



**PENSION TRUST FUND • WELFARE FUND • RETIREE WELFARE PLAN
VACATION SAVINGS PLAN • RETIREMENT ENHANCEMENT FUND**

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**Summary of Material Modifications
Important News Regarding Your Pension Plan**

February 2023

Dear Participant:

We value your service and are proud to offer benefits based on that service. We are committed to keeping you informed and want to make you aware of the following changes and how they might affect your benefits under the terms of the Midwest Operating Engineers Pension Plan (the "Plan"). This Summary of Material Modifications (SMM) advises you of changes to the information contained in your Midwest Operating Engineers Pension Plan Summary Plan Description (SPD). Please read this notice in its entirety and share this information with your spouse, if applicable. We recommend that you keep this notice with your SPD and if you have any questions, please contact the Fund Office.

Change Effective December 1, 2021

In the case of a divorce between the Pension Plan Participant and an Alternate Payee, for filed Qualified Domestic Relations Orders (QDROs) received by the Fund Office on or after December 1, 2021, if the parties utilize the Pension Plan's QDRO model order, the cost to administer the QDRO is FREE. If the parties utilize the Pension Plan's QDRO model but add reversion language, a fee of \$500.00 will be assessed. If the parties do not use the Pension Plan's QDRO model order, the cost to administer the provided order will be \$2,000.00. The costs associated with the changes to the model order, or a provided order will be split between the parties based on language contained in the order or by the language of the Marital/Divorce Settlement Agreement. If there is no language regarding the cost to administer the order, the cost will be the Pension Plan Participants responsibility. The check or money order should be made payable to the Midwest Operating Engineers Pension Plan.

Please understand that by using the Pension Plan's QDRO model order, the order is automatically considered a "qualified order" by both the Pension Plan's Fund Counsel and the Fund Office's Administrative Manager. We strongly encourage Participants to utilize the model order to minimize any costs associated with the divorce, ease of administration for the Retirement Services Group, and to expedite the segregation of the Pension Plan Participant's vested accrued benefit.

This information has been discussed during the Pre-Retirement Seminars hosted by the Fund Office and posted to the website at <https://local150.org/moe/benefits/retirement/pension/pension-fund-forms-notice/>.

Changes Effective July 1, 2022

There were several improvements made to the Pension Plan when the Plan Document was restated effective July 1, 2022. All active Participants received a letter in July 2022 which discussed the following improvements:

- **Improved Pre-Retirement Surviving Spouse Annuity:**
Historically the plan provided a 50% benefit to a surviving spouse of a Participant who died prior to retiring. The plan did offer the option for Participants to elect a 100% benefit which required a premium that was deducted from the Participants at the time of retirement. Now, **all vested married participants** will be afforded, at no additional cost, the 100% Joint and Survivor form of payment should they die before retiring.
- **Pre-Retirement Death Benefit Increased for single participants:**
Named beneficiaries of single participants will now receive the value of a 10 Year Certain Benefit as opposed to the 5 Year Certain Benefit.

➤ **Election period Extended:**

Beneficiaries of a pre-retirement death benefit are no longer required to make an election within one year of the death of the participant if they wish to receive an optional form of payment as required for deaths prior to July 1, 2022.

➤ **Small Pensions to be Paid as a Lump Sum:**

Participants and beneficiaries with a small monthly benefit having a present value under \$5,000 will be automatically paid out as a single lump sum as opposed to the monthly installment.

➤ **Remainder of Certain Period Payments to be Paid as a Lump Sum:**

In the event a single participant, who elected the 5 or 10 Year Certain and Life Annuity, dies before the end of the Certain Period the remaining period payments will be paid out as a single lump sum to the designated beneficiaries.

➤ **Return of Contributions to be Paid as a Lump Sum:**

In situations where the monthly benefits paid to either you or your spouse (if applicable) are less than the total amount of Employer Contributions contributed on your behalf, your named beneficiaries will receive the difference paid out as a single lump sum. This will ensure a timelier distribution of funds to your beneficiaries and will avoid having to payout monthly benefits split evening amongst all beneficiaries.

Change Effective November 1, 2022

Effective November 1, 2022, a Participant retiring on a Normal, Early, or Vested Pension submit a completed application to establish an Annuity Starting Date (ASD) which may be based off the post marked date received by the Fund Office. A completed application means:

- all the forms are completed, signed, and dated prior to the requested ASD
- all the required documentation is received prior to the requested ASD
 - Birth Certificate(s)
 - Marriage Certificate, if applicable
 - If divorced and a Qualified Domestic Relations Order (QDRO) has been filed, the filed QDRO and Marital Settlement Agreement must be received prior to the requested ASD

We strongly encourage Participants to start the application process six months prior to when they expect to retire. This will provide you with ample time to gather copies of the required documentation.

This information has been discussed during the Pre-Retirement Seminars hosted by the Fund Office and posted to the website at <https://local150.org/moe/benefits/retirement/pension/pension-fund-forms-notice/apply/>.

Change Effective January 1, 2023

A Special Membership meeting was held on Sunday, November 20th whereby President-Business Manager, Mr. James Sweeney explained a new ancillary benefit, Worker Retention Program (WRP), that was approved by the Pension Fund's Board of Trustees. Effective January 1, 2023, under the WRP, skilled Local 150 members will earn additional accrued benefits if they continue to work past their MOE Pension Normal Retirement Age (NRA).

For each month that a Participant continues to work past his MOE Pension NRA, he will accumulate his monthly MOE Pension Normal Retirement Benefit. Upon the Participant's actual retirement date, he will receive his WRP Benefit, if eligible, payable up to his Social Security Normal Retirement Age (SSNRA) and the WRP Benefit cannot exceed his SSNRA monthly benefit amount. The WRP Benefit will be paid in addition to his elected form of payment under the MOE Pension Normal Retirement Benefit.

Under the WRP Benefit, the Participant must meet certain initial eligibility requirements as follows:

- Must work 800 hours in the Initial Eligibility Period
- The Initial Eligibility Period is the first 12 months following the later of:
 - January 1, 2023 OR
 - The Participant's MOE Pension Normal Retirement Age

After the Initial Eligibility Period, the Participant must continue to work 800 hours in each Plan Year (April 1st through March 31st). The 800-hour rule aligns with the eligibility requirements under the Retiree Welfare Plan.

What does it mean that the WRP Benefit is an ancillary benefit? The WRP Benefit is not a vested benefit and can be terminated at the discretion of the Trustees if there is no workforce need. It is payable solely to the Participant. If the Participant dies before the full benefit is received, no additional benefits will be paid.

If the WRP Benefit is phased out, eligible benefits accumulated under the program would be paid out once the Participant retires.

Does a Participant have to wait to age 67 to start his Social Security benefit? No. The Participant can start his Social Security benefit as early as age 62 and this has no bearing on the WRP Benefit or the amount of WRP Benefit payout.

Example #1: Assume the Participant's MOE Pension NRA is age 60 and his MOE Pension Normal Retirement Benefit is \$3,000/month. The Participant met the Initial Eligibility Period requirements and has continued to work at least 800 hours during each Plan Year.

The Participant, who reaches his MOE Pension NRA of 60 in 2023, decides to delay his retirement until age 63. At the time of retirement, he submits to the Retirement Services Group his Social Security Benefit statement. His SSNRA is age 67 and his SSNRA benefit is \$2,500/month.

Under the WRP Benefit, he has accumulated 36 months of \$3,000/month or \$108,000. The WRP Benefit payout each month will be limited to his SSNRA benefit of \$2,500/month and will be depleted after 43 monthly payments of \$2,500/month and a partial payment of \$500 **and** before the Participant reaches his SSNRA of 67.

REMINDER: In addition to the monthly WRP benefit, the Participant will also receive his MOE Pension Normal Retirement Benefit determined at age 63 payable in his elected form of payment.

Example #2: Assume the Participant's MOE Pension NRA is age 60 and his MOE Pension Normal Retirement Benefit is \$5,000/month. The Participant met the Initial Eligibility Period requirements and has continued to work at least 800 hours during each Plan Year.

The Participant decides to delay his retirement by three years until age 63. At the time of retirement, he submits to the Retirement Services Group his Social Security Benefit statement. His SSNRA is age 67 and his SSNRA benefit is \$3,333/month.

Under the WRP Benefit, he has accumulated 36 months of \$5,000/month or \$180,000. The WRP Benefit payout each month will be limited to his SSNRA benefit of \$3,333/month. Once the Participant attains his SSNRA of age 67 the WRP Benefit cannot be paid out. Therefore, the Participant will have received 48 months of his SSNRA benefit or \$160,000. The Participant will forfeit the remaining WRP Benefit of \$20,000.

REMINDER: In addition to the monthly WRP benefit, the Participant will also receive his MOE Pension Normal Retirement Benefit determined at age 63 payable in his elected form of payment.

Example #3: Same assumptions as Example #1 but the Participant decides to retire at age 62 instead of age 63. His WRP Benefit will be 24 months of \$5,000/month or \$120,000. The WRP Benefit payout each month will be limited to his SSNRA benefit of \$3,333/month and will be depleted after three years or when the Participant is age 65. By retiring one year earlier, the Participant will receive his entire WRP Benefit.

REMINDER: In addition to the monthly WRP benefit, the Participant will also receive his MOE Pension Normal Retirement Benefit determined at age 62 payable in his elected form of payment.

If you have any questions about the information and changes outlined in this notice or your pension benefits, please contact the Retirement Services Group at (708) 579-6630 to speak with a Pension Representative.

Sincerely,

The Board of Trustees

The Midwest Operating Engineers Pension Plan

This announcement contains only highlights of recent changes to the Midwest Operating Engineers Pension Plan. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.