

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

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Administered by
Welfare & Pension Administration Service, Inc.

February 28, 2017

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

**Re: Summary of Material Modification—Dollar Bank Eligibility Changes
Applicable to Hourly Contribution Rate Participants ONLY**

*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.*

We previously notified you of new dollar bank subsidies for hourly participants for hours worked from January 1, 2017 through May 31, 2018. The Trustees approved the new subsidies in response to action being taken by some bargaining parties to redirect \$1.00 of the hourly employer contribution from the Health Plan into the Retirement Plan. The intent of the new subsidies was to enable participants to qualify for dollar bank eligibility on a basis similar to the qualification levels in place before redirection of \$1.00 from health to pension.

The redirection of contributions has not yet been negotiated under all collective bargaining agreements. Accordingly, the Trustees have taken further action so that effective for hours worked from May 1, 2017 through May 31, 2018, the new subsidies will only continue to apply to participants working under a collective bargaining agreement that has the contributions redirected. The amended action is described below.

No Change in Dollar Bank Subsidy for Hourly Eligible Participants Working Under a Collective Bargaining Agreement that HAS Redirected Health Contributions

There is no change in the dollar bank subsidies that were effective January 1, 2017 for participants working under a collective bargaining agreement which has redirected the \$1.00 in Health Plan contributions to the Retirement Plan. These subsidies are described as follows:

- **Eligible participants:** In addition to the \$100 monthly subsidy in effect before January 1, 2017, eligible hourly participants who work at least one hour in the month coverage is earned (e.g., hours earned in May provide July coverage) under a collective bargaining agreement which has redirected the \$1.00 in hourly contributions will continue to receive the new monthly subsidy of \$100 that became effective January 1, 2017, so that the total monthly subsidy will be \$200. To qualify, a participant must be eligible for coverage before the subsidy is credited. This additional \$100 subsidy will cease on May 31, 2018.

- **Participants earning initial eligibility:** Effective with hours worked on and after January 1, 2017, hourly participants earning initial eligibility receive a \$100 dollar bank subsidy after accumulating \$700 in their dollar bank, provided the participant worked at least one hour under a collective bargaining agreement that redirected the \$1.00 in the month the \$700 was reached. Once hourly participants accumulate \$1,500 in their dollar bank, another \$100 subsidy will be credited, provided the participant worked at least one hour under a collective bargaining agreement which redirected the \$1.00 in the month the \$1,500 was reached.

If the participant did not work at least one hour under a collective bargaining agreement which redirected the dollar in the month his dollar bank reached \$700 or \$1,500, the participant will not thereafter receive the additional \$100 subsidy until he/she works at least one hour under such a collective bargaining agreement. This subsidy will cease on May 31, 2018.

Change in Dollar Bank Subsidy for Hourly Eligible Participants Working Under Collective Bargaining Agreement that has NOT Redirected Health Contributions

Effective May 1, 2017, hourly participants who work under a collective bargaining agreement that has not redirected \$1.00 in hourly contributions will not receive the additional subsidies described above. However, eligible hourly participants will continue to receive the \$100 monthly dollar bank subsidy that was in effect prior to January 1, 2017. This subsidy is scheduled to continue after May 31, 2018 for all hourly eligible participants, provided the Trust's unallocated reserves do not fall below 11 months.

Plan provisions and benefits are not guaranteed and may be amended at any time by the Trustees.

This notice should be considered an insert to your 2010 edition Summary Plan Description (Plan Booklet). Please keep this and all notices of Plan changes with your Plan Booklet. 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.

Board of Trustees

Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund

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