

Locals 302 and 612 of the International Union of Operating Engineers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

August 8, 2016

**To: All Active and Retired Plan Participants and Beneficiaries
of the Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund**

Re: Summary of Material Modification--Important Information Regarding Your Health Plan

**Please be sure that you and your family read this notice carefully.
It should be kept with your benefit booklet or insurance records for future reference.**

The Trustees have adopted the following changes to the Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund (“Plan”). The changes in this notice are effective for coverage on and after August 1, 2016. This notice should be considered an insert to your 2010 edition Summary Plan Description (Plan Booklet).

Dollar Bank Provisions - Active Employees

The Plan’s dollar bank provisions have been updated to address eligibility and use of the dollar bank when an active employee goes to work for a non-contributing employer. The following language is added to the Summary Plan Description, at page 10:

Work for a Non-Contributing Employer - Eligibility Freeze and Forfeiture

Notwithstanding any other provision or rule of this Plan, if you are eligible for benefits your coverage will be frozen if you work:

- In the industry, which means work for a non-contributing employer that engages in any business activity of the type engaged in by contributing employers; and
- In a position or job classification which would otherwise be covered by an IUOE Labor Agreement, whether as a self-employed person or as an employee.

While your coverage is frozen, no benefits or claims are payable with respect to any expenses incurred by you or your dependents during the “freeze” period. For each subsequent month in which you continue to work for a non-contributing employer, you will permanently forfeit one month of coverage from your dollar bank.

To reinstate frozen eligibility, you must return to work for a contributing employer and earn at least the amount of employer contributions required by the Plan to maintain continuing eligibility. If you do not reinstate dollar bank eligibility before your dollar bank is exhausted, you will be required to satisfy the initial eligibility rules to again be covered.

The forfeiture provisions do not apply if you are temporarily employed under a written agreement with any of the Operating Engineers local unions participating in the Plan. Nor do the forfeiture provisions affect your or your dependent’s COBRA rights.

**Retiree Coverage - Eligibility when the Covered Retiree Works for a
Non-Contributing Employer**

The Plan has been modified to require that a retired employee refrain from any employment with a non-contributing employer in the industry in order to be eligible for retiree coverage.

The following eligibility requirement is added to the Summary Plan Description at pages 98-100 for “Retirees Age 60 and Older,” “Retirees Under Age 60” and “Disabled Retirees”:

- You refrain from employment which is: in the industry, which means working 50 or more hours per month for a non-contributing employer that engages in any business activity of the type engaged in by contributing employers; and in a position or job classification which would otherwise be covered by an IUOE Labor Agreement, whether as a self-employed person or as an employee.

In addition, the section entitled “When Coverage Ends” has been updated as follows:

When Coverage Ends

If you commence retiree benefits, your coverage will end on the last day of the month following the month in which you work 50 or more hours during the month:

- In the industry, which means work for a non-contributing employer that engages in any business activity of the type engaged in by contributing employers; and
- In a position or job classification which would otherwise be covered by an IUOE Labor Agreement, whether as a self-employed person or an employee.

In addition, retiree coverage ends when:

- You die;
- The Plan terminates;
- You fail to make any required contributions.

Following termination of coverage, you will not be allowed to re-enroll in such coverage. Your dependents’ coverage ends on the last day of the month in which:

- Your coverage ends (unless your surviving spouse elects to continue coverage by self- pay as described in the next section).
- You become divorced.
- A dependent child no longer meets the definition of an eligible dependent.
- You terminate your dependents’ coverage. You may terminate your dependents’ coverage by contacting the Administration Office.

If your dependents’ coverage ends, your dependents may be eligible to continue coverage as described in the next section.

If you have any questions regarding the information contained in this notice, please contact the Administration Office at (206) 441-7314 or (877) 441-1212, option 4 if you are an active employee or extension 3322 if you are retired.

**Board of Trustees
Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund**