



OPERATING ENGINEERS TRUST FUNDS

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OR
Claims Department (800) 251-5013
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DATE: June 15, 2009

TO: Participants, alternate payees, and participating employers of the Pension Trust Fund for Operating Engineers Pension Plan

FROM: The Board of Trustees

SUBJECT: Notice of Changes in Plan Benefits

Last year the Pension Plan Trustees approved a number of important changes to protect your Pension Plan. These changes included a change to the reductions that apply to benefits earned on or after July 1, 2008 for participants who retire prior to age 65. The notice you received last year described this change and included an example to illustrate how this change would affect your benefits. However, the amendment to the Plan document describing the new benefit reductions did not clearly explain that the new reductions apply to both Early Retirement Pensions *and Regular Pensions that begin before age 65*. Because the previous amendment was not clear on this point, no reductions have been applied to Regular Pensions beginning at age 62 or older, despite the description in last year's notice.

The Trustees have now approved an additional plan amendment to clarify that the early retirement reductions apply to both Early Retirement Pensions and to Regular Pensions when a participant retires prior to age 65. For Regular Pensions payable before age 65, the new benefit reductions will apply only to benefits earned on or after July 1, 2009. The new Early Retirement benefit reductions described in last year's notice apply to benefits earned on or after July 1, 2008.

The new change is described below.

Regular Pension Benefit Reduction

Under the current Plan, if you are not eligible for an unreduced Service Pension, i.e., Rule of 85, 35/20, 59/30, benefits are reduced for retirement below age 62. For benefits earned on or after **July 1, 2009**, the **new benefit reduction** will apply to Regular Pension benefits beginning between ages 62 and 65. *Benefits earned before July 1, 2009 will not be affected by the Plan change.*

[OVER]

The new benefit reduction is 9% per year, for each year that your benefit begins before age 65. This reduction has been determined so that the expected pension payments over your lifetime are approximately the same as if you wait and begin your pension benefits at age 65. *All Regular Pension benefits earned on or after July 1, 2009 will be calculated using this reduction.*

Example:

Let's say your unadjusted monthly benefit earned after July 1, 2009 is \$500 and you have more than 10 credits (so that you are eligible for a Regular Pension at age 62):

| | Current Plan | New Plan |
|------------------------|--------------|----------|
| Age 65 Monthly Benefit | \$500 | \$500 |
| Age 62 Reduction | 0% | 27% |
| Reduction Amount | \$0 | \$(135) |
| Age 62 Monthly Benefit | \$500 | \$365 |

Questions

This notice is intended to satisfy the requirements of section 204(h) of the Employee Retirement Income Security Act of 1974, as amended and section 4980F of the Internal Revenue Code of 1986, as amended. This notice is intended only as a summary, and the actual Plan documents will govern your rights. If you have any questions regarding this notice or your benefits under the Fund, please contact:

Greg Trento, Plan Administrator
Pension Trust Fund for Operating Engineers
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