonable period of time, as described in the claim procedures on page 55.

Suspension of Benefits Earned Before January 1, 2004

You can work up to 300 hours in a calendar year before that portion of your benefit earned *before* January 1, 2004 is subject to suspension. Starting the month after the month you reach 300 hours, and for the rest of that year, you will not receive payments for that portion of your benefit during any month in which you work 40 or more hours.

For the purposes of determining your post-retirement service, you are considered to have 300 hours for a calendar year if you have performed post-retirement service on 60 days or 60 separate work shifts that year.

Suspension of Benefits Earned On or After January 1, 2004

With respect to your benefit earned *on or after* January 1, 2004, you can work up to 300 hours in a calendar year provided your post-retirement service is solely in covered employment. Once you reach the 300-hour threshold, your benefit earned on or after January 1, 2004 will be suspended for any month in which you work 40 or more hours.

If, however, one hour of your post-retirement service is in noncovered employment, you are limited to fewer than 40 hours per month for the remainder of the calendar year (meaning the 300-hour threshold does not apply). Your benefit earned on or after January 1, 2004 will be suspended the first month in which you work 40 hours or more, beginning with the month in which you worked in noncovered employment.

For the purposes of determining your post-retirement service, you are considered to have 300 hours for a calendar year if you have performed post-retirement service on 60 days or 60 separate work shifts that year.

Example

Susan has an accrued benefit of \$1,500 as of January 1, 2004, and an accrued benefit of \$500 after January 1, 2004. Susan retires on January 1, 2010 at age 65. She returns to work in January 2012 in noncovered post-retirement service and works the following hours:

Month/Year	Hours
January 2012	100
February 2012	100
March 2012	120
April 2012	60

With respect to her benefit earned before January 1, 2004, Susan’s benefit of \$1,500 is suspended April 1, 2012, the first month in which she worked 40 hours or more after she exceeded the 300-hour threshold. Susan’s post January 1, 2004 benefit of \$500 is suspended beginning January 1, 2012, the first of the month in which she performs one hour of work in noncovered post-retirement service and continues to work 40 hours or more in post-retirement service for that month.

Using the chart above, assume that Susan works in covered post-retirement service for the months of January and March. In February, she works one hour in noncovered post-retirement service. Her benefit accrued before January 1, 2004 of \$1,500 is suspended April 1, 2012, the first month in which she works 40 hours after she exceeded the 300-hour threshold. Her benefit of \$500 accrued after January 1, 2004 is suspended beginning February 1, 2012, the first month in which she performed an hour of noncovered employment and worked 40 hours or more. Her \$500 benefit will be suspended for any month in which she works 40 hours for the remainder of the calendar year.

When You Stop Working

When you stop working, you should tell the Gladstone Administration Office so they can start paying your monthly benefits again. If you received benefits for any months that should have been suspended, the Gladstone Administration Office will recover those benefits from your future benefit checks. Your monthly checks may be withheld for up to three months after you stop working. If additional overpayments need to be recovered you will receive a reduced amount, though not less than 75% of your pension benefit (starting with the fourth month after you stop working) until the full amount has been recovered.

If you earn additional credited future service during your reemployment, your benefit will be adjusted to take this additional service into account. The adjustment will be made in the calendar year following the year you earn the additional credited future service. Your additional benefit will be paid under the payment option you chose when you originally retired except that, if you retired early or your marital status has changed since your original retirement date, you may choose a new payment option for the additional benefit.

Disability Benefits

Eligibility

To be eligible for disability benefits you must:

- Not yet be eligible for normal retirement;
- Not yet have retired;
- Submit satisfactory proof to the Trustees that your disability is total and permanent; and
- For disability determinations made during or after 2005, you have earned a year of credited future service during the plan year in which you are determined to be disabled or during the immediately preceding plan year, and you have 5 or more years of service or 15,000 or more covered hours of employment.

Determination of Disability

Total and permanent disability is a disability caused by injury, disease, or mental disorder that permanently and continuously renders you incapable of any regular employment or occupation that is substantially gainful in character. Your disability must continue for at least six consecutive months before it will be a total and permanent disability under the plan.

To establish your disability, you must submit proof to the Trustees that you are disabled. The Trustees may require that you be examined by a physician of its choice before ruling on your disability.

After the disability has been established, the Trustees may require proof of continuing disability from time to time.

Amount of Disability Benefits

If the onset of your total and permanent disability is before January 1, 2011, your monthly disability benefit will be your earned benefit as of the date you became totally and permanently disabled.

If the onset of your total and permanent disability is on or after January 1, 2011, your monthly benefit will be reduced. If you are age 52 or older, your monthly disability benefit will be your earned benefit as of your disability benefit commencement date, reduced by $\frac{1}{2}$ of 1% for each month your disability benefit commencement date precedes your 65th birthday. If your disability benefit commencement date precedes your 52nd birthday, your disability benefit will be 22% of your earned benefit as of that date.

Monthly disability payments will begin on the first day of the month after you meet the disability requirements, apply for benefits, and the Trustees determine you are permanently and totally disabled. If you apply late and the Trustees decide your application is late for good cause, they may pay your disability benefit retroactively for up to six months before the date your application is received.

Disability payments will end when one of the following occurs:

- You are no longer considered totally and permanently disabled (for example, because you obtain employment which the Board of Trustees considers substantially gainful);
- You die (your surviving spouse will receive a survivor benefit);
- You elect early retirement; or
- You reach your normal retirement age (your disability benefits will be automatically converted to normal retirement benefits).

If your benefits end because you elect early retirement or reach your normal retirement age, you will be able to choose one of the optional forms of payment (subject to your spouse's consent) described in "How Your Retirement Benefits May Be Paid" beginning on page 27.

Applying for Disability Benefits

If you want to apply for disability benefits, contact the Gladstone Administration Office and ask for an application. You may simultaneously apply for early retirement benefits using the same application form and, if you are eligible for early retirement benefits, you may be able to begin receiving early retirement income while you wait for the Trustees to determine your eligibility for disability benefits. If you are then determined to be ineligible for disability benefits, your application for early retirement benefits will have already been submitted and the first payment of any benefit for which you are eligible will not be further delayed.

If you apply for disability benefits and early retirement benefits at the same time, the rules described in "Applying for Retirement Benefits" on page 31 will apply to your application for early retirement benefits. If you elect a 75% or 100% Spouse Option on your early retirement application, later become eligible for and begin receiving disability benefits, and die before applying for a retirement date, the spouse preretirement death benefit will be paid as the 75% or 100% Spouse Option that you previously elected (rather than the automatic 50% Spouse Option).

Survivor Benefits

If certain conditions are met, the plan provides benefits for your surviving spouse or other beneficiary when you die. This benefit depends on whether you die before or after your retirement benefit starting date.

Your retirement benefit starting date is the first day of the month for which you initially receive a monthly benefit payment.

If You Die Before Retirement

If you die before your retirement benefit starting date (even if you are receiving disability benefits), a benefit may be payable to your survivor.

Surviving Spouse Benefit

If you are vested and married at the time of your death, your surviving spouse will receive a monthly benefit for life. The monthly amount will be the same amount your spouse would receive if you had retired on the day you died (or the day you would have qualified for early retirement, if later) and chosen the 50% Spouse Option. If you apply for retirement and elect a 75% Spouse Option or 100% Spouse Option but die before your retirement date, your surviving spouse will receive a benefit based on the higher percentage you elected.

60-Month Benefit

If you are vested and not married at the time of your death, your beneficiary will receive a monthly benefit equal to your earned benefit. This benefit will be paid for 60 months or until your beneficiary dies, if sooner.

Your beneficiary will be entitled to this benefit if you were receiving disability benefits when you died, were on an approved leave of absence at the time of death, or were credited with a year of service in one of the immediately preceding four plan years prior to your death. Note that

service with related plans is not counted to establish eligibility for death benefits. See page 46.

If You Die After Retirement

If you die after your retirement benefit starting date, any benefit payable to your surviving spouse or beneficiary will depend on the payment option you elected when you retired.

Lump-Sum Survivor Benefit

If you die while receiving disability payments or after retiring, and your benefit is vested solely on the basis of your service in this plan, your beneficiary will be eligible to receive a \$2,000 lump-sum survivor benefit. This additional amount may be reduced if the total death benefit would exceed plan limits, as required by federal tax law. This will be paid in addition to any monthly benefit under the plan.

Direct Rollover by Spouse or Nonspouse Beneficiary

Special federal tax rules apply to “eligible rollover distributions.” Lump-sum payments (including the \$2,000 lump-sum survivor benefit, a lump-sum cash-out payment of the surviving spouse benefit, and the 60-month benefit (if the actuarial present value is \$1,000 or less)) are “eligible rollover distributions.” Other distributions from the plan may also be eligible rollover distributions. Your spouse or nonspouse beneficiary will be notified if a distribution is an eligible rollover distribution.

If your spouse receives an eligible rollover distribution of at least \$200, he or she may ask the Gladstone Administration Office to pay some or all of the eligible rollover distribution to a traditional IRA (individual retirement account or individual retirement annuity), a Roth IRA, an income tax qualified 401(a) plan, a 403(a) annuity plan, a 403(b) plan, or a governmental 457(b) plan that will accept the direct rollover. A nonspouse beneficiary may elect to have an eligible rollover distribution

of at least \$200 paid in direct rollover to a traditional IRA or a Roth IRA that is established to receive the distribution. The IRA must be expressly identified as an IRA with respect to a deceased individual and must identify both you and your nonspouse death beneficiary.

An eligible rollover distribution cannot be paid directly to a SIMPLE IRA, a Coverdell Education Savings Account (formerly known as an education IRA), or a designated Roth account in an employer plan.

If your spouse or nonspouse beneficiary makes a direct rollover to a Roth IRA, the distribution will be taxable (but it will not be subject to the 10% additional tax under Internal Revenue Code Section 72(t)).

Only one plan or IRA may be designated to receive a direct rollover. A partial direct rollover will not be permitted if it is less than \$500.

In general, 20% of any portion of an eligible rollover distribution of at least \$200 that is not paid in a direct rollover will automatically be deducted by the Gladstone Administration Office for federal income tax withholding.

If an eligible rollover distribution is less than \$200, your spouse or nonspouse beneficiary may not elect to make a direct rollover. However, that distribution is not subject to the mandatory 20% federal income tax withholding requirement, and your spouse death beneficiary may make a rollover contribution of any portion of the distribution on his or her own.

The Gladstone Administration Office will send your spouse or nonspouse beneficiary a notice explaining the option of electing a direct rollover. Your spouse or nonspouse beneficiary may consider the decision for at least 30, but not more than 180 days. However, he or she is not required to wait the full 30 days to begin payments.

Designating Your Beneficiary

To designate a beneficiary, you must complete a Defined Benefit Pension Plan Beneficiary Designation Form and return it to the Seattle Administration Office. You can obtain a Defined Benefit Pension Plan Beneficiary Designation Form from Local 701, from the Gladstone Administration Office, or from the website at www.agc-iuoe701trusts.com.

If you are married and designate someone other than your spouse as your beneficiary, your spouse must provide his or her consent to that designation. If you designate your spouse as your beneficiary and are later divorced, the designation will automatically be canceled on the effective date of the divorce. You will need to complete a new Defined Benefit Pension Plan Beneficiary Designation Form designating your beneficiary, who may be your former spouse or anyone else. The automatic cancellation will not be exercised to the extent that a qualified domestic relations order specifically names your former spouse as your beneficiary or prohibits you from changing your beneficiary, or provides that your former spouse will be treated as your continuing spouse for purpose of the plan's spouse benefits. The automatic cancellation will not apply if you die after retirement, except that it will apply to the \$2,000 lump-sum survivor benefit.

If you have not properly named a beneficiary (or you have not filed a new beneficiary designation following divorce) and you die, benefits will be paid in the following order of priority unless your spouse is the automatic beneficiary under the plan:

- To your surviving spouse;
- To your children, by right of representation, equally;
- To your surviving parents equally;

- To your surviving siblings, equally; or
- To your estate, or if no estate is probated, to your residuary legatees under your last will and testament.
- If no one designated or listed above survives you, your death benefit will return to the plan.

Service With Related Plans (Reciprocity)

If you have service with a related plan, that service may be used to determine your eligibility for certain benefits under this plan, provided you waive your right to any other non-pro-rata pension benefit you may be entitled to receive under this plan.

A related plan is another operating engineer plan that has adopted the Pension Reciprocity Agreement for Operating Engineers Pension Funds. Since many plans have adopted the Reciprocity Agreement, you should contact the Gladstone Administration Office to find out if a particular plan is a related plan.

This plan will count your related plan service as years of service for vesting and the break in service rule (as described on page 20) if you satisfy these conditions:

- You are eligible for a benefit from a related plan;
- You are not working in a job for which contributions are owed or being made to this plan or a related plan; and
- You have at least one year of credited future service for which contributions were made to this plan.

Your related plan service will also count in determining your eligibility for early, normal, or late retirement, and for disability benefits. It will *not* count in determining eligibility for unreduced early retirement benefits, preretirement survivor benefits, or the \$2,000 lump-sum survivor benefit.

It is important to note that the *amount* of your benefit from this plan is based *only* on service credits earned under this plan.

The plan may enter into an agreement with another qualified pension plan or be a third-party beneficiary to another operating engineers labor agreement, and that other agreement may provide that contributions made on a participant's behalf may be transferred from another qualified pension plan to this plan. If the transferred contributions are at a per hour rate equal to or greater than the full basic contribution rate (the rate specified in the Master Labor Agreement), those contributions will be accepted by this plan and the participant will be credited with a monthly future service benefit at the full basic contribution rate. If transferred contributions are at a per hour rate less than the basic contribution rate, the participant's monthly future service benefit will be adjusted proportionately.

Transferred contributions will generally only be accepted by this plan for up to 180 days after the contributions were originally required to be made to the related plan. The plan will generally not accept contributions from another pension plan on behalf of a retired participant that are transferred after the participant's early, normal, or late retirement date. The plan may, but is not required to, accept transferred contributions on behalf of a retired participant if the contributions were delinquent when received by the other pension plan and they are transferred to this plan within 90 days of the participant's retirement date.

Other Plan Information

Name of Plan

The official name of this plan is the Defined Benefit Pension Plan of AGC – International Union of Operating Engineers Local 701 Pension Trust Fund.

Type of Plan

The plan is a defined benefit pension plan, which means the plan pays a specific benefit based on your service and either your employer’s required contributions or your covered hours of employment.

Identification Numbers

The Board of Trustees’ employer identification number is 93-6075580 and the plan number is 001.

Board of Trustees

This plan is maintained and administered by a joint labor and management Board of Trustees. The Administration Office is located at:

Board of Trustees of the AGC - IUOE
Local 701 Pension Trust Fund
c/o Administration Office
Operating Engineers Trust Funds
15 – 82nd Drive, Suite 200
Gladstone, OR 97027

(503) 657-9740
(866) 697-5750 (toll-free)

The members of the Board of Trustees are:

Union Trustees	Employer Trustees
Mr. James Anderson, Chairman IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. John Anderson, Secretary Ness & Campbell Crane, Inc. 5730 NE 138 th Avenue Portland, OR 97320
Mr. Nate Stokes, Vice Chairman IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. Kyle Izatt, Vice Secretary Advanced American Construction 8444 NW St. Helens Road Portland, OR 97231
Mr. Scott Anderson IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. Bob Timmons AGC Oregon-Columbia Chapter 9450 SW Commerce Cr. Ste 200 Wilsonville, OR 97070
Mr. Ron Lee IUOE Local 701 555 East First Street Gladstone, OR 97027	Mr. Ryan McDonald McDonald Excavating, Inc. 2719 Main Street Washougal, WA 98671-4109

Plan Administrator

The plan administrator is the Board of Trustees. The Trustees are assisted by Welfare and Pension Administration Service, Inc. (WPAS), an administration organization that works on contract with the Board of Trustees. WPAS assists with plan administration for two offices, one of which is located in Seattle, and the other in Gladstone.

Plan Documents

This booklet, called a “summary plan description,” describes the major provisions of the plan. It does not replace the official documents that legally govern the plan’s operations. If there is any discrepancy between this summary and the official plan documents, the official plan documents will govern.

Copies of the plan documents and any other materials pertaining to the plan are available for review. If you wish to see any of these documents, please contact the Gladstone Administration Office. You may also receive a copy of these materials upon request.

You will receive notice of any changes in the benefits provided by the plan as described in this booklet. You should contact the Gladstone Administration Office before doing anything that might affect your plan status.

Plan Sponsors

You or your beneficiary may find out whether a particular employer or employee organization is a sponsor of the plan and, if it is, receive its address by contacting the Gladstone Administration Office. You may also inspect a list of contributing employers at the Gladstone Administration Office or obtain a copy of the list by contacting the Gladstone Administration Office.

Collective Bargaining Agreements

This plan is maintained under several collective bargaining agreements between contributing employers and Local 701. If you wish to examine or obtain a copy of any of these collective bargaining agreements, contact the Gladstone Administration office or Local 701.

Legal Process

The agent for service of legal process is: Richard B. Kafer, President, Welfare & Pension Administration Service, Inc., 2815 Second Avenue, Suite 300, Seattle, WA 98121. Service of process may also be made on any Trustee at the address listed on page 49 or on the Board of Trustees.

Qualified Domestic Relations Orders

Your plan benefits may not be assigned to any other person, except to an alternate payee under a Qualified Domestic Relations Order (QDRO), such as a divorce decree. If you are involved in a domestic relations proceeding and your benefits are to be divided with your spouse or dependent children, you should contact the Gladstone Administration Office for sample QDRO language. It will save time and expense if you first submit your QDRO to the Gladstone Administration Office in draft form, before it is signed by a judge. The Board of Trustees' advisors will then review the QDRO, advise you of any changes that may be necessary, and let you know in advance whether they will recommend approval of the QDRO after it is entered as a final order.

You or your beneficiary may obtain, without charge, a copy of the procedures governing QDRO determinations from the Gladstone Administration Office or from the website at www.agc-iuoe701trusts.com.

Plan Year

The plan year starts January 1 and ends December 31. All records are kept on that basis. The original effective date of the plan was March 31, 1960. The plan was last amended and restated effective January 1, 2014.

Funding

The Board of Trustees has retained US Bank as the custodian of plan investments. The Trust maintains a checking account with US Bank.

Insured Benefits and the Future of the Plan

The plan is intended to be permanent. However, the Trustees reserve the right to change, modify, amend, or terminate the plan at any time. The Board of Trustees is authorized to amend the plan in certain respects; for instance, an amendment may be required to comply with federal law. However, the plan cannot be changed or amended in a way that would reduce the benefits you have earned under the plan before the change or amendment, except as permitted by federal law. Continuation of the plan is subject to the terms of your collective bargaining agreement or special agreement.

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry, and a labor union.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers:

- Normal and some early retirement benefits;

- Disability benefits if you become disabled before the plan becomes insolvent; and
- Qualified preretirement survivor benefits (which are benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments).
- The PBGC guarantee generally does not cover:
 - Benefits greater than the maximum guaranteed amount set by law;
 - Disability benefits not in pay status;
 - Benefit increases that were made within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for fewer than 60 months at the time of termination or insolvency).
 - Benefits that are not vested because you have not worked long enough;
 - Benefits for which you have not met all of the requirements at the time the plan becomes insolvent; or
 - Nonpension benefits, such as health insurance, life insurance, death benefits, vacation pay, and severance pay.

For additional information about the PBGC and the pension insurance program guarantees, ask the plan administrator or go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer.

You may also contact the PBGC at PO Box 151750, Alexandria, VA 22315-1750 or call (800) 400-7242 or (202) 326-4000 (not a toll-free number). TTY/TTD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (800) 400-7242.

In the event the plan is terminated or partially terminated, all affected employees on the date of termination would be fully vested in their earned benefits *to the extent those benefits are funded*. To the extent earned benefits are *not* funded and not guaranteed by the PBGC, benefits would be permanently forfeited on plan termination. Contributing employers would not be obligated to make any further contributions on behalf of affected employees, except for any additional contribution that may be required by federal law.

After deducting an amount to cover expenses in connection with the plan termination, the plan's assets would be allocated among participants, retired participants, and beneficiaries in accordance with the law. Distribution of your benefit would be made as soon as practicable and in such manner as the Board of Trustees determines. You would be entitled to receive your benefit in any form that would have been available to you at retirement, subject to the benefit being purchasable from an insurance company.

If any assets remain after all earned benefits have been fully provided and all expenses paid, the remaining assets would be used to provide additional benefits until the trust fund is exhausted. No money would be returned to the employers or the union.

Funding-Based Benefit Limits

The plan is subject to funding-based benefit limits. Should the plan's funding status fall below certain levels, lump-sum payments under the plan may be restricted and other benefit reductions may be necessary. Each year, all participants who are entitled to an earned benefit will receive a notice of the plan's funding status. In the event that benefit limitations apply, affected participants will be notified.

Claim Procedures

The Trustees have discretionary and final authority to interpret the plan and to decide benefit claims. However, if your application or your beneficiary's application for benefits is denied, you or your beneficiary can appeal the denial under the procedures below.

Please note that because of federal law the plan has different procedures for disability claims and for non-disability claims.

Submitting a Claim

If, at any time, you or your beneficiary feel that the conditions for receiving a benefit have been met and you have not received your full benefit, you must submit a written claim to the Board of Trustees. The claim should specify the method of payment and the effective date of your benefit.

Denial of a Claim

Time Period for Denial Notice

- **General Claims:** Except as provided below for disability claims, if your claim is wholly or partially denied, you will be given written or electronic notice of the denial within 90 days after receipt of the claim, unless special circumstances require an extension of time for processing. You will be notified of an extension within 90 days of the date the claim was filed. The notice will indicate the special circumstances and the date by which a decision is expected. The extension will not exceed 90 days from the end of the initial response period.
- **Disability Claims:** If you are making a claim for benefits on account of total and permanent disability, your claim will be governed by the disability claims procedure described in this

section. You will be notified of the decision on a disability claim within 45 days after receipt of the claim, unless a 30-day extension is necessary due to matters beyond the control of the plan. You will be notified of any extension, the reason for the extension, and the date by which a decision is expected, before the end of the initial 45-day period. You will also be notified of the standards on which entitlement to a benefit is based, any unresolved issues, and the information needed to resolve those issues. If a decision cannot be made within the 30-day extension period due to matters beyond the control of the plan, you will be notified before the end of the extension period that an additional 30-day extension period is necessary. The extension notice will include the information described above. If an extension is required because you failed to submit necessary information, the extension notice will describe the required information and you will have at least 45 days from receipt of that notice to provide the information. If you are asked to provide additional information, the extension periods will not include the period of time before you respond to the request.

Contents of Notice

- **General Claims:** A claim denial notice will indicate the specific reason or reasons for denial, the plan provision(s) involved, a description of any additional material or information necessary to complete the claim, an explanation of the claims review procedure described below, and a statement of your right to bring a civil action under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).
- **Disability Claims:** The denial notice for a disability claim will also include the following information. If an internal rule, guideline, protocol, or other similar criterion was relied on in deciding the claim, the notice will either provide a copy of the

criterion that was relied on, or it will state that you may obtain a copy of the criterion free of charge on request. If the denial was based on a medical necessity, experimental treatment, or similar exclusion, the notice will either explain the scientific or clinical judgment for the decision, or it will state that you may obtain such an explanation free of charge on request.

Review of a Denied Claim

Time Period to Request Review

- **General Claims:** If your claim is denied in whole or in part, you have the right to request the Board of Trustees to review the claim. Except as provided below for disability claims, the request must be in writing and must be made by personal delivery or mailing to the Board of Trustees within a reasonable period of time of not less than 60 days after being advised of the Board of Trustees' action. *If the written request for review is not made within the applicable time period, you waive any right to review.*
- **Disability Claims:** Your request for review of a denied disability claim must be made within 180 days after you are advised of the denial.

Review Procedure

- **General Claims:** The Board of Trustees will then conduct a review as a part of which you may present your position. In doing so, you may review all pertinent documents, if any, supporting the claim and may submit issues and comments in writing. The information you submit will be taken into account in the review process even if it was not considered in deciding the initial claim. You will also be provided, on request and free of charge, reasonable access to, and copies of, all information relevant to

your claim. The Board of Trustees may, but need not, hold a hearing if it believes it is necessary.

- **Disability Claims:** The following additional rules apply with respect to a disability claim:
 - The review will not give any deference to the initial claim decision. It will be conducted by a plan fiduciary who did not decide the initial claim and who is not a subordinate of the person who decided the initial claim.
 - If the initial claim denial was based in whole or in part on a medical judgment, the plan fiduciary shall consult a health care professional with appropriate training and experience. The health care professional must be someone who was not consulted in connection with the initial claim decision, and who is not a subordinate of any health care professional who was consulted on the initial claim.
 - You will be notified of any medical or vocational experts who were consulted in connection with the initial claim decision.

Time Period for Decision on Review

- **General Claims:** Except as provided below for disability claims, the Board of Trustees will issue a written or electronic decision within 60 days after the date on which review is requested. If special circumstances require an extension of time for processing (such as the need to hold a hearing), a decision will be made and furnished to you not later than 120 days after review is requested. If an extension is required, you will be notified within 60 days after review is requested. The notice will indicate the special circumstances and the date by which a decision is expected.
- **Disability Claims:** The Board of Trustees will issue a written or electronic decision within 45 days after the date on which review

is requested. If special circumstances require an extension of time for processing, a decision will be made and furnished to you not later than 90 days after review is requested. If an extension is required, you will be notified within 45 days after review is requested. The notice will indicate the special circumstances and the date by which a decision is expected.

Contents of Review Decision

- **General Claims:** The decision on review will include the reasons for the decision and pertinent plan provisions on which it is based. The decision will also inform you of your right to request information relevant to the claim and to bring a civil action under ERISA. A copy of the decision will be furnished to you.
- **Disability Claims:** The decision on review of a disability claim will also include the following information:
 - If an internal rule, guideline, protocol, or other similar criterion was relied on in deciding the claim on review, the notice will either provide a copy of the criterion that was relied on, or it will state that you may obtain a copy of the criterion free of charge on request.
 - If the denial was based on a medical necessity, experimental treatment, or similar exclusion, the notice will either explain the scientific or clinical judgment for the decision, or it will inform you that such an explanation will be provided free of charge on request.

Effect of Review and Subsequent Review

The decision is final and binding upon you, the Board of Trustees, and all other persons involved.

If your claim has been denied, you cannot undertake any legal action with respect to the claim until you have exhausted all the procedures described above. If you fail to follow those procedures, you waive any right to further review, judicial or otherwise. In no event will you be able to file a lawsuit more than two years from the date your initial claim was filed.

Any further review, judicial or otherwise, will be based on the record before the Board of Trustees and will be limited to whether the Board of Trustees acted arbitrarily or capriciously in the exercise of its discretion.

Your Rights as a Plan Participant

As a participant in this plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants will be entitled to:

Receive Information About Your Plan and Benefits

- You may examine, without charge, at the Gladstone Administration Office and at other locations, such as work sites and union halls, all documents governing the plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- You may obtain, upon written request to the Gladstone Administration Office, copies of all plan documents and other plan information, including copies of the latest annual report (Form 5500), an updated summary plan description, and various actuarial and financial reports. The Gladstone Administration Office may make a reasonable charge for the copies.
- You may receive the plan's annual funding notice. The plan administrator is required by law to furnish each participant with a copy of the annual funding notice.
- You may obtain, upon written request to the Gladstone Administration Office (but not more than once a year), a statement telling you whether you have a right to receive a retirement benefit at normal retirement age (generally, age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have

to work to get the right to a retirement benefit. This statement is provided free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties on the people who operate the plan. The people responsible for exercising discretion in the administration or operation of the plan are called fiduciaries. These individuals or entities have an obligation to administer the plan prudently and to act in the interest of you and other plan participants and beneficiaries. No one, including your 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 from the plan 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 federal court. In such a case, the court may require the plan 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 plan.

If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or federal court. If your claim for benefits is denied, however, you must appeal the decision and follow the claims procedure described in this document before you may file suit. 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 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, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the plan, contact the Gladstone Administration Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Gladstone Administration Office, 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 also may obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration (EBSA) at (866) 444-EBSA (3272). You may also find answers to your plan questions through EBSA's website at <http://www.dol.gov/ebsa>.

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