International Union of Operating Engineers Local 57

PENSION PLAN

2018 SUMMARY PLAN DESCRIPTION

International Union of Operating Engineers Local 57 Pension Plan

857 Central Avenue
Johnston, Rhode Island 02919
Telephone: (401) 331-9191
Fax: (401) 764-0015
Website: **iuoelocal57.org**

BOARD OF TRUSTEES

Administrator

Shawn Houlihan

Legal Counsel

Thomas C. Plunkett, Esquire
Kiernan, Plunkett & Redihan

Consultants and Actuaries

Segal Consulting

Accountant

Ward, Fisher & Company

Dear Member:

As a member of IUOE Local 57 (the Union), an important part of your retirement income could be the regular monthly benefit you become entitled to receive from the International Union of Operating Engineers Local 57 Pension Plan ("IUOE Local 57 Pension Plan" or the "Plan"), depending on your total Years of Service in Covered Employment. Therefore, your Plan benefits are an important segment of your total compensation package.

The IUOE Local 57 Pension Plan was first established on May 1, 1960. Over the years, the Plan has been amended to increase benefits and comply with governmental regulations.

The Plan is maintained pursuant to a Collective Bargaining Agreement(s) between Participating Employers and the Union. The full cost of the Plan is paid for by the Participating Employers and those monies are invested in the fund to provide benefits to eligible members and pay fund expenses. As a member, you are not required or permitted to make contributions to the Plan.

This booklet describes the Plan in effect as of August 1, 2018. If and when your employment terminates with all Participating Employers, the Plan and group annuity contract provisions in effect at your termination date will control your Pension Benefits and rights.

This booklet is a summary of the Plan's provisions. It provides answers to the most frequently asked questions and covers the important provisions to give you a good understanding of how the Plan operates. However, it is not intended to replace the official Plan documents or explain every technical detail or aspect of the Plan. In the event of any contradictions contained in this booklet and the official Plan documents, the official documents will govern.

Only the full Board of Trustees is authorized to interpret the terms of the Plan as described in this Summary Plan Description. Neither your employer or union, nor any representative of any employer or union, is authorized to interpret this Plan — nor can such person act as an agent of the Board of Trustees.

The Trustees believe this Plan is a sound one, but must necessarily reserve the right to change its terms from time to time or terminate the Plan should conditions warrant such action and it is not prohibited by the terms of a Collective Bargaining Agreement already in effect. In the unlikely event of Plan termination, benefits accrued to the date of termination will be nonforfeitable to the extent they are funded as of that date.
In addition, the Plan includes provisions which protect certain benefits through the Pension Benefit Guaranty Corporation. Refer to page 20 for further information on this subject.

Please read this booklet carefully and keep it with your important papers for future reference. If you have any questions about your benefits, the Plan Administrator will be happy to answer them for you.

Sincerely,
BOARD OF TRUSTEES

GENERAL INFORMATION

Plan Administrator/Plan Sponsor

Trustees of the IUOE Local 57 Pension Plan
857 Central Avenue
Johnston, Rhode Island 02919
Telephone: (401) 331-9191

The joint Board of Trustees, which administers the Plan, consists of two Union and two Participating Employer representatives.

Employer Identification Number

05-0298773

Plan Number

001

Fiscal Year End Date

December 31

Type of Plan

The IUOE Local 57 Pension Plan is a defined benefit pension plan. It has been qualified by the Internal Revenue Service.

Agent for Service of Legal Process

Shawn Houlihan
IUOE Local 57 Pension Fund
857 Central Avenue
Johnston, Rhode Island 02919
Telephone: (401) 331-9191

You may also serve legal process upon any of the Trustees, care of the Fund Office.

Trustees

Employer Trustees	Union Trustees
Mr. Michael A. Gammino III MA Gammino Construction 615 Jefferson Boulevard Warwick, Rhode Island 02886	Mr. James J. White IUOE. Local 57 857 Central Avenue Johnston, Rhode Island 02919
Mr. Antonio B. Cardi Cardi Corporation 400 Lincoln Avenue Warwick, Rhode Island 02888	Mr. Steven M. Rogers IUOE. Local 57 857 Central Avenue Johnston, Rhode Island 02919

Union

IUOE Local 57
857 Central Avenue
Johnston, Rhode Island 02919
Telephone: (401)-421-6678

A list of labor organizations covered under the Plan is available from the Plan Administrator upon written request, as is a list of names and addresses of employers who participate in the Plan.

Funding Medium

Benefits are provided from the Fund's assets which are accumulated under the provisions of the Collective Bargaining Agreements and the Trust Agreement and held in a Trust Fund for the purpose of providing benefits to covered Participants and defraying reasonable administrative expenses. All assets and reserves are held in trust and invested by the Board of Trustees pursuant to fiduciary standards required by federal law.

The Board of Trustees has retained various professional investment advisors who oversee a well-diversified portfolio, including, but not limited to, stocks, bonds and real estate in accordance with guidelines of the Board of Trustees.

Source of Contributions

All contributions to the Plan are made by Participating Employers in accordance with their Collective Bargaining Agreement(s) with the Union. The Collective Bargaining Agreements require contributions to the Plan at fixed rates per payroll hour. The Plan also receives contributions on behalf of certain non-collectively bargaining Participants pursuant to written participation agreements between the Fund and Participating Employers. These agreements provide for periodic contributions at fixed rates per month.

A copy of any of the agreements may be obtained by Participants or their beneficiaries upon written request to the Fund Office, or they may be inspected at the Fund Office during normal business hours.

Availability of Certain Documents

As a Participant in the Plan, a copy of the Collective Bargaining Agreement(s), plan documents, group annuity contract, and documents filed with the Department of Labor are available for your inspection during business hours at the Union headquarters, 857 Central Avenue, Johnston, Rhode Island 02919. You may also make a written request to receive a copy of these documents from the Plan Administrator, with a 25¢ per page charge for copying costs.

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GLOSSARY OF SOME TERMS USED TO DESCRIBE THE PLAN

To help you understand how the Plan operates, it is important that you first know what is meant when the following words or phrases are used:

Accrued Pension	The amount of pension credited (as described on page 4) to you under the Plan while you are a Participant. This is expressed as an annual benefit payable monthly at Normal Retirement Age for as long as you live.
Covered Employment	Employment in a job for which a Participating Employer must contribute to the Pension Fund.
Employee	For purposes of this Plan, you are an Employee eligible to participate in the Plan if you are employed by a Participating Employer and you are performing work covered by a Collective Bargaining Agreement on and after May 1, 1960. You are also an Employee eligible to participate if you are an owner, or a supervisor or staff member of an Employer and you are performing and your Employer is obligated, through a written participation agreement, to contribute to this Plan on your behalf
Normal Retirement Age	Age 65 or, if later, the age of a Participant on the earlier of: • the 5th anniversary of his participation in the Plan (disregarding participation before January 1, 1988); or • the 10th anniversary of his participation, not including participation during a period for which Years of Vesting Service and Service Credits have been lost under the Break in Service rules (see page 15).
One-Year Break in Service	A Plan Year during which you do not complete more than 300 hours of service following the Plan Year in which you entered service. However, on and after January 1, 1987, if you are absent from work for reasons of pregnancy, childbirth, adoption, or caring for a newborn or recently adopted child, you will not incur a One-Year Break in Service until you have had two consecutive Plan Years with 300 hours of service or less. Effective February 5, 1994, if you are granted a leave in accordance with the federal Family and Medical Leave Act for pregnancy, childbirth, adoption, or caring for a newborn or recently adopted child, you may be credited with hours of service for the period of your leave, to a maximum of 12 weeks. These hours of service are only used in determining whether you have a Break in Service; they are not counted for purposes of Years of Vesting Service or Service Credits. See page 15 for more information.
Participant	An individual eligible for pension or survivor benefits under this Plan, including an Employee and surviving beneficiary.
Participating Employer	An employer who has entered into an agreement with the Union or Pension Fund requiring contributions to the Pension Fund.

Pension Benefit	The actual annual benefit (payable monthly) paid to you under the Plan when you retire. This is equal to your final Accrued Pension adjusted to reflect when you elect to retire, the form of benefit under which payments are made to you and whether you had a Benefit Break.
Plan Year	Each 12-month period beginning on January 1 and ending on December 31.
Qualified Military Service	Military Service covered under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) for Participants returning to Covered Employment on or after December 12, 1994. Qualified Military Service will be counted for purposes of earning Service Credit, Years of Vesting Service and avoiding a Break-in-Service. See page 5 for more information.
Service Credit	Credit for Covered Employment, used to calculate your retirement benefit. After May 1, 1960, you receive one Service Credit for each calendar year you work at least 1,300 hours. If you work less than 1,300 hours in a calendar year, you will receive a prorated Service Credit for that year. You may also receive Service Credit for Qualified Military Service. See page 5 for more information. You can only receive up to one Service Credit per year. Bonus Bank hours will not be counted toward a Service Credit for the purpose of earning eligibility toward a pension; the Bonus Bank is only applied to increasing the benefit amount at retirement.
Vested Status	Your permanent right to your Accrued Pension under the Plan, even if you do not continue to work for a Participating Employer. Effective January 1, 1999, you achieve Vested Status when: • You have five Years of Vesting Service, not including Years of Vesting Service which have been lost under the Break in Service rules (see page 18), **and** you are a Participant with at least one Hour of Service after December 31, 1998 (after December 31, 1988 for non-bargained Participants); • You have ten Years of Vesting Service, not including Years of Service lost under the Break in Service rules, but you do **not** have at least one Hour of Service after December 31, 1998 (December 31, 1988 for non-bargained Participants); or • You attain Normal Retirement Age while you are a Participant (see the definition of Normal Retirement Age on page 1).
Year of Vesting Service or Fractional Year of Vesting Service	Vesting Service is used to determine your eligibility for benefits. A Plan Year during which you are credited with at least 600 hours of service. If you are credited with at least 300 hours of service but less than 600 hours of service during a Plan Year, you will receive ½ Year of Vesting Service. See page 4 for more information.

PARTICIPATION IN THE PLAN AND CONTRIBUTIONS

Participation

You will become a Participant in the Plan when you, as an Employee, are employed by a Participating Employer, as those terms are defined in the Glossary. Employees of the Union and the Local 57 Health and Welfare, Apprenticeship, Annuity, Legal Services and Pension Funds for whom contributions are required also participate in the Plan.

Termination of Participation

If you have not achieved Vested Status and you fail to complete at least 300 hours of service in a Plan Year, you will cease to be a Participant as of the last day of that Plan Year.

If you leave Covered Employment after you have achieved Vested Status but before you are eligible to retire, you keep your Service Credits. If you return to Covered Employment before you are eligible to retire, you immediately return to participation in the Plan and earn additional Service Credits (see page 16 on reemployment before retirement). Otherwise, you may apply for retirement once you are eligible (see page 8 for information regarding eligibility for retirement).

Reinstatement of Participation

If you lose your status as a Participant and are subsequently re-hired as an Employee, your participation in the Plan will be reinstated on your re-hire date. Refer to page 15 to learn if your prior Years of Vesting Service and Service Credits will be reinstated.

Contributions

The Participating Employers contribute monies to the Trust Fund in accordance with the Collective Bargaining Agreement and Participation Agreement.

You are not required or permitted to make contributions to the Plan.

To help assure that enough money will be available for all Participants' pensions, the Trustees hire actuaries to determine that the contributions are sufficient to satisfy the funding requirements of federal law.

YEARS OF VESTING SERVICE AND SERVICE CREDITS

Years of Vesting Service

Your Years of Vesting Service are important because they determine your eligibility for benefits even if you leave Covered Employment. In addition, your Years of Vesting Service keep you from incurring a Break in Service as defined in the Glossary. *However, it's your Service Credits and Banked Hours and not your Years of Vesting Service that determine the dollar amount of your benefit, and it takes more hours to earn one Service Credit than one Year of Vesting Service.*

Up to the beginning of the 1976 Plan Year, Years of Vesting Service and Service Credits were determined in the same manner. Therefore, your Years of Vesting Service earned up to the 1976 Plan Year are equal to the number of your Service Credits earned up to that time. Effective January 1, 1976, you are credited with one Year of Vesting Service for each Plan Year that you have 600 hours of service. If you have less than 600 hours but more than 300 hours during a Plan Year, you will receive credit for ½ Year of Vesting Service. If you have 300 or fewer hours during a Plan Year, you will not receive any credit for that year. However, you are credited with a Year of Vesting Service for the year in which you first became an Employee, if that occurred on or after January 1, 1976, regardless of the number of hours of service you worked.

You can also earn Years of Vesting Service if you work for a Participating Employer in a job that is **not** Covered Employment, provided that work immediately precedes or immediately follows your work for that Participating Employer in Covered Employment. *You do not earn any Service Credit for the period of non-Covered Employment.*

Service Credits

Your Service Credits are important because they determine the dollar amount of the benefit you will receive. Service Credits are determined in the following manner.

PAST SERVICE CREDIT: Past Service Credit was granted for certain periods of work under the jurisdiction of the Union before May 1, 1960.

EARNING SERVICE CREDITS: On or after May 1, 1960, if you are an Employee at any time during a calendar year (period from January 1 to December 31) you will receive the following Service Credits for that year.

Hours of Service While an Employee During a Calendar Year	Number of Service Credits
less than 300	0
300 – 599	.20
600 – 899	.40
900 – 999	.60
1,000 – 1,199	.86
1,200 – 1,299	.93
1,300 or more	1.00

You will only earn one Service Credit per calendar year.

QUALIFIED MILITARY SERVICE: If you are engaged in military service while a member of this Plan, or if you take a leave of absence from your Participating Employer due to military service, you have certain rights under the federal Uniformed Services Employment and Reemployment Rights Act (USERRA). If you meet the applicable requirements, you will receive credit for your military service time for purposes of Years of Vesting Service, Service Credit and avoiding a Break in Service.

"Qualified Military Service" means service in the uniformed services, on a voluntary or involuntary basis, including active duty, inactive and active duty training, full-time National Guard duty, any time spent undergoing fitness-for-duty examinations, funeral honors duty, and duty performed by intermittent employees of the National Disaster Medical System in training exercises or in response to public health emergencies. "Uniformed services" include the Army, Navy, Air Force, Marines, Coast Guard, Army National Guard and Air National Guard, Commissioned Corps of the Public Health Service, intermittent disaster response appointees of the National Disaster Medical System when federally activated or attending authorized training in support of their federal mission, and any other category of persons designated by the president in time of war or emergency.

You will receive one Service Credit and one year of Vesting Service for each full year of Qualified Military Service. If you serve less than a full year, Service Credit will be prorated on the basis of the chart above, and you will be credited with 25 hours for each calendar week of Qualified Military Service, up to one full Service Credit for any Plan Year. If you serve less than a full year, Vesting Service will be prorated as described under Years of Vesting Service, and you will be credited with 12 hours for each calendar week of Qualified Military Service, up to one full year of Vesting Service for any Plan Year. Unless otherwise required by federal law and applicable regulations, you will receive no more than five years of Service Credit or Years of Vesting Service due to Qualified Military Service, whether cumulative or noncumulative. You will also be entitled to Vesting Service if you die while performing Qualified Military Service, for such period of service.

You will be credited with Service Credit and Years of Vesting Service as if you were continuously employed during the period of Qualified Military Service if you meet the following requirements:

- Any absence from work was due solely to Qualified Military Service and you in fact engaged in Qualified Military Service.
- You worked at least 1,000 hours during the Plan Year immediately before your Qualified Military Service. These hours must be in work in a position for which your Participating Employer is required to contribute to this Plan, or for hours of covered employment under the International Union of Operating Engineers Local 57 Annuity Fund.

- Upon your return from Qualified Military Service, you reported for work for a Participating Employer, applied for reemployment or were otherwise available for work as required by your Collective Bargaining Agreement:
  - If your Qualified Military Service was 30 days or less, no later than the beginning of the next work period following the end of Qualified Military Service plus eight hours (or as soon as possible if earlier reporting is impossible through no fault of your own);
  - If your Qualified Military Service was 31 – 180 days, within 14 days following the end of Qualified Military Service (or as soon as possible if earlier reporting is impossible through no fault of your own);
  - If your military service was 181 days or more, within 90 days following the end of Qualified Military Service (or as soon as possible if earlier reporting is impossible through no fault of your own);
  - If you are hospitalized or recovering from service-connected injuries, within two years following the end of Qualified Military Service or upon your recovery, whichever is shorter; or
  - In such other timeframe as permitted by federal law and applicable regulations;
- You notify your Participating Employer, the Union and this Plan that you are reemployed in accordance with USERRA, and you work at least 300 hours in Covered Employment within the first 12 months following your return to Covered Employment.
- You were not dishonorably discharged from Qualified Military Service.
- You provide satisfactory documentation of all of the above.

BONUS BANK: Effective January 1, 1989, excess hours you work in a Plan Year, will be accumulated in a Bonus Bank. For each Plan Year that you work in excess of 1,500 hours, those hours will be added to your Bonus Bank. When you retire, your Bonus Bank will be used to increase your monthly pension amount. Each 1,300 hours in your Bonus Bank equates to an additional full year at the applicable Benefit Rate added to your monthly pension amount; the balance of the Bonus Bank will be credited on a partial year basis, by dividing the remaining hours by 1,300 and rounding to the second decimal place. Note: The hours in your Bonus Bank are not Service Credits. The hours in your Bonus Bank are only applied at retirement to increase your pension amount and will not be applied toward your eligibility for a Pension.

Since 1989, the maximum hours allowed in the Bonus Bank has increased from 6,500 hours. Effective January 1, 2002, the maximum lifetime Bonus Bank hours are 20,000, meaning an additional Accrued Pension of up to $1,538.00 per month (based on the accrual rate of $100 per year of Service Credit).

Example: From 2006 through 2017, you work 2,000 hours each year. You then reduce your hours below 1,500 until your actual retirement. In this instance, you would have accumulated 6,000 hours in the Bonus Bank (500 hours for each of the 12 years from 2006 through 2017). These hours would provide you with an extra 4.62 Service Credits (6,000 ÷ 1,300 = 4.62) at retirement.

Reciprocal Recognition

The Plan has agreements with other International Union of Operating Engineers pension plans whereby each plan recognizes credit an employee earned in the other plan, for purposes of determining eligibility for benefits. These agreements only apply if you have at least one Year of Vesting Service with this Plan. This Plan's recognition of credit earned in another plan is for Years of Vesting Service only; the Plan will not recognize Service Credit for hours worked in another plan.

For example, suppose you had three Years of Vesting Service and three Service Credits in this Plan and six years in another plan with which this Plan has an agreement, and you had not suffered a Break in Service. In that case, you are considered as having nine Years of Vesting Service. This Plan would pay benefits based on the three Service Credits earned here, and the other plan would do likewise with its six years

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WHEN YOU MAY RETIRE AND WHAT YOU WILL RECEIVE

Retirement

You may retire on the first day of any month after you meet one of the following conditions:

- *Regular Pension*—Upon completion of five Years of Vesting Service and attainment of at least age 65, provided you worked at least one Hour of Service after December 31, 1998, or you become vested upon attaining Normal Retirement Age, provided you are still a Plan Participant.
- *Early Retirement Pension*—Upon completion of 5 Years of Vesting Service and attainment of at least age 55 (provided you worked at least one Hour of Service after December 31, 1998).
- *Service Pension*—If you earned at least 0.2 Service Credit in 1991 or later, upon completion of
  - 30 Service Credits and attainment of at least age 60; or
  - 35 Service Credits at any age.

  Remember: The hours in your Bonus Bank cannot be used as Service Credits toward meeting the eligibility requirement for a Service Pension. You can only earn one Service Credit per year worked.
- *Vested Pension*—Upon attainment of Vested Status and
  - Attainment of Normal Retirement Age; or
  - If you earned at least one Hour of Service after December 31, 1998 (December 31, 1988 for non-bargained Participants) attainment of at least age 55, provided you have at least 5 Years of Vesting Service; or
  - If you did not earn at least one Hour of Service after December 31, 1998 (December 31, 1988 for non-bargained Participants) attainment of age 55 and 10 Years of Vested Status.

What You Will Receive

If you retire on or after January 1, 2017, your monthly Accrued Pension at your retirement date will equal $100 for each Service Credit, provided you earned at least 0.2 Service Credit in 2016 or later. However, if you leave Covered Employment and have a Benefit Break, refer to page 16 for an explanation of how your final benefit will be determined. See pages 30 and 31 for benefit rates in effect at different times.

You may retire as early as age 55. However, if you retire before age 62, your benefit will be reduced as follows:

- *With less than 30 years of service,* the Regular Pension is reduced by 1/4% for each month of age less than 62.

- *With 30 years of service*, the Regular Pension is reduced by:
  - $\frac{1}{12}$% per month between ages 59 and 60, plus
  - $\frac{2}{12}$% per month between ages 58 and 59, plus
  - $\frac{3}{12}$% per month between ages 57 and 58, plus
  - $\frac{4}{12}$% per month between ages 56 and 57, plus
  - $\frac{5}{12}$% per month between ages 55 and 56,
  - to a maximum of 15% reduction.

If you retire after attaining age 62 but before age 65, there is no reduction for early retirement.

If you become eligible for a disability benefit (as described on page 13) after the date you are eligible for an Early Retirement Pension, you can elect to receive your Early Retirement Pension (when eligible) instead of the disability benefit.

If you receive a Vested Pension, your monthly Accrued Pension will be based on the amount of the Regular Pension in effect when you last earned at least 0.2 Service Credit.

Delayed Retirement

If you continue working after Normal Retirement Age, you will continue to receive Service Credits toward your Accrued Pension Benefit. Payment of your Pension Benefit will begin on the first day of the month after you stop working, or you can defer the commencement of your benefits until you reach your Required Beginning Date, which is April 1st following the calendar year in which you reach age 70½. You may defer your Required Beginning Date until April 1st following the calendar year in which you cease working and retire.

At that time, you must begin receiving minimum benefits even if you continue in Covered Employment. These minimum benefits are determined based on your life expectancy and will be adjusted each year to reflect the additional Pension Benefit you earn.

If you retire after Normal Retirement Age, your retirement benefit will be the larger of two different benefit calculations:

- The benefit which was payable to you at Normal Retirement Age multiplied by the late retirement factor of 1% per month for the first 60 months after Normal Retirement Age and 1.5% per month thereafter; or
- The Accrued Pension payable based on the total Service Credits you earned before and after Normal Retirement Age.

HOW YOUR RETIREMENT BENEFIT WILL BE PAID

For Married Members

Your monthly Pension Benefit will normally be payable in the form of a Qualified 50% Joint and Surviving Spouse Pension at retirement. Under this form of payment, your pension benefit is reduced to pay for a benefit for your Spouse after your death, equal to 50% of the benefit you received during your lifetime. The reduction will be based on the difference in life expectancy between you and your Spouse.

For purposes of the Plan, your Spouse means the person to whom you are legally married, as determined by state law and the tax code, and with whom you may file a joint federal income tax return. The marriage must be entered into, or legally recognized, by any state in the United States, a United States territory, or a Canadian province.

This surviving Spouse's benefit is only available to the Spouse you were married to at the time Pension Benefits start. However, no benefits will be paid to your Spouse if you and your Spouse have not been married for at least one year on the date of your death.

If you are divorced ***before*** *your pension begins*, the Plan may be required to pay benefits to your ex-Spouse or other dependents (called *Alternate Payees*) if a Qualified Domestic Relations Order (QDRO) gives any such Alternate Payees a right to all or a portion of your pension. A QDRO may also require you to elect a certain form of payment. If you remarry before retirement, the portion of your benefit which was not awarded to any Alternate Payee will be paid to you in accordance with the rules for a Qualified 50% Joint and Surviving Spouse Pension.

If you are divorced ***after*** *you retire*, the election of a Qualified 50% Joint and Surviving Spouse Pension cannot be changed, and your ex-Spouse will receive the Spouse's benefit when you die. During your life, the Plan may be required to pay part of your benefits to your ex-Spouse or other dependents pursuant to a QDRO.

You, your Spouse or your ex-Spouse may contact the Fund Office for a free copy of the Plan's procedures for determining if a domestic relations order is qualified.

Pop-Up Provision for Married Members

Effective July 1, 1992, if you have earned at least 0.2 Service Credit in or after 1991, you are eligible for the Plan's pop-up benefit. Under the pop-up benefit, if you retire on Qualified 50% Joint and Surviving Spouse Pension or any Joint Benefit Survivor Option with your Spouse as beneficiary and your Spouse dies before you do, your benefit will increase to the amount you would have received if you had elected a Straight Life Benefit for the rest of your life (but not retroactively). Should you remarry after your benefits begin, there will be no benefits payable to your new Spouse.

For Single Members

If you are not married, your monthly Pension Benefit will normally be payable for your lifetime. Upon your death, there are no further payments.

Election of a Different Form of Payment

When you apply for a Pension Benefit, the Fund Office will provide you with information about the payment options available under the Plan and you will be given the opportunity to elect an optional form of payment. This information will include each of the following:

- A description of the Plan's normal and optional payment forms and the eligibility requirements for each;
- The amount your Plan benefit would be if it were paid in the normal payment form and any optional payment forms;
- A description of the financial effect of electing an optional payment form;
- A description of the effect on your benefit if you choose to defer the commencement of your retirement benefit; and
- A description of the relative actuarial value of the various options available to you. You may contact the Fund Office for more information about the relative value statement.

If you're single, you need only to inform your Fund Office of your election and sign a benefit application.

If you're married, the written consent of your Spouse, witnessed by a notary public or a representative of the Plan designated by the Trustees, is required to elect an optional form of payment or to designate a beneficiary other than your Spouse. However, if you are electing a Joint Survivor Benefit Option with a survivor benefit of 50% or greater and naming your Spouse to receive the benefit, spousal consent is not necessary.

You and your Spouse will be asked to sign a form waiving your Spouse's right to a joint and survivor benefit. In addition, you'll be asked to sign a benefit application electing an optional form of payment.

You may, with the consent of your Spouse, change your election or revoke your waiver at any time before you retire. Once you begin to receive your monthly Pension Benefit, the form of payment cannot be changed.

What Options Can I Choose From

You may elect from the following payment options:

JOINT AND SURVIVOR BENEFIT OPTION: Under the Joint and Survivor Benefit Option, a reduced monthly Pension Benefit will be payable to you for your lifetime and, upon your death, 50%, 662/3%, 75% or 100% of your monthly Pension Benefit will be payable to your designated Beneficiary. If you elect this option, you name the designated Beneficiary and the percentage he or she will receive. You will not be permitted to elect a percentage that would result in a reduction to your benefit of more than 50%. If you are married and name a beneficiary other than your Spouse, you must submit your Spouse's written, notarized consent. If your Beneficiary is your Spouse and your Spouse dies before you, your benefit will increase to the amount you would have received if you had elected a Straight Life Benefit for the rest of your life (but not retroactively). However, if your Beneficiary is not your Spouse, and your Beneficiary dies before you, your benefit amount will not be adjusted and payments will cease at the time of your death

STRAIGHT LIFE BENEFIT OPTION: This option provides for an annuity over your lifetime only. No benefits are payable after your death. This option is the default if you are single.

SOCIAL SECURITY ADJUSTMENT OPTION: The Social Security Adjustment Option is available to anyone who retires before being eligible to collect Social Security benefits. This option keeps your total retirement income (including Social Security) the same before and after you collect Social Security. The Plan pays you a higher monthly Pension Benefit before your Social Security payments are expected to begin, and smaller or no payments thereafter. If you choose this option, you will also have to elect whether you will begin your Social Security payments at age 62 or age 65; your benefits from this Plan will be reduced at the age you select, even if you later change your mind about when to apply for Social Security benefits.

You may elect this Option along with the Qualified 50% Joint and Surviving Spouse Pension, Joint Benefit Survivor Option, or Straight Life Benefit Option. For an example of the Social Security Adjustment Option form of payment, please refer to Example 5 on page 25.

DISABILITY PENSION

Total and Permanent Disability

If you become disabled and cannot work, you may apply to the Trustees for a Disability Pension.

To be eligible you must:

- Have completed 15 Years of Vesting Service at the time you became disabled;
- Demonstrate to the Trustees by providing proof of Social Security Disability Award;
- Have been disabled for at least 6 consecutive months;
- Have earned at least 0.2 Service Credit during the 24-month period immediately preceding the date on which you were disabled, if you file your application on or after January 1, 1997.

If you apply for Disability Pension on or after January 1, 1997, and the Trustees approve your application, you may be entitled to a retroactive benefit. This benefit is for the number of months from the *certified date of disability* until your disability benefit is actually paid (up to a maximum of 12 months). Your *certified date of disability* is the date as of which you receive a letter confirming your Social Security Disability Award. No payment will be made for any month preceding your certified date of disability.

If your Disability Pension is first payable on or after August 1, 2018, it will be equal to:

- $40 times your credits earned up to your date of disability (including Service Credits and any additional credit from your Bonus Bank).

Termination of Disability Pension

Your Disability Pension will continue until one of the following occurs:

- You recover and cease to be totally and permanently disabled;
- You fail to submit proof of continued disability;
- The date you become eligible for a Regular Pension or Service Pension, as the case may be; or
- You die.

You may also apply for an Early Retirement Pension. If you elect an Early Retirement Pension, the amount otherwise payable will be decreased pursuant to the reductions described beginning on page 8.

Your Disability Pension will terminate as of the date your Regular Pension, Early Retirement Pension or Service Pension (as the case may be) begins. The amount of your benefit will be based on the benefit formula in effect when your Regular Pension, Early Retirement Pension or Service Pension (as the case may be) begins

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DEATH BENEFITS BEFORE RETIREMENT

Married Participants

If you and your Spouse had been married for at least one year just prior to your death (or a QDRO requires that your former Spouse be treated as your surviving Spouse) and you had achieved Vested Status (defined on page 2) in your Accrued Pension, your surviving Spouse will be entitled to a Preretirement Surviving Spouse Benefit for his or her lifetime. Effective January 1, 2001, your surviving Spouse will receive 100% of the amount you would have received had you retired immediately before your death and elected a 100% Joint Benefit Survivor Option.

Payments to your surviving Spouse will begin on the first day of the month following your death upon written application by your Spouse. However, your surviving Spouse may elect to defer payment of the benefit, but not beyond the date on which you would have reached Normal Retirement Age.

Your surviving Spouse may elect an adjusted benefit payable in the form of the Social Security Adjustment Option (previously described on page 12). If you and your Spouse had not been married for at least one year or if you had not achieved Vested Status at the time of your death, no benefits will be payable to your surviving Spouse.

Single Participants

If you are unmarried at your death or you have been married less than one year, you may designate a beneficiary for preretirement death benefits if:

- You earned at least 10 Service Credits; and
- You worked at least 3,500 hours in Covered Employment in the 60 months prior to death.

Your designated beneficiary will be entitled to a lump sum equal to $1,000 for each credit (including Service Credits and any additional credit from the Bonus Bank) you have earned (less any portion of preretirement death benefits assigned to an Alternate Payee pursuant to a QDRO, if applicable).

Death While in Qualified Military Service

To assist military families experiencing significant economic hardships due to individuals being called to active duty, Congress passed the Heroes Earnings Assistance and Relief Tax Act (the “HEART” Act) of 2008. Specifically, the HEART Act requires the Plan to treat Participants who die while in Qualified Military Service as if they had returned to Covered Employment before their death. As a result, your beneficiaries may be entitled to the preretirement death benefit described above. See page 5 for more information about credit under this Plan for Qualified Military Service.

BREAKS IN SERVICE

Effect of One-Year Break in Service

If you do not complete more than 300 hours of service during a Plan Year (other than your first Plan Year as a Member of the Plan), you have a One-Year Break in Service.

If you have 300 or fewer hours of service in a Plan Year due to pregnancy, childbirth, adoption or caring for a newborn or recently adopted child, that absence will not count toward a Break in Service provided that:

- Between January 1, 1987 and February 4, 1994: you do not have two consecutive Plan Years with 300 or fewer hours of service; or
- Effective February 5, 1994, your leave is otherwise in accordance with the federal Family and Medical Leave Act (FMLA) and lasts a maximum of 12 weeks.

You will not receive credit toward Vested Status or benefit accrual for such leave of absence due to pregnancy, childbirth, adoption, or caring for a newborn or recently adopted child.

Loss of Years of Vesting Service and Service Credits (Permanent Break in Service)

If you leave Covered Employment after achieving Vested Status, you cannot lose your vested right to a future Pension Benefit. If you have a One-Year Break in Service before you achieve Vested Status, your Service Credits and Years of Vesting Service are cancelled.

Your Years of Vesting Service and Service Credits will be reinstated if you left Covered Employment on or after January 1, 1985, you are later reemployed in Covered Employment, and you meet one of the following requirements:

- Your absence from Covered Employment was less than five consecutive years; or
- If greater that five consecutive years, your absence from Covered Employment was less than your Years of Vesting Service at termination.

If you do not satisfy one of these requirements, you have a Permanent Break in Service; you will lose your prior Years of Vesting Service and Service Credits permanently and will be treated as a new Participant if you return to Covered Employment. *Once you lose these Years of Vesting Service and Service Credits, they cannot be reinstated.*

If you left Covered Employment prior to January 1, 1985, the Plan provisions in effect at the time of termination will determine whether or not you may regain previous Years of Vesting Service and Service Credits.

RE-EMPLOYMENT BEFORE RETIREMENT

Benefit Break

You may have a different benefit rate for Service Credits if you fail to accrue 0.2 Service Credit in any period of ***two*** consecutive Plan Years. This situation is also referred to as a Benefit Break.

It is possible to have more than one Benefit Break during your career. If that happens, these rules will apply separately to each Benefit Break.

Effect of Benefit Break

Effective January 1, 1991, if you had attained Vested Status before the Benefit Break or you were entitled to reinstatement of your prior Service Credits, and you return to Covered Employment after a Benefit Break of *two or more years*, your benefit at retirement will be calculated to recognize your additional Service Credits in the following manner:

- The benefit rate in effect before the Benefit Break times the Service Credits you earned up to that time; **plus**
- The benefit rate in effect upon your subsequent termination or retirement times the additional Service Credits you earned after the Benefit Break.

Thus, if you have a Benefit Break you will not receive benefit rate increases for Service Credits earned before the Benefit Break. See pages 30 and 31 for the benefit rates in effect at different times.

Curing the Effect of a Benefit Break

Effective January 1, 1991, your Accrued Pension will be calculated based on the rate in effect at the time you retire without regard to the period of absence if:

- You had attained Vested Status before the Benefit Break; or
- You were entitled to the reinstatement of your prior Service Credits and you return to Covered Employment after a Benefit Break of *five years or less*, **and**
- you earn at least **five** additional Service Credits during:
  - The ten Plan Years beginning January 1, 1991 (if the Benefit Break occurred prior to January 1, 1991); or
  - The ten Plan Years following the Benefit Break (if the Benefit Break occurred after December 30, 1990) beginning the January 1 immediately following the last year you earned at least .2 Service Credits.

RE-EMPLOYMENT AFTER RETIREMENT

Suspension

Following your retirement, your retirement benefits will be suspended for any month in which you work 40 or more hours in Disqualifying Employment. Disqualifying Employment is any employment in the same industry, the same trade or craft, and the same geographic area covered by the Plan.

Notices

If you are working in Disqualifying Employment when you reach Normal Retirement Age, the Fund Office will notify you that retirement benefits that you may be entitled to will be suspended or delayed as long as you continue to work.

At the time of your retirement, the Fund Office will furnish you with rules governing the suspension of benefits. You can and should ask the Fund Office whether a particular type of work will be disqualifying.

You must notify the Plan Administrator within 21 days of any work you undertake that may constitute Disqualifying Employment. If you fail to do so and you are found to be working for a Participating Employer, it will be assumed that you have worked in Disqualifying Employment for 40 hours or more per month, for as long as the contractor has been and remains actively engaged at the site where you were employed, unless you provide evidence showing that this is not the case.

You must also notify the Plan Administrator when your Disqualifying Employment ends. Your Pension Benefit will then be resumed for the months after the last month for which your benefits were suspended. Payment will begin no later than the third month after the last calendar month in which you were engaged in Disqualifying Employment.

If your Disqualifying Employment is for a Participating Employer, you may be entitled to earn additional Service Credits toward your Accrued Pension Benefit.

Benefit Payments Following Suspension

The monthly amount of your pension when resumed after suspension will be equal to the benefit you were receiving at the time your benefit was suspended plus any additional Service Credits that you have earned, provided that you earn at least 0.2 Service Credits.

Repayment for Overpaid Amounts

If you received overpayments because your benefits should have been suspended due to work in disqualifying employment, you will be required to repay those amounts back to the Fund. Once you resume your pension payments, your first check may be reduced up to 100%; thereafter, your remaining checks will be reduced by 25% until you have repaid the total amount you owe

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SOME ADDITIONAL FACTS YOU SHOULD KNOW ABOUT YOUR PENSION PLAN

Benefits Are Inalienable

This Plan was established for the benefit of you and your beneficiaries. In general, you may not pledge, sell or assign your interest in the Plan and your creditors may not attach or garnish these benefits.

However, there are two exceptions:

- Based on the provisions of a divorce decree, your former Spouse or other alternate payee could share in your Pension Benefit. The Accrued Pension Benefit payable to you would be reduced to reflect any amount your former Spouse or alternate payee becomes entitled to receive in accordance with a Qualified Domestic Relations Order.
- The Plan must also honor a federal tax lien against your benefits.

Small Benefit Cashout

When you apply for a pension benefit from this Plan, if the present value of your or your survivor's Pension Benefit is $5,000 or less, it will automatically be paid as a lump sum. You will not be able to choose a monthly benefit form of payment.

There May Be a Limit On the Maximum Benefit Payable

Federal law imposes maximum limits on annual pension payments. Your Pension Benefit may be limited by the law in effect on the date you retire. If you are affected by these restrictions, you will be notified.

Top Heavy Plan

In the extremely unlikely event that this Plan should become top heavy, the requirements of federal law that a top heavy plan must provide minimum Pension Benefits and favorable vesting will be met. A plan is top heavy if key employees (officers and certain other highly paid participants) receive more than a limited percentage of plan benefits.

Plan Continuation

The Trustees believe this Plan is a sound one, but must necessarily reserve the right to change its terms from time to time or terminate the Plan should conditions warrant such action and it is not prohibited by the terms of a Collective Bargaining Agreement already in effect. In the unlikely event of Plan termination, benefits accrued to the date of termination will be nonforfeitable to the extent they are funded as of that date.
In addition, the Plan includes provisions which protect certain benefits through the Pension Benefit Guaranty Corporation. See page 20 for more information. Federal income tax regulations provide that if the Plan is fully terminated before contributions have been made for ten years after the effective date of the Plan or a Plan amendment that liberalizes benefits, the pension payable to the 25 highest-paid Participants on the date of termination may be reduced.

Taxation of Benefits

Current tax law requires that the Trustees withhold federal income tax from your benefit payments, unless you make a written request not to have taxes withheld.

You can change your tax withholding election at any time by providing the Trustees with written notice.

Regardless of your tax withholding election, you are responsible for the tax liability of benefits received and may be subject to estimated tax payments and penalties if you do not have federal taxes withheld or do not have sufficient taxes withheld. You may also be responsible for state income tax liability, if any.

Mandatory Withholding

If your benefit is paid in the form of a lump sum under the **Small Benefit Cashout** provision, it will be subject to mandatory federal income tax withholding of 20%.

You, your Spouse or beneficiary can avoid the mandatory withholding by having the benefit rolled over directly to an IRA or another qualified plan that accepts rollovers. Other taxes may also be deferred or reduced. Therefore, you should review your personal situation with a tax advisor before beginning to receive benefits.

PLAN TERMINATION

Your benefits under the 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.

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 early pension benefits;
- Disability benefits if you become disabled before the plan becomes insolvent; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law;
- Benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the earlier of:
  - The date the plan terminates; or
  - The time the plan becomes insolvent;
- 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; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For More Information

To find out more about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's insurance program is available through the PBGC website on the Internet at http://www.pbcg.gov.

Plan Termination

The Trustees believe this Plan is a sound one, but must necessarily reserve the right to change its terms from time to time or terminate the Plan should conditions warrant such action and it is not prohibited by the terms of a Collective Bargaining Agreement already in effect. In the unlikely event of Plan termination, benefits accrued to the date of termination will be nonforfeitable to the extent they are funded as of that date. In addition, the Plan includes provisions which protect certain benefits through the Pension Benefit Guaranty Corporation.

FILING A BENEFIT CLAIM AND CLAIM DENIAL REVIEW PROCEDURES

All claims for benefits under the Plan must be made in writing to the Trustees, IUOE Local 57 Pension Plan, 857 Central Avenue, Johnston, Rhode Island 02919.

Pension Claim Procedures

Pension Applications must be submitted to the Fund Office in writing, using the appropriate application form. An application form may be obtained by contacting the Fund Office.

You will be notified by the Fund Office of the approval or denial of your Pension Application within 90 days of receipt. If necessary, this period may be extended by 90 days. In the event that an extension is necessary, the Fund Office will notify you of the extension, the circumstances requiring an extension, and the date by which the Fund Office expects to render a decision.

If your Pension Application is denied, the Fund Office will provide you with a written notice. The notice of the denial of your Pension Application will include:

- The specific reason(s) for the decision;
- Reference to the specific Plan provision(s) on which the decision is based;
- A description of any additional information or materials necessary for the Fund Office to decide your claim and why they are necessary;
- A description of the appeal procedures (including voluntary appeals, if any) and applicable time limits; and
- A statement of your right to bring a civil action under ERISA Section 502(a) following an appeal of the decision.

If your Pension Application is denied in whole or in part, or if you disagree with the decision made on a Claim, you may appeal the decision. You are entitled to:

- Within 60 days of your receipt of the denial of your Pension Application, request, in writing, a review of your claim by the Board of Trustees;
- Review all documents relating to the denial; and
- Respond to the denial of your Pension Application and submit any issues and comments, including additional documentation, in writing.

If you do not receive a decision within 90 days of the Fund Office's receipt of your Pension Application (or 180 if extended by the Fund Office), you may request a review as if your Pension Application has been denied. Your request for review of the decision on your Pension Application must include:

- Your name and address;
- The claimant's name and address, if different;
- The date of the decision denying your Pension Application; and
- The basis of the appeal, i.e., the reason(s) why the Pension Application should not be denied.

You have the opportunity to submit written comments, documents, and other information for consideration during the appeal, whether or not such information was submitted or considered as part of the initial benefit determination. You will be provided, upon request and free of charge, reasonable access to and copies of all relevant documents pertaining to your Pension Application.

A different person will review the decision than the person who originally made the initial decision on your Pension Application. The reviewer will not give deference to the initial decision and will not be subordinate to the person who originally made the initial decision. The decision will be made on the basis of the record, including such additional documents and comments that you may submit.

The Board of Trustees shall make a final written decision on review of the denial of your Pension Application within 60 days from its receipt of your appeal. If necessary, this period may be extended by 60 days. In the event that an extension is necessary, the Board of Trustees will notify you of the extension, the circumstances requiring an extension, and the date by which the Board of Trustees expects to render a decision.

The Board of Trustees' final written decision on review of the denial of your Pension Application will include:

- The specific reason(s) for the decision;
- Reference to the specific Plan provision(s) on which the decision is based;
- A statement that any relevant documents will be provided, upon request and free of charge;
- A description of the appeal procedures (including voluntary appeals, if any) and applicable time limits; and
- A statement of the claimant's right to bring a civil action under ERISA Section 502(a) following the appeal of an Adverse Benefit Determination.

Authorized Representatives

An authorized representative, such as a Spouse or an adult child, may submit a Claim on your behalf if you have previously designated the individual to act on your behalf. An Appointment of Authorized Representative Form, which may be obtained from the Fund Office, must be used to designate an authorized representative. The Fund may request additional information to verify that the designated person is authorized to act on your behalf.

Decision Final and Binding

A decision on review of any Claim made under the Plan in accordance with this Claims Review Procedure shall be final and binding on all persons.

When a Lawsuit May Be Started

You may not start a lawsuit to obtain benefits until after you have requested an appeal and a final decision has been reached on the appeal, or until the appropriate timeframe described above has elapsed since you filed a request for review and you have not received a final decision or notice that an extension will be necessary to reach a final decision. No lawsuit may be started more than one year following a final determination of a Claim under the Plan

EXAMPLES OF BENEFIT CALCULATIONS AND BREAK IN SERVICE RULES

The following examples are included to show how your retirement benefit is calculated. In each example, we described any assumptions made. However, remember the Plan does provide for optional forms of payment and your actual benefit will be calculated on your work history in Covered Employment.

Remember too, that the benefits provided under our Plan are in addition to any benefits you may become eligible to receive under the Federal Social Security Program.

EXAMPLE 1—PENSION BENEFIT CALCULATION FOR REGULAR PENSION (SINGLE AND MARRIED)

You are age 65 and accumulated 35 Service Credits as a Participant, including at least 0.2 Service Credit in 2016 or later. In this instance, your monthly Pension Benefit is as follows:

$100 x 35 Service Credits =
$3,500 per month to you throughout your lifetime

If you are not married upon reaching your Normal Retirement Age and don't elect an optional method of payment, your monthly Pension Benefit will be $3,500, payable throughout your lifetime.

If you have been married at least a year upon reaching your Normal Retirement Age, and you don't elect an optional method of payment, your benefit will be reduced in accordance with the terms of the Qualified 50% Joint and Surviving Spouse benefit. If you and your Spouse are the same age, assume the reduction factor is 87.83%. The reduction is calculated as follows:

$3,500 x 87.83% =
$3,074.05 per month to you throughout your lifetime

If you die before your Spouse, 50% of the benefit you were receiving, or $1,537.03 per month, will be paid to your Spouse for the rest of his or her life. This surviving Spouse benefit will begin on the first of the month following your death. If your Spouse dies before you, the amount of your monthly benefit will pop-up to the Straight Life Benefit amount.

EXAMPLE 2—PENSION BENEFIT CALCULATION FOR EARLY RETIREMENT PENSION

You earned 25 Service Credits, *including 0.2 Service Credit in 2016*, and retire at age 58. Your monthly Pension Benefit is calculated as follows:

$100 x 25 Service Credits =
$2,500 per month unreduced monthly benefit

Early retirement reduction % =
4 years x 3% per year = 12%

**12% reduction x $2,500 unreduced monthly benefit =
$300 monthly reduction**

$2,500 – $300 = $2,200 to you throughout your lifetime

You earned 30 Service Credits, including 0.2 Service Credit in 2016, and retired at age 57. Your monthly Pension Benefit is calculated as follows:

$100 x 30 Service Credits = $3,000 per month unreduced monthly benefit

Early retirement reduction is:

From age 59 to 60: 1⁄12% x 12 = 1% **plus**

From age 58 to 59: 2⁄12% x 12 = 2%, **plus**

From age 57 to 58: 3⁄12% x 12 = 3%

Total reduction = 6%

**6% total reduction x $3,000 unreduced monthly benefit =
$180 monthly reduction**

$3,000 – $180 = $2,820 per month to you throughout your lifetime

You earned 30 Service Credits, *including 0.2 Service Credit in 2016*, and retire at age 62 (before Normal Retirement Age at 65). No early retirement reduction applies. Your monthly Pension Benefit is calculated as follows:

$100 x 30 Service Credits = $3,000 to you throughout your lifetime

EXAMPLE 3—PENSION BENEFIT CALCULATION WITH BONUS BANK HOURS OF SERVICE

You remain in Covered Employment continuously until your retirement at age 62 on July 1, 2017, and assume you earned 29.4 Service Credits between January 1, 1985, and June 30, 2017, including at least 0.2 Service Credit in 2016 or later. You worked 2,000 hours each year from 1991 through 2009, and then you reduce your hours below 1,500, until you retire. In this instance, you would have accumulated 9,500 (500 hours per year for 19 years) hours in the "Bonus Bank," and your monthly Pension Benefit would be as follows:

$100 x 29.4 Service Credits = $2,940

**9,500 Bonus Bank hours of service ÷ 1,300 =
7.31 Bonus Bank Service Credits**

$100 x 7.31 Bonus Bank Service Credits = $731

$2,940 + $731 = $3,671 per month to you throughout your lifetime

If you are not married upon reaching your Normal Retirement Age and don't elect an optional method of payment, your monthly Pension Benefit will be $3,671, payable throughout your lifetime.

EXAMPLE 4—PENSION BENEFIT CALCULATION FOR 50% JOINT BENEFIT SURVIVOR OPTION FOR A SINGLE MEMBER

You are age 65 and accumulated 35 Service Credits as a Participant, *including at least 0.2 Service Credit in 2016 or later*. As a single member, you elect the 50% Joint and Survivor Benefit Option and designate your sister as your beneficiary. If your sister is seven years younger than you, assume the reduction factor is 84.34%. Your monthly Pension Benefit is calculated as follows:

$100 x 35 Service Credits =
$3,500 unreduced monthly pension

$3,500 x 84.34% =
$2,951.90 per month to you throughout your lifetime

If you die before your sister, 50% of the benefit you were receiving, or $1,475.95 per month, will be paid to your sister for life. This joint survivor benefit will begin on the first of the month following your death. This optional form of payment is not eligible for the pop-up. If your beneficiary dies before you do, the monthly benefit will remain the same.

Notice that these are the same facts as in Example 1, but your surviving sister continues to receive benefits from the Plan after your death.

EXAMPLE 5—SOCIAL SECURITY ADJUSTMENT OPTION

You are age 60 and eligible for a monthly Plan benefit of $3,000. Assume that you are entitled to a Social Security benefit of $1,500 per month at age 65. You elect the Social Security Adjustment Option. From ages 60 to 65, the Plan will pay you $4,021.85 per month. At age 65, you begin receiving Social Security benefits of $1,500 per month. Your monthly Plan benefit will decrease by $1,500 to $2,521.85. Your total monthly income will continue to be $4,021.85 per month ($2,521.85 Plan benefit + $1,500 Social Security benefit = $4,021.85).

If you take your Social Security benefit at age 62, you will be entitled to a Social Security benefit of $1,207 per month. From ages 60 to 62, the Plan will pay you $4,043.46 per month. At age 62, you begin receiving Social Security benefits of $1,207 per month. Your monthly Plan benefit will decrease by $1,207 per month to $2,836.46. Your total monthly income will continue to be $4,043.46 per month ($2,836.46 Plan benefit + $1,207 Social Security benefit = $4,043.46).

EXAMPLE 6—PRERETIREMENT SURVIVING SPOUSE BENEFIT CALCULATION

Assume that you die on July 1, 2017 while still working in Covered Employment at age 58. You have accumulated 13 Service Credits, including at least 0.2 Service Credit in 2016 or later. Your Spouse is age 54. Because you died before retiring, the Plan will treat you as if you had retired and elected the 100% Joint and Survivor Option immediately before you died. Your unreduced Accrued Pension would have been:

$100 x 13 Service Credits = $1,300 per month

To calculate what your benefit would have been under the 100% Joint and Survivor Option, the Plan applies a reduction factor of 80.83% based on the age difference between you and your Spouse. Your benefit under the 100% Joint and Survivor Option would have been:

$1,300 x 80.83% = $1,050.79 per month

Your Spouse will receive 100% of that amount for life.

EXAMPLE 7—VESTED PENSION BENEFIT CALCULATION

Let's assume that you joined the Union at age 30 and accumulated 13.6 Service Credits, including a Service Credit in 2008. You then left Covered Employment at age 46 and do not return. Because you had 15 Years of Vesting Service, you are fully vested in your Plan pension. Because you last worked in 2008, your benefit will be calculated with the accrual rate in effect in 2008, or $90. Your monthly Vested Pension Benefit is calculated as follows:

$90 x 13.6 Service Credits = $1,224 per month

You will be entitled to receive $1,224 per month beginning on the first of the month following your 62nd birthday. You will be entitled to an Early Retirement Pension as early as age 55.

If you die before beginning your monthly Vested Pension Benefit and you were married for at least one year prior to your death, your surviving Spouse is entitled to the Preretirement Surviving Spouse Benefit illustrated in Example 6. If you are unmarried (or married less than one year) at the time of your death, your beneficiary may be entitled to a lump sum death benefit if you worked in Covered Employment within the five years prior to your death. See page 14 for the eligibility requirements for the preretirement lump sum death benefit.

EXAMPLE 8—BREAK IN SERVICE

Whether or not you receive credit for previous Years of Vesting Service and Service Credits if you leave Covered Employment depend on the following factors:

- The date you leave Covered Employment;
- Whether you were vested at the time you left;
- The number of consecutive one year Breaks in Service;
- The number of Years of Vesting Service you had accumulated at the time you left; and
- The Plan provisions in effect each time you leave Covered Employment.

Let's assume you join the Plan on January 1, 1997, and leave on January 1, 2000, after three Years of Vesting Service. You then come back to Covered Employment five years later on January 1, 2005, and continue to work for another 15 years at which point you reach your Normal Retirement Age and retire.

You lose credit for the three Years of Vesting Service from 1997 – 2000, because your five-year Break in Service is greater than your three Years of Vesting Service.

Let's assume that you joined the Plan on January 1, 1992, and left on January 1, 1995, after three Years of Vesting Service. You were not vested in your Plan pension at that point. You then come back to Covered Employment two years later on January 1, 1997, and continue to work for another 20 years at which point you reach your Normal Retirement Age and retire.

You keep the three Years of Vesting Service from 1992 – 1995, because the two-year Break in Service is less than the three Years of Vesting Service.

Finally, assume you join the Plan on January 1, 1992, and leave on January 1, 2003, after 11 Years of Vesting Service. You are vested in your Plan pension. You then come back to Covered Employment 12 years later (January 1, 2015) and continue to work for another 15 years at which point you reach Normal Retirement Age and retire.

Because you were vested when you left on January 1, 2003, you kept the 11 Years of Vesting Service from 1992 – 2003.

YOUR ERISA RIGHTS

As a participant in the International Union of Operating Engineers Local 57 Pension Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

Receive Information About Your Plan and Benefits

You have the right to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and Collective Bargaining Agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and Collective Bargaining Agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (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 pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and 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 Pension Benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a Pension 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 a federal court. In such a case, the court may require the Plan Administrator 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 Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support 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 a 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 your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should 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 N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration

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BENEFIT RATES (1960 – 2017)

<table>
<tr><th>EFFECTIVE DATE</th><th colspan="4">BENEFIT RATE</th></tr>
<tr><td></td><td colspan="4">All service</td></tr>
<tr><td>May 1, 1960</td><td colspan="4">$2.70</td></tr>
<tr><td></td><td colspan="2">Service before 5/1/62</td><td colspan="2">Service after 4/30/62</td></tr>
<tr><td>May 1, 1962</td><td colspan="2">$2.70</td><td colspan="2">$4.00</td></tr>
<tr><td></td><td>Service before 5/1/62</td><td colspan="2">5/1/62 – 4/30/66</td><td>Service after 4/30/66</td></tr>
<tr><td>May 1, 1966</td><td>$3.00</td><td colspan="2">$4.00</td><td>$4.50</td></tr>
<tr><td></td><td colspan="4">All service</td></tr>
<tr><td>January 1, 1968</td><td colspan="4">$4.50—Minimum per month:
$75 with 15 Years; $100 with 20 years</td></tr>
<tr><td>June 1, 1969</td><td colspan="4">$5.50</td></tr>
<tr><td>March 1, 1970</td><td colspan="4">$8.00</td></tr>
<tr><td></td><td colspan="2">Service before 1/1/76</td><td colspan="2">Service after 12/31/75</td></tr>
<tr><td>January 1, 1976</td><td colspan="2">$15.00</td><td colspan="2">$22.00</td></tr>
<tr><td>July 1, 1985</td><td colspan="2">$18.00</td><td colspan="2">$22.00</td></tr>
<tr><td>July 1, 1986</td><td colspan="2">$18.00</td><td colspan="2">$35.00</td></tr>
<tr><td>January 1, 1994</td><td colspan="2">$30.00 with 0.2 Service Credit in 1991 or thereafter; or
$40.00 with 0.2 Service Credit in 1993 or thereafter</td><td colspan="2">$40.00</td></tr>
<tr><td></td><td colspan="2">Service before 1/1/70</td><td colspan="2">Service after 12/31/69</td></tr>
<tr><td>January 1, 1997 with 0.2 Service Credit in 1995 or thereafter</td><td colspan="2">$40.00</td><td colspan="2">$44.00</td></tr>
</table>

EFFECTIVE DATE	BENEFIT RATE
	All service
January 1, 1999 with 0.2 Service Credit in 1997 or thereafter	$52.00
January 1, 2000 with 0.2 Service Credit in 1998 or thereafter	$65.00
January 1, 2001with 0.2 Service Credit in 1999 or thereafter	$75.00
January 1, 2003 with 0.2 Service Credit in 2002 or thereafter	$80.00
January 1, 2007 with 0.2 Service Credit in 2006 or thereafter	$85.00
January 1, 2008 with 0.2 Service Credit in 2007 or thereafter	$90.00
January 1, 2017 with 0.2 Service Credit in 2016 or thereafter	$100.00

NOTES

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