

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

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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 13<sup>th</sup> 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.

## **13<sup>th</sup> Check**

The Board is pleased to provide a 13<sup>th</sup> check when the Plan’s financial picture allows it. For the third year in a row, the Board has approved a one-time 13<sup>th</sup> 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 13<sup>th</sup> check, you will receive the additional amount in December, separate from your regular monthly payment. **The 13<sup>th</sup> check will be issued to you in the same manner as your regular pension benefits (either by direct deposit or mail) by December 15<sup>th</sup>.** 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 13<sup>th</sup> 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 13<sup>th</sup> 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.