Operating Engineers Local No. 77 Pension Plan

SUMMARY PLAN DESCRIPTION

January 2026

OPERATING ENGINEERS LOCAL NO. 77
PENSION PLAN

FUND OFFICE
911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free: 1 (877) 850-0977

FUND OFFICE
8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Toll Free: 1 (877) 850-0977

Dear Plan Participant,

The International Union of Operating Engineers Local No. 77, together with contributing Employers, through the Board of Trustees that has been appointed to administer your Pension Plan, has for many years maintained a Pension Plan to help you provide for your retirement security. This summary describes the Operating Engineers Local No. 77 Pension Plan only, and does not relate to other plans in which you might participate.

The Plan described in this booklet is based on the terms of the Plan as amended through December 31, 2025. If the last contributions were made to the Plan on your behalf before December 31, 2025, your benefits and eligibility may differ from the information presented in this booklet. If you wish information about the Plan before December 31, 2025, please contact the Administrative Agent.

This booklet contains a summary of the benefits, rights and obligations you have under your Pension Plan. In this booklet, the term "he" or "his" is often used to refer to a plan participant for convenience, but you should be aware that these rules are equally applicable to female participants. **You should understand that this is a summary only, and if there is a discrepancy between this summary and the written Plan, the terms of the written Plan control.** A copy of the written Plan follows this Summary Plan Description. You may also obtain a copy of the written Plan from the Fund Office. You should also understand that the full Board of Trustees is authorized to interpret the terms of the Plan in its sole discretion, and to amend the Plan from time to time. Please note that the Administrator, Employer and Union representatives and individual Trustees are not authorized to interpret the Plan, or to make statements or promises on behalf of the Plan. If you have questions after reading the booklet or if you would like to discuss the details further, we will be glad to help you. If you need help in understanding the Plan, please contact us.

Sincerely,

Board of Trustees

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FACTS ABOUT THE PLAN

Name of Plan: Operating Engineers Local No. 77 Pension Plan

Plan Administrator and Plan Sponsor:

Board of Trustees
Operating Engineers Local No. 77 Pension Plan
C/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152-9451
(877) 850-0977
www.associated-admin.com

Agent for Service of Legal Process:

Charles Fuller, Esq.
McChesney & Dale, P.C.
15736 Crabbs Branch Way, 2nd FL
Rockville, MD 20855-2605

Note: Service of legal process may also be served on any Plan Trustee or the Plan Administrator.

Employer Identification Number: 52-6038506

Plan Number: 001

Plan Year: January 1 – December 31

Effective Date: January 1, 1960

OPERATING ENGINEERS PENSION FUND OF WASHINGTON, D.C.
BOARD OF TRUSTEES

WHAT DOES THE OPERATING ENGINEERS LOCAL NO. 77 PENSION PLAN MEAN TO ME?

If you meet the requirements to receive Pension benefits under the terms of the Plan, the Operating Engineers Local No. 77 Pension Plan provides you with:

- A monthly income for life when you retire, separate from your Social Security benefits,
- Normal retirement at age 65 or upon reaching the 5th anniversary date of your participation in the Plan, if later,
- Early retirement if you are age 55 or older,
- Disability benefits if you become totally and permanently disabled, or become unable to do bargaining unit work and have 15 Years of Vesting Service,
- The right to deferred pension benefits if you stop working for a contributing Employer after you have 5 years of Vesting Service,
- Benefits payable to your beneficiary upon your death,
- Different ways to receive your pension benefits.

WHO PAYS FOR MY BENEFITS?

The full cost of your Plan is paid for by contributions made on your behalf by your Employer in accordance with a collective bargaining agreement or other agreement. The contributions which are made for you are paid into the Pension Trust Fund. The Pension Fund is held in trust under a trust agreement. Investment Managers, selected by the Board of Trustees, are responsible for investing the money in the Pension Fund.

WHAT WORDS HAVE SPECIAL MEANINGS?

Throughout this booklet, you will come across certain words or terms which are used frequently and which you should know. These terms have been capitalized in order that you might identify them.

Active Participant

A person becomes an Active Participant when he begins working in Covered Employment. The employee remains an Active Participant until he experiences a One Year Break in Service. An individual who returns to Covered Employment after a One-Year Break in Service again becomes an Active Participant. The term "Active Participant", however, does not include any Pensioner or Employee who has no Vesting Hours of Service on or after January 1, 1976.

Spouse

Spouse shall mean, with respect to an individual, the person to whom such individual is lawfully married in a binding marriage in accordance with the laws of a State of the United States or the District of Columbia, or, in the case of a marriage outside the United States, the person to whom such individual is lawfully married in a binding marriage in accordance with the laws of such foreign jurisdiction that the Trustees determine to be consistent with the public policy of the United States.

The Pension Plan will therefore look to the law of the State in which a marriage was performed in order to determine whether a participant is married, whether the legally required normal form of Pension Benefit is a Joint and Survivor benefit and for all other purposes of administration of the Plan of Benefits.

ELIGIBLE SPOUSE shall mean the spouse of the Employee who is either:

(a) married to the Employee on the Annuity Starting Date, or
(b) married to the Employee throughout the twelve-month

period next preceding the Employee's death, if the employee dies before the Annuity Starting Date.

Covered Employment
Employment for which an Employer has agreed to pay contributions to the Plan pursuant to a collective bargaining agreement or other written agreement.

Employer
An organization that makes contributions to the Plan in accordance with a collective bargaining agreement or other agreement.

Union
The International Union of Operating Engineers Local No. 77.

Vesting Hour
Each hour for which you are paid by an Employer under a collective bargaining agreement plus each hour, up to a total of 501 hours, for any one continuous period of time that you do not work for which you are paid by an Employer or for which you receive accident and sickness benefits under the Operating Engineers Trust Fund of Washington, D.C.

Break in Service
You have a One-Year Break in Service when the number of your Vesting Hours is less than:

- 500, for any Plan Year that begins on or after January 1, 1976.
- 400, for any Plan Year that begins before January 1, 1976.

Special rules apply for purposes of determining whether you have suffered a One-Year Break in Service. These include periods of time:

1. during which you are on a leave of absence due to a pregnancy, the birth of a child, the adoption of a child by you or the caring by you of your child immediately following its birth or adoption,

2. time spent on Family Medical Leave, and

3. period of time in which you will not suffer a break in service if you are called to Active Duty with the Armed Forces of the United States.

The total number of Vesting Hours to be credited under these special rules for an absence may not exceed 501. Also, the Trustees may require that you furnish proof that the absence from work is for one of the reasons mentioned above.

Vesting Service

Your number of years of Vesting Service is used to determine whether you are eligible to receive a pension benefit. The definition of Vesting Service has changed several times:

Service after December 31, 1975 for All Participants

You receive Vesting Service for Plan Years 1976 and later in accordance with the following table:

Vesting Hours During Plan Year	Years of Vesting Service
0 – 499	None
500 – 749	½ Year
750 – 999	¾ Year
1,000 or More	1 Year

The Vesting Schedules Before 1976 Depended Upon Whether You Were Employed by a Paving Contractor or Not:

Service between December 31, 1959 and January 1, 1976
Not an Employee of a Paving Contractor:

You receive years of Vesting Service for the period January 1, 1960 through December 31, 1975, which is equal to the number of Future Benefit Units that you have for this same period.

Service Before 1960
Not an Employee of a Paving Contractor:
You receive years of Vesting Service equal to the number of your Past Benefit Units for Plan Years prior to January 1, 1960.

Service between December 31, 1969 and January 1, 1976
Employee of a Paving Contractor:
You receive one year of Vesting Service for each year you are credited with a Future Benefit Unit.

Service between December 31, 1960 and January 1, 1970
Employee of a Paving Contractor:
You receive one year of Past Vesting Service for each Plan Year that begins before January 1, 1970, and after December 31, 1960, any part of which you worked under a collective bargaining agreement of the Union.

Benefit Hour
Each hour for which an Employer makes or is obligated to make a contribution to the Plan on your behalf. In addition, a participant who leaves Covered Employment on or after January 1, 1960 to enter military service will receive credit for 400 Benefit Hours for each calendar quarter he is in military service.

Percentage Benefit Amount for Service after December 31, 2007
If you have service after December 31, 2007, your percentage benefit amount shall be calculated by multiplying the total amount of contributions received by the Plan based on your hours of service by the Benefit Accrued Rate established by the Plan from time to time.

- The benefit accrued rate for years 2008 through 2010 is 3%
- The benefit accrued rate for years 2011 through 2014 is 2.5%
- The benefit accrued rate beginning January 1, 2015 is 2.1%
- The benefit accrued rate beginning January 1, 2020 is 1.75%
- The benefit accrued rate beginning January 1, 2024 is 1.5%

The Board of Trustees may change the benefit accrued rate from time to time, but you will receive notice of any such change before it takes effect.

Benefit Units – For Service Before 2008

Your Benefit Units for service before January 1, 2008 are used to figure the amount of your Benefit. Benefit Units include Future Benefit Units and Past Benefit Units, defined as follows:

Future Benefit Units

Future Benefit Units shall be granted based on service after December 31, 1959, and before January 1, 2008, (December 31, 1969 and service before January 1, 2008 for employees of Paving Contractors) equal to the **smaller** of:

- The number of years and completed quarters of a year measured from the first day of the month that you become a Plan Participant to the end of the last Plan Year that you have at least 400 Benefit Hours. (If you have less than 400 Benefit Hours in the last calendar year, you may also have a partial year credit.) If you retired on or after July 1, 2001, your service will be measured from the first day of the Plan year in which Benefit Hours are credited, regardless of the number of Hours of Service.

- The number years and quarters (to nearest completed quarter) of a year determined by dividing the number of your Benefit Hours by 1,600.

Past Benefit Units

If you are **not** an employee of a paving contractor you receive one Past Benefit Unit for each Plan Year that begins before January 1, 1960, any part of which you worked under a collective bargaining agreement of the Union or were a salaried employee of the Union. If you are an employee of a paving contractor, you are **not** entitled to any Past Benefit Units under the Plan.

Total and Permanent Disability

You are considered Totally and Permanently Disabled if the Trustees determine that you are unable to work in any job for wage or profit due to a bodily injury or disease except such employment which the Trustees find to be for purposes of rehabilitation and not incompatible with a finding of total and permanent disability. In order to qualify for a Total and Permanent Disability Pension, you must have 15 years of Vesting Service. The Trustees may require, as proof of your disability, the determination of the Social Security Administration that you are entitled to a disability benefit under the Social Security Act, as a condition of eligibility for award of disability benefits. However, disability resulting from the following will not be the basis for disability retirement under the Plan:

- alcoholism or drug addition
- self-inflicted injury
- participation in a crime
- military service

Occupational Disability

You are considered to have an Occupational Disability if the Trustees determine that you are unable to work in covered employment or any bargaining unit work, and it is reasonably certain that your condition will continue for your remaining lifetime. In order to qualify for Occupational Disability, you must have 15 years of Vesting Service. However, disability resulting from the following will not be the basis for disability retirement under the Plan:

- habitual drunkenness or illegal use of narcotics
- self-inflicted injury
- participation in a crime
- military service

Normal Retirement Age

This is the later of the date you reach your 65^{th} birthday or the 5^{th} anniversary of the date you commenced participation in the Plan.

WHEN DO I BECOME A PARTICIPANT IN THE PLAN?

You become a participant in the Plan when contributions are made to the Plan by an Employer on your behalf.

HOW IS THE PLAN FUNDED?

A contribution is made by your Employer for each hour that you work, in an amount as set forth in a collective bargaining agreement or other agreement. This money is paid into the pension fund, which is held in trust by the Board of Trustees under a written Trust Agreement.

WHAT TYPES OF RETIREMENT BENEFITS ARE AVAILABLE UNDER THE PLAN?

Depending upon your circumstances, you may qualify for one of several types of benefits under the Plan. These include normal retirement benefit, early retirement benefit, disability benefit, occupation disability benefit or deferred pension benefit.

NORMAL RETIREMENT

If you are an Active Participant in the Plan when you reach Normal Retirement Age (age 65), you may retire and become eligible for a Normal Retirement.

EARLY RETIREMENT

If you are an Active Participant in the Plan and you are between 55 and 65 years old with at least 5 years of Vesting Service you may retire with an early retirement pension. An Early Retirement pension is reduced based upon your age at early retirement.

UNREDUCED EARLY PENSION

If you are age 60 and have at least one (1) hour of service on or after January 1, 1989, and have at least 35 years of Adjusted Vesting Service, you may receive a pension before Normal Retirement Age in an unreduced amount.

DISABILITY BENEFIT

Regardless of your age, if you have at least 15 years of Vesting Service and become Totally and Permanently Disabled as determined by Social Security while an Active Participant in the Plan, you may retire and become eligible for a disability retirement pension. The Disability Retirement Pension is payable for your lifetime but ends if you cease being totally and permanently disabled before Normal Retirement Age. The Trustees may require you to be reexamined by a physician periodically (but not more often than twice a year) to determine whether you continue to be totally and permanently disabled.

OCCUPATIONAL DISABILITY BENEFIT

If you have at least 15 years of Vesting Service, and after January 1, 1993, while an Active Participant in the Plan you become unable to perform bargaining unit employment due to a physical or mental condition and arises as a result of bodily injury or disease, you may become eligible for an Occupational Disability Pension. The determination of whether you are eligible for occupational disability retirement will be made at the discretion of the Trustees, based upon all information available to them, including a certification from your doctor. The Trustees may require that you submit to a medical examination by a doctor selected by the Fund in order to prove your eligibility or continuing eligibility for this benefit. In the event the Trustees later find that you again become capable of performing bargaining unit work, your Occupational Disability benefits will cease.

DEFERRED PENSION

If you have at least 5 years of Vesting Service and are no longer an Active Participant, you may retire at Normal Retirement Age with a deferred retirement pension.

HOW ARE PLAN BENEFITS CALCULATED?

The amount of your monthly benefit depends upon several factors, including what type of benefit you are receiving, whether you are an employee of a paving contractor, and whether the form of your benefit includes survivor benefits for your spouse.

HOW ARE NORMAL RETIREMENT BENEFITS CALCULATED?

An employee who is an Active Participant as of the date he attains his Normal Retirement Age, shall be eligible to receive a Normal Pension upon his retirement.

The amount of your Normal Retirement Pension (before reduction for the 50% Joint and Survivor benefit) is the sum of:

1. your Percentage Benefit Amount (for service on or after January 1, 2008), plus

2. your Future Benefit Units (for service January 1, 1960 to December 31, 2007), plus your Past Benefit Unit amount (if you are not an Employee of a Paving Contractor). Your Future Service Benefits equal the applicable future services benefit level times your number of Future Benefit Units. Your Past Service Benefits equal the applicable past service benefit times the number of Past Benefit Units.

Your future service benefit amount and your past service benefit amount can be determined from the following table, based on the date you ceased to be an Active Participant in the Plan. If you have two or more separate periods of active participation, and you retain the Vesting Service and Benefit Units you earned during each period (see the section in this booklet on "Can I lose Benefit Units after I have earned them?"), your normal retirement pension will be calculated separately for each period of active participation based on the benefit level in effect on each date you cease to be an Active Participant. However, if you complete at least 25 years of Vesting Service as of the date you last ceased to be an Active Participant, your normal retirement pension will be based on the benefit level in effect at the time your pension is approved.

A special rule applies for purposes of determining benefit levels for unemployment during certain periods of time. In determining when an individual ceased to be an Active Participant for the purpose of establishing his benefit level, the following One-Year Break in Service will be ignored:

1. Unemployment during the years 1982 through 1984, provided that an additional One-Year Break in Service did not occur during 1985, or

2. Unemployment during the years 1991 through 1993, provided that an additional One-Year Break in Service did not occur during 1994, and provided that the employee was available for, and actively sought, Union employment during the period.

3. Periods of employment related disability after June 30, 1977, (not to exceed 3 years) provided the employee returns to covered employment afterwards and accrues at least one benefit unit.

PARTICIPANTS WHO ARE NOT AN EMPLOYEE OF A PAVING CONTRACTOR

Date You Cease To Be An Active Participant	**Pension Benefit Unit in Effect for Service Before 2008**
January 1, 2008 and thereafter	$13.25 per month for each Past Benefit Unit, plus $88.15 per month for each Future Benefit Unit (with a minimum of $100.00 monthly benefit for non-Pro-rata pensions).
January 1, 2000 – December 31, 2007	$13.25 per month for each Past Benefit Unit, plus $86.00 per month for each Future Benefit Unit (with a minimum of $100.00 monthly benefit for non-Pro-rata pensions).
January 1, 1999 – December 31, 1999	$13.25 per month for each Past Benefit Unit, plus $72.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).
January 1, 1998 – December 31, 1998	$13.25 per month for each Past Benefit Unit, plus $66.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).

January 1, 1997 – December 31, 1997	$13.25 per month for each Past Benefit Unit, plus $61.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).

Date You Cease To Be An Active Participant	**Pension Benefit Unit in Effect for Service Before 2008**
January 1, 1996 – December 31, 1996	$13.25 per month for each Past Benefit Unit, plus $57.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).
January 1, 1994 – December 31, 1995	$13.25 per month for each Past Benefit Unit, plus $50.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).
January 1, 1993 – December 31, 1993	$13.25 per month for each Past Benefit Unit, plus $48.75 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).

January 1, 1991 – December 31, 1992	$13.25 per month for each Past Benefit Unit, plus $47.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).
January 1, 1990 – December 31, 1990	$13.25 per month for each Past Benefit Unit, plus $41.00 per month for each Future Benefit Unit (with a minimum $100.00 monthly benefit for non-Pro-rata pensions).

Date You Cease To Be An Active Participant	Pension Benefit Unit in Effect for Service Before 2008
January 1, 1989 – December 31, 1989	$13.25 per month for each Past Benefit Unit, plus $32.00 per month for each Future Benefit Unit.
January 1, 1987 – December 31, 1988	$13.25 per month for each Past Benefit Unit, plus $25.00 per month for each Future Benefit Unit.
October 1, 1985 – December 31, 1986	$13.25 per month for each Past Benefit Unit, plus $22.00 per month for each Future Benefit Unit.
January 1, 1984 – September 30, 1985	$13.25 per month for each Past Benefit Unit, plus $21.00 per month for each Future Benefit Unit.
July 1, 1977 – December 31, 1983	$13.25 per month for each Past Benefit Unit, plus $14.00 per month for each Future Benefit Unit.
January 1, 1975 – June 30, 1977	$12.75
May 1, 1972 – December 31, 1974	$7.05
January 1, 1970 – April 30, 1972 (with a maximum of 35 Benefit Units)	$6.65
October 1, 1967 – December 31, 1969 (with a maximum of 35 Benefit Units)	$4.10

PARTICIPANTS WHO ARE EMPLOYEES OF A PAVING CONTRACTOR

Date You Cease To Be An Active Participant	Pension Benefit Unit in Effect For Service Before 2008
January 1, 2008 and thereafter	$56.40 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 2000 – December 31, 2007	$55.00 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1999 – December 31, 1999	$46.00 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1998 – December 31, 1998	$41.50 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1997 – December 31, 1997	$38.00 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1996 – December 31, 1996	$35.00 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1994 – December 31, 1995	$32.25 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1993 – December 31, 1993	$31.15 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
January 1, 1991 – December 31, 1992	$30.00 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).

January 1, 1990 – December 31, 1990	$25.75 (with a minimum $100 monthly benefit for Non-Pro-rata pensions).
Date You Cease To Be An Active Participant	**Pension Benefit Unit in Effect For Service Before 2008**
January 1, 1989 – December 31, 1989	$20.00 (with minimum $70.00 monthly benefit)
January 1, 1987 – December 31, 1988	$12.50 (with minimum $70.00 monthly benefit)
October 1, 1985 – December 31, 1986	$11.00 (with minimum $70.00 monthly benefit)
January 1, 1984 – September 30, 1985	$10.50 (with minimum $70.00 monthly benefit)
July 1, 1977 – December 31, 1983	$7.00
January 1, 1975 – June 30, 1977	$5.70

Example of Normal Benefit Calculation:

Suppose you were <u>not</u> an employee of a Paving Contractor and you retire on January 1, 2026 at age 65 (Normal Retirement Age), unmarried and have never suffered a One-Year Break in Service with 30 years of Benefit/Vesting service. The 30 years of Benefit/Vesting service is based on 12 years of Benefit years prior to January 1, 2008 and the contributions received from your employer(s) for hours worked in 2008-2025. Based upon the Benefit Rates in effect, the current Benefit Accrual Rate and the date you retire, your total monthly accrued pension benefit will be calculated as follows:

SERVICE PRIOR TO JANUARY 1, 2008

1996 – 2007 12 YEARS X 88.15 = $1,057.80

YEAR	EMPLOYER CONTRIBUTION	PERCENTAGE BENEFIT RATE	PERCENTAGE BENEFIT AMOUNT
2008	$5,160.00	X 3%	$154.80
2009	$5,500.00	X 3%	$165.00
2010	$6,000.00	X 3%	$180.00
2011	$6,050.00	X 2.5%	$151.25
2012	$6,100.00	X 2.5%	$152.50
2013	$6,200.00	X 2.5%	$155.00
2014	$7,000.00	X 2.5%	$175.00
2015	$7,250.00	X 2.1%	$152.25
2016	$7,400.00	X 2.1%	$155.40
2017	$7,500.00	X 2.1%	$157.50
2018	$7,600.00	X 2.1%	$159.60
2019	$7,700.00	X 2.1%	$161.70
2020	$7,800.00	X 1.75%	$136.50
2021	$7,800.00	X 1.75%	$136.50
2022	$7,800.00	X 1.75%	$136.50
2023	$7,800.00	X 1.75%	$136.50
2024	$7,800.00	X 1.5%	$117.00
2025	$7,800.00	X 1.5%	$117.00
		TOTAL:	**$2,700.00**

TOTAL MONTHLY BENEFIT: $3,757.80
($1,057.80 + $2,700.00)

Example of Normal Benefit Calculation for Employee of Paving Contractor:

Suppose you retire under the same facts as the previous example, but you were an employee of a Paving Contractor. You have 13 Benefit Units prior to January 1, 2008 and contributions received from your employer for hours in 2008-2025. Your benefit would be calculated as follows:

SERVICE PRIOR TO JANUARY 1, 2008

1996 – 2007 12 YEARS X $56.40 = $676.80

YEAR	EMPLOYER CONTRIBUTION	PERCENTAGE BENEFIT RATE	PERCENTAGE BENEFIT AMOUNT
2008	$5,160.00	X 3%	$154.80
2009	$5,500.00	X 3%	$165.00
2010	$6,000.00	X 3%	$180.00
2011	$6,050.00	X 2.5%	$151.25
2012	$6,100.00	X 2.5%	$152.50
2013	$6,200.00	X 2.5%	$155.00
2014	$7,000.00	X 2.5%	$175.00
2015	$7,250.00	X 2.1%	$152.25
2016	$7,400.00	X 2.1%	$155.40
2017	$7,500.00	X 2.1%	$157.50
2018	$7,600.00	X 2.1%	$159.60
2019	$7,700.00	X 2.1%	$161.70
2020	$7,800.00	X 1.75%	$136.50
2021	$7,800.00	X 1.75%	$136.50
2022	$7,800.00	X 1.75%	$136.50
2023	$7,800.00	X 1.75%	$136.50
2024	$7,800.00	X 1.5%	$117.00
2025	$7,800.00	X 1.5%	$117.00
		TOTAL:	**$2,700.00**

TOTAL MONTHLY BENEFIT: $3,376.80
($676.80 + $2,700.00)

Example of Benefit Units with one or more Breaks in Service:
Suppose you are unmarried, not an employee of a Paving Contractor, and retire on January 1, 2026, at age 65 (Normal Retirement Age) with 24 years of service. Assume further that you suffered a One-Year Break in Service (due to no hours), which were not excused, for each of the years 1987, 1995 and 1999. Your benefit calculation is as follows:

1981 – 1986	Benefit Service 6 years x $22 = $132.00
1987	Break in Service
1988 – 1994	Benefit Service 7 years x $50 = $350.00
1995	Break in Service
1996 – 1998	Benefit Service 3 years x $66 = $198
1999	Break in Service
2000 – 2007	Benefit Service 8 years x $86 = $688
	Total Benefit = $1,368.00 ($132 + $350 + $198 + $688)

Example of Benefit Units with one or more Breaks in Service due to excused unemployment:
Suppose you are unmarried, not an employee of a Paving Contractor, and retire on January 1, 2026 at age 65 (Normal Retirement Age) with 24 years of service, with 0 Benefit Units before January 1, 1960, and 24 Benefit Units after December 31, 1959. Assume further that you suffered a One-Year Break in Service (due to unemployment), for each of the years 1982, 1983, 1991 and 1993 and you were available for employment between 1991 and 1993. Your benefit calculation is as follows:

Years prior to December 31, 2007:

$86.00 x 24 (units) = $2,064.00

(Your pension is calculated at the level in effect when you last worked as an Active Participant because all of your One-Year Breaks in Service are excused.)

HOW ARE EARLY RETIREMENT BENEFITS CALCULATED?

Your early retirement pension is figured in the same way as your normal retirement pension, based on your Benefit Units and the benefit levels in effect when you ceased to be an Active Participant in the Plan. If you retire with 25 or more years of Vesting Service, your early retirement pension will be based on the benefit levels in effect at the time your pension is approved. You can choose to start receiving your benefit at any time after your 55th birthday.

If you elect early retirement benefits and you have 5 but less than 35 years of Vesting Service, your pension will be reduced by 1/2% for each month (6% for each year) by which the commencement date of your pension precedes your Normal Retirement Age (age 65).

If you are age 55 but not age 60 with at least 35 years of Vesting Service, your pension is reduced 1/4% (3% for each year) for each month that the early retirement date precedes age 60.

If you are over age 60, with 35 years or more of Vesting Service, your benefits will *not* be reduced.

Early Retirement Example:
Assume you are unmarried, are <u>not</u> an employee of a Paving Contractor, and retire on your 58th birthday (January 1, 2026) with 31 years of Vesting and Benefit Service. Your pension is reduced by 42% (1/2% for each of the 84 months between your date of early retirement and your

Normal Retirement Age). To calculate your early retirement benefit, you first determine the Normal Retirement Benefit:

SERVICE PRIOR TO JANUARY 1, 2008
1996 – 2007 13 YEARS X $88.15 = $1,145.95

YEAR	EMPLOYER CONTRIBUTION	PERCENTAGE BENEFIT RATE	PERCENTAGE BENEFIT AMOUNT
2008	$5,160.00	X 3%	$154.80
2009	$5,500.00	X 3%	$165.00
2010	$6,000.00	X 3%	$180.00
2011	$6,050.00	X 2.5%	$151.25
2012	$6,100.00	X 2.5%	$152.50
2013	$6,200.00	X 2.5%	$155.00
2014	$7,000.00	X 2.5%	$175.00
2015	$7,250.00	X 2.1%	$152.25
2016	$7,400.00	X 2.1%	$155.40
2017	$7,500.00	X 2.1%	$157.50
2018	$7,600.00	X 2.1%	$159.60
2019	$7,700.00	X 2.1%	$161.70
2020	$7,800.00	X 1.75%	$136.50
2021	$7,800.00	X 1.75%	$136.50
2022	$7,800.00	X 1.75%	$136.50
2023	$7,800.00	X 1.75%	$136.50
2024	$7,800.00	X 1.5%	$117.00
2025	$7,800.00	X 1.5%	$117.00
		TOTAL:	**$2,700.00**

NORMAL RETIREMENT BENEFIT
$1,145.95 + $2,700.00 = $3,845.95

EARLY RETIREMENT REDUCTION FACTOR
$3,845.95 x 42% = $1,615.30

MONTHLY BENEFIT
(Normal Benefit less Early Retirement Reduction Factor
$3,845.95 - $1,615.30 = **$2,230.65**

Early Retirement Example, Pre age 60, with 35 years of Vesting Service: Assume you are unmarried, are <u>not</u> an employee of a Paving Contractor, and retire on your 58th birthday (January 1, 2026) with 35 years of Vesting and Benefit Service. Since you have 35 years of Vesting Service, your pension is reduced by 6% (1/4% for each of the 24 months between your date of early retirement and age 60). To calculate your early retirement benefit, you first determine the Normal Retirement Benefit:

SERVICE PRIOR TO JANUARY 1, 2008

1991 – 2007 17 YEARS X $88.15 = $1,498.55

YEAR	EMPLOYER CONTRIBUTION	PERCENTAGE BENEFIT RATE	PERCENTAGE BENEFIT AMOUNT
2008	$5,160.00	X 3%	$154.80
2009	$5,500.00	X 3%	$165.00
2010	$6,000.00	X 3%	$180.00
2011	$6,050.00	X 2.5%	$151.25
2012	$6,100.00	X 2.5%	$152.50
2013	$6,200.00	X 2.5%	$155.00
2014	$7,000.00	X 2.5%	$175.00
2015	$7,250.00	X 2.1%	$152.25
2016	$7,400.00	X 2.1%	$155.40
2017	$7,500.00	X 2.1%	$157.50
2018	$7,600.00	X 2.1%	$159.60
2019	$7,700.00	X 2.1%	$161.70
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2022	$7,800.00	X 1.75%	$136.50
2023	$7,800.00	X 1.75%	$136.50
2024	$7,800.00	X 1.5%	$117.00
2025	$7,800.00	X 1.5%	$117.00
		TOTAL:	**$2,700.00**

NORMAL RETIREMENT BENEFIT

$1,498.55 + $2,700.00 = $4,198.55

EARLY RETIREMENT REDUCTION FACTOR

$4,198.55 x 6% = $251.91

MONTHLY BENEFIT

(Normal Benefit Less Early Retirement Reduction Factor

$4,198.55 - $251.91 = **$3,946.64**

Early Retirement Example, after age 60, with 35 years of Vesting Service:
Assume you are unmarried, are <u>not</u> an employee of a Paving Contractor, and retire on your 60^{th} birthday (January 1, 2026) with 35 years of Vesting and Benefit Service. Your pension is not reduced and equals the Normal Retirement Benefit:

SERVICE PRIOR TO JANUARY 1, 2008
1991 – 2007 17 YEARS X $88.15 = $1,498.55

YEAR	EMPLOYER CONTRIBUTION	PERCENTAGE BENEFIT RATE	PERCENTAGE BENEFIT AMOUNT
2008	$5,160.00	X 3%	$154.80
2009	$5,500.00	X 3%	$165.00
2010	$6,000.00	X 3%	$180.00
2011	$6,050.00	X 2.5%	$151.25
2012	$6,100.00	X 2.5%	$152.50
2013	$6,200.00	X 2.5%	$155.00
2014	$7,000.00	X 2.5%	$175.00
2015	$7,250.00	X 2.1%	$152.25
2016	$7,400.00	X 2.1%	$155.40
2017	$7,500.00	X 2.1%	$157.50
2018	$7,600.00	X 2.1%	$159.60
2019	$7,700.00	X 2.1%	$161.70
2020	$7,800.00	X 1.75%	$136.50
2021	$7,800.00	X 1.75%	$136.50
2022	$7,800.00	X 1.75%	$136.50
2023	$7,800.00	X 1.75%	$136.50
2024	$7,800.00	X 1.5%	$117.00
2025	$7,800.00	X 1.5%	$117.00
		TOTAL:	**$2,700.00**

MONTHLY BENEFIT
(Normal Benefit Less No Retirement Reduction Factor
$1,498.55 + $2,700.00 = **$4,198.55**

HOW ARE DISABILITY RETIREMENT BENEFITS CALCULATED?

Your disability retirement pension is figured in the same way as your Normal Retirement pension, based on your Benefit Units and the benefit levels in effect when you terminate active participation in the Plan plus the Percentage Benefit Amount for service after December 31, 2007. No reduction is made for early payment of this benefit.

HOW ARE OCCUPATIONAL DISABILITY RETIREMENT BENEFITS CALCULATED?

Your Occupational Disability Retirement Pension is figured in the same way as your normal retirement pension, based on your Benefit Units and the benefit levels in effect when you terminate active participation in the Plan plus the Percentage Benefit Amount for service after December 31, 2007. No reduction is made for early payment of this benefit.

HOW ARE DEFERRED RETIREMENT BENEFITS CALCULATED?

If you have at least one Vesting Hour on or after January 1989 and you have at least 5 years of Vesting Service, but are not an Active Participant upon your retirement, you are eligible to receive a deferred pension at your Normal Retirement Age. Your deferred pension is figured in the same way as your normal retirement pension, based on your Benefit Units and the benefit levels in effect when you cease to be an Active Participant in the Plan. However, if you terminate participation in the Plan with 25 or more years of Vesting Service, your deferred pension will be based on the level of benefits in effect at the time your pension is approved.

Deferred Retirement Example:

Assume you retire on January 1, 2026, at age 65. You are unmarried and not an employee of a Paving Contractor. You have 21 ½ years of Vesting and Future Benefit Service but last worked in covered employment in January 1991. Your deferred pension benefit is calculated as follows:

$47.00 x 21 ½ (units) = $1,010.50

(The benefit levels in effect in 1991 are used.)

Deferred Retirement Example, 25 years of Service:

Assume you retire on January 1, 2026, at age 65. You are unmarried and not an employee of a Paving Contractor. You have 26 years of Vesting and Future Benefit Service but last worked in covered employment in January 1997. Your deferred pension benefit is calculated as follows:

$88.15 x 26 (units) = $2,291.90

(The benefit level in effect in 2025 is used because you have 25 years of Vesting Service.)

HOW ARE PLAN BENEFITS PAID?

The form of your benefit payment depends upon whether you have a spouse when you retire.

36 Payment Guarantee Benefit

If you have no spouse at the time your pension is to commence, you will receive a monthly pension which is payable for your lifetime, with the provision that not less than 36 monthly payments will be made to you or your designated beneficiary. This is called the **36-payment guarantee** benefit. If you die after commencing your pension benefit, but before receiving 36 monthly payments, your designated beneficiary is eligible to receive any guaranteed monthly payments that remain after your death until a total of 36 monthly payments has been distributed.

50% Joint and Survivor Annuity

If you are married at the time your pension is to commence, you will, unless you and your spouse choose the **36-payment guarantee** benefit, receive a somewhat smaller monthly pension for as long as you live, and after your death, one-half of your pension will be paid to your surviving spouse for the rest of his or her lifetime. This form of payment provides valuable protection for you and your spouse and is called a **50% Joint and Survivor** benefit. Because this arrangement will usually result in benefit payments being made over a longer period of time than under the **36-payment guarantee** benefit, the amount of your monthly benefit is reduced to take this into account. If you do not want to receive your pension in the form of the **50% Joint and Survivor** benefit you and your spouse must elect your benefit in a written notarized statement, on a form provided by the Administrative Agent, during the election period. The election period is the 90-day period ending on the first day on which you are entitled to receive benefit payments under the Plan.

If you are receiving your pension on the basis of the **50% Joint and Survivor** benefit and your spouse dies before you do, your pension will be increased, beginning the first of the month following receipt of a death certificate, to the amount which would have been payable had you retired with the **36-payment guarantee** benefit.

75% Joint and Survivor Annuity

If you are married at the time your pension is to commence, and you retire after January 1, 2009, you and your spouse also have the option to choose a 75% Joint and Survivor benefit. Under this form of benefit, you would receive a smaller monthly pension than the 50% Joint and Survivor benefit for as long as you live, and after your death, 75% of your pension will be paid to your surviving spouse for the rest of his or her lifetime. This form of payment provides valuable protection for you and your spouse as does the **50% Joint and Survivor benefit**, but results in different monthly benefit amounts both during your lifetime and for your surviving spouse.

If you are receiving your pension on the basis of the **75% Joint and Survivor** benefit and your spouse dies before you do, your pension will be increased, beginning the first of the month following receipt of a death certificate, to the amount which would have been payable had you retired with the **36-payment guarantee benefit**.

If you and your spouse do elect not to receive the 50% Joint and Survivor option or the 75% Joint and Survivor option, your pension will be paid in the form of the 36-payment guarantee benefit, but upon your death, your spouse will not receive a survivor benefit.

Lump Sum Benefit

Usually, monthly benefits will be payable for your lifetime. But, if the lump-sum actuarial value of your pension is less than $7,000, you will receive the actuarial value of your pension in a lump sum instead of monthly payments.

Mandatory Distribution of Benefits

Regardless of whether you are retired or elect to begin taking benefits, benefits must begin to be paid no later than April 1 of the year after the year when you reach age 70 ½.

HOW IS THE 50% JOINT AND SURVIVOR PENSION CALCULATED?

For participants retiring before January 1, 2001, the factor is based upon a mortality table and depends upon your age and that of your spouse. The calculation based upon this table can be provided by the Fund Office.

For participants retiring after December 31, 2000, the 50% Joint and Survivor factor is based upon the following formula:

> 92% <u>plus</u> 0.5% for each year by which your spouse is older than you OR <u>minus</u> 0.5% for each year by which your spouse is younger than you. (The total cannot be more than 100%.)

50% Joint and Survivor factor examples:

1. Suppose you retire at age 65 and your spouse is 6 years <u>younger</u> than you. The Joint and Survivor factor is 89% calculated as follows:

   92% - (0.5% x 6 years)
   or
   92% - 3% = 89%

2. Suppose your spouse is 2 years <u>older</u> than you. The Joint and Survivor factor is 93% calculated as follows:

   92% + (2 years x 0.5%)
   or
   92% + 1% = 93%

Here is an example comparing the 36-payment guarantee pension to the 50% Joint and Survivor pension:

Suppose Joe is eligible in 2026 to retire at age 65, with 35 years of continuous years of vesting and service credit. Joe's spouse is 69 years old.

If Joe and his spouse selected the **36-month payment guarantee**, his pension would be calculated as follows:

SERVICE PRIOR TO JANUARY 1, 2008

1991 – 2007 17 YEARS X $88.15 = $1,498.55

YEAR	EMPLOYER CONTRIBUTION	PERCENTAGE BENEFIT RATE	PERCENTAGE BENEFIT AMOUNT
2008	$5,160.00	X 3%	$154.80
2009	$5,500.00	X 3%	$165.00
2010	$6,000.00	X 3%	$180.00
2011	$6,050.00	X 2.5%	$151.25
2012	$6,100.00	X 2.5%	$152.50
2013	$6,200.00	X 2.5%	$155.00
2014	$7,000.00	X 2.5%	$175.00
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2019	$7,700.00	X 2.1%	$161.70
2020	$7,800.00	X 1.75%	$136.50
2021	$7,800.00	X 1.75%	$136.50
2022	$7,800.00	X 1.75%	$136.50
2023	$7,800.00	X 1.75%	$136.50
2024	$7,800.00	X 1.5%	$117.00
2025	$7,800.00	X 1.5%	$117.00
		TOTAL:	**$2,700.00**

MONTHLY BENEFIT

(Normal Benefit Less No Retirement Reduction Factor

$1,498.55 + $2,700.00 = **$4,198.55**

Joe would be entitled to a monthly pension for his lifetime of $4,198.55. If Joe died before 36 months of benefits, his beneficiary would get the rest of the 36 payments. But after that, his spouse would receive <u>no</u> pension.

If Joe and his spouse were to receive the **50% Joint and Survivor pension**, the pension would be calculated as follows, because Joe is 4 years younger than his spouse:

(Normal Pension) x (50% Joint and Survivor Factor) = 50% Joint and Survivor Pension

$4,198.55 x 94% (because Joe is 4 years <u>younger</u> than his spouse) = $3,946.64

Joe would be paid $3,946.64 for the rest of his life. Upon his death, his spouse would receive $1,973.32 for the rest of her life. If Joe's spouse dies while Joe is alive, his pension would increase from $3,946.64 to $4,198.55, after the Administrative Agent receives written proof of his spouse's death.

HOW IS THE 75% JOINT AND SURVIVOR PENSION CALCULATED?

For participants retiring after December 31, 2008, the 75% Joint and Survivor factor is based upon the following formula:

88% plus 0.6% for each year by which your spouse is older than you OR minus 0.6% for each year by which your spouse is younger than you. The total cannot be more than 100%.

Here is how the 75% Joint and Survivor calculations works using the same examples:

1. Suppose you retire at age 65 and your spouse is 6 years younger than you. The Joint and Survivor factor is 84.4% calculated as follows:

    88% - (0.6% x 6 years)
    or
    88% - 3.6% - 84.4%

2. Suppose your spouse is 2 years older than you. The Joint and Survivor factor is 89.2% calculated as follows:

    88% + (2 years x 0.6%)
    or
    88% + 1.2% = 89.2%

Here is an example comparing the 36-month guarantee pension and the 50% Joint and Survivor pension to the 75% Joint and Survivor pension:

Suppose Joe is eligible in 2026 to retire at age 65, with 35 years of continuous years of vesting and service credit. Joe’s spouse is 69 years old.

From the previous example, we know that if Joe and his spouse selected the 36 payment guarantee, Joe would be entitled to a monthly pension for his lifetime of $4,198.55. If Joe died before 36 months of benefits, his spouse (or beneficiary) would get the rest of the 36 payments. But after that, his spouse (or beneficiary) would receive <u>no</u> pension.

If Joe and his spouse were to receive the **50% Joint and Survivor pension**, Joe would be paid $3,946.64 for the rest of his life. Upon his death, his spouse would receive $1,973.32 for the rest of her life. If Joe's spouse dies while Joe is alive, his pension would increase from $3,946.64 to $4,198.55, beginning the first of the month after the Administrative Agent receives a copy of his spouse's death certificate verifying the death.

If Joe and his spouse were to receive the **75% Joint and Survivor pension**, Joe's pension would be calculated as follows:

(Normal Pension) x (75% Joint and Survivor Factor) = 75% Joint and Survivor Pension

$4,198.55 x 90.4% (because Joe is 4 years <u>younger</u> than his spouse) = $3,795.49

Joe would be paid $3,795.49 for the rest of his life. Upon his death, his spouse would receive $2,846.62 for the rest of her life. If Joe's spouse dies while Joe is alive, his pension would increase from $3,795.49 to $4,198.55 after the Administrative Agent receives a copy of his spouse's death certificate verifying the death.

When you retire, the Administrative Agent will help you understand the different forms of benefits you may elect.

ARE DEATH BENEFITS AVAILABLE UNDER THE PLAN?

Certain death benefits are available under the Plan. These include the Pre-Retirement Surviving Spouse's Benefit, the Pre-Retirement Lump Sum Death Benefit and the Retiree Lump Sum Death Benefit.

If you die while receiving a 36-Payment Guarantee benefit and after you have received 36 monthly pension payments, no benefits are payable on your behalf after your death except for the $5,000 lump-sum death benefit. If you die while receiving a 50% Joint and Survivor benefit and your spouse dies before you do, no benefits are payable on your behalf after your death except for the $5,000 lump-sum death benefit. If you have not yet begun collecting your pension benefits before you die, no benefits are payable on your behalf after your death unless you die while an Active Participant and you have completed at least 5 years of Vesting Service, or you die while married (for at least one year) and you have completed at least 5 years (or 10 years if you do not have a Vesting Hour on or after January 1, 1989) of Vesting Service.

WHAT IS THE PRE-RETIREMENT SURVIVING SPOUSE'S BENEFIT?

If, upon your death, you meet all of the following eligibility requirements:

1. you are a vested Participant and have completed 5 years of Vesting Service,
2. you performed some work after June 1, 1994,
3. you are married at the time you die and have been married for a year or longer, and
4. you die before you retire (i.e. withdraw from Covered Employment),

then upon your death, your spouse will receive a monthly pension for life beginning the first day of the month following your death. The

Administrative Agent must receive a copy of your death certificate to verify the date of death. Your spouse's pension is equal to 50% of the pension you would have received (based on the pension benefits calculated at the time of your death) under the 50% Joint and Survivor benefit form including appropriate reductions for early retirement under the Plan. The amount of reduction for early retirement, however, will not exceed 10%.

WHAT IS THE PRE-RETIREMENT LUMP SUM DEATH BENEFIT?

If you die while an Active Participant in the Plan and you have completed at least 5 years of Vesting Service, your beneficiary is eligible to receive a lump-sum death benefit of $5,000, upon completion of an application for death benefits and a copy of your death certificate. This death benefit is in addition to any pre-retirement surviving spouse's benefit that may be payable.

WHAT IS THE RETIREE LUMP SUM DEATH BENEFIT?

If you die while receiving a pension from the Plan, your beneficiary is eligible to receive a lump-sum payment of $5,000, upon completion of an application for death benefits and a copy of your death certificate. This death benefit is in addition to any other benefit that may be payable under the Plan.

CAN I LOSE BENEFIT UNITS AFTER I HAVE EARNED THEM?

Under certain circumstances, you may lose Benefit Units you have earned. If you have worked after January 1, 1989, and you have five years of Vesting Service, the benefit units you have earned are non-forfeitable and cannot be taken away from you. If, however, you have less than 5 years of Vesting Service and you suffer 5 consecutive one year Break in Service, you will lose any Benefit Units. The rules for participants who have not worked since December 31, 1980, are different and can be obtained from the Administrative Agent.

AFTER I RETIRE, WILL MY BENEFITS EVER BE REDUCED OR INCREASED?

Unless you engage in prohibited employment, which is discussed below, your benefits will not be reduced during your lifetime. The Board of Trustees may, from time to time, decide to increase the benefits of retirees, but you have no right to receive an increase and it is solely with the discretion of the Trustees to establish any increases.

If you return to employment for an Employer who contributes to the Plan after you retire, you will accrue benefits at the formula in effect at the time of your Re-retirement, for all service you accrue after Retirement.

SUSPENSION OF BENEFIT RULES

Plan's Retirement Rule:

The rules of the Operating Engineers Local No. 77 Pension Trust Fund (the "Pension Plan" or "Plan") provide the following with respect to Retirement:

Prior to the Participant's attainment of age 70 ½, pension benefits provided by the Pension Plan shall commence only if the Participant is "Retired." To be considered "Retired," there must be the complete and continued withdrawal from Covered Employment. An individual who has retired from employment must remain separated from Prohibited Employment for at least six (6) months from the date pension payments commenced. If the individual returns to work in Prohibited Employment, as defined by the Plan's Prohibited Employment Rule below, after the commencement of pension payments and did not remain separated from employment for six months following the date pension payments commenced, he/she will not be considered retired and will not be entitled to any benefits he/she received, and the Fund shall be entitled to recover any benefits paid to the individual. The Board of Trustees, upon an investigation of the facts and circumstances, may determine that Participant has retired from employment.

Plan’s Prohibited Employment (Suspension of Benefits) Rule:
The rules of the Operating Engineers Local No. 77 Pension Trust Fund (the “Pension Plan” or “Plan”) provide the following with respect to prohibited employment:

A Pensioner shall be deemed to be employed in Prohibited Employment for any month in which he/she is employed for 40 or more Vesting Hours of Service in:

A. an "industry" in which employees covered by the Plan were employed and accruing benefits under the Plan as a result of such employment at the time that the payment of benefits commenced or would have commenced if he/she was not employed in Prohibited Employment. The term “industry,” as defined under Section 29 CFR Section, 202(a)(3)(B)(2), means the business activities of the types engaged in by any employers maintaining the plan; and

B. a "trade or craft" in which such Pensioner was employed at any time that he was accruing benefits under the Plan. “Trade or craft,” as set forth under Section 29 CFR Section, 202(a)(3)(B)(2), is a (i) skill or skills learned during the apprenticeship or is the subject the apprenticeship program; or (ii) the supervisory activities relating to the skill or skills which are subject of the apprenticeship program; and

C. the "geographic area" covered by the Plan at the time that the Pensioner’s benefits commenced or would have commenced if he/she was not employed in Prohibited Employment. The “geographic area” of the plan, as the term is defined under Section 29 CFR Section, 202(a)(3)(B)(2), shall consist of any state in which contributions were made or were required to be made by or on behalf of an employer and the remainder of any Standard Metropolitan Statistical Area ("SMSA[1]") which falls in part within such state, determined as of the time that the payment of benefits commenced or would have commenced if the employee had not returned to employment.

Except as modified by the enhanced benefit rule in the paragraph immediately following this paragraph, no pensioner under the age of 70 ½ shall be entitled to receive benefits for any month in which he/she is employed in "Prohibited Employment" as defined above. If an Employee is employed in Prohibited Employment on or after his Annuity Starting Date, the employee's benefits shall be suspended until he/she ceases to work in Prohibited Employment.

Under the enhanced benefit rule, a pensioner under the age of 70 ½ shall not be considered to be working in Prohibited Employment during any month he/she is employed for 40 or more Vesting Hours of Service provided he/she is not employed for more than 468 Vesting Hours of Service in any calendar year. If a pensioner is employed for more than 468 Vesting Hours of Service in the same calendar year, beginning the month he/she exceeds the total of 468 Vesting Hours of Service, he/she shall be deemed to be engaged in Prohibited Employment, and his/her benefits shall be suspended in accordance with the Prohibited Employment rules, and the pensioner shall be permanently ineligible for this enhanced benefit. This enhanced benefit is subject to periodic review by the Trustees and may be amended, suspended, or terminated at the discretion of the Trustees.

What if I become employed after I retire?
Certain employment after retirement will result in a permanent suspension of your pension payments during the period of your

employment or will result in a delay in the start of your pension, if you have not yet retired. This is called prohibited employment. The prohibited employment that will result in suspension of pension benefits before you reach age 65 is any employment of the type for which contributions are made to this Plan on your behalf by an Employer. After you reach age 65, the prohibited employment that will result in suspension of pension benefits is any employment or self-employment that is in the same industry, in the same trade or craft, and in the same geographical area covered by the Plan.

You will not be entitled to receive a pension payment for any month in which you have any Vesting Hours of prohibited employment before age 65. You will not be entitled to receive a pension payment for any month in which you are paid for 40 or more hours of prohibited employment after reaching age 65. The hours which are counted for this purpose include paid hours for non-work, such as vacation. As in the case of the enhanced benefit rule, the Board of Trustees may, from time to time, determine to permit retirees working in prohibited employment and not enforce the Plan's prohibited employment rules. If the Trustees make that determination, you will receive written notice of that decision. If, after you retire, you work in prohibited employment you must provide written notification of this work to the Administrative Agent within 15 days of starting the work, regardless of the number of expected paid hours per month. If you do not furnish the requested information by the Administrative Agent, or if you do not inform the Trustees that you have started working and the Trustees become aware of it the Trustees may assume that you are working in prohibited employment for 40 hours per month for the entire period that your employer has been working at its site and may withhold your pension payments until you furnish information indicating that pension payments should not be withheld.

During the period that you are receiving pension payments, the Trustees may ask you to provide periodic proof that you are not working in prohibited employment. If you do not furnish the requested proof, the Trustees may withhold your pension payments commencing with the payment for the third month following the month in which you were requested to provide the proof. Pension payments will again be made to you commencing with the second month following the month in which proof is received that you are not working in prohibited employment. Your initial payment will include any previously withheld pension payments for months in which you were not working in prohibited employment, less an offset for any amounts owed the Plan.

If you receive a pension payment for a month in which you were working in prohibited employment you are obligated to repay the amount you were not entitled to receive.

When your pension payments are withheld, the Administrative Agent will furnish you with a notice describing the reason for the suspension, plus certain other related information. You can request a review of the decision to suspend your pension payments by submitting a written request to the Trustees within 60 days after receipt of the suspension notice. The request for review will be handled in the same manner as a review of a denial of pension benefits.

When you stop working in prohibited employment you must notify the Administrative Agent in writing of the date you stopped working in such employment. You may be asked to provide proof of terminating your prohibited employment, such as a written acknowledgment from your prohibited employer. Pension payments will be made to you commencing the later of (1) the third month following the month in which you stopped working in prohibited employment or (2) the second month following the month in which notice is received that you have stopped working in such employment. Your initial payment will include previously withheld pension payments for months in which you were not working in prohibited employment, less an offset for any amounts owed the Plan.

You may request an advanced determination as to whether certain employment is considered prohibited employment.

If, after you retire, your early retirement benefit or vested benefit is suspended during the period before you reach age 65, the pension you receive when benefits are again payable will be actuarially adjusted to reflect the payments you received before reaching age 65.

No pension benefits are payable for any month in which you receive weekly accident and sickness benefits from the Welfare Plan of the Operating Engineers Trust Fund of Washington, D.C. or any other construction trades welfare fund.

RECALCULATION FOR BENEFITS EARNED AFTER RETIREMENT

The Fund Office will only re-calculate pensions for participants who retire and then return to work in covered employment under the "Suspension of Benefit Rules" ***once per year*** on December 31st. No re-calculation will be performed at that time for a participant who has earned <u>any</u> Benefit Service in the six months prior to December 31st (meaning from July 1 - December 31). If you "re-retire" and have earned even an hour of Benefit Service between July and December, that additional service will be counted and your pension adjusted the ***following*** December 31st.

HOW LONG WILL THIS PLAN CONTINUE?

It is intended that the Plan will continue indefinitely. Because of changing circumstances, the Board of Trustees reserves the right to change or amend the Plan, and, if necessary, discontinue it. If it becomes necessary to terminate the Plan, the assets of the Plan must be used to provide benefits according to the Plan document. The amounts which are eventually paid depend on the sufficiency of assets and if there is an insufficiency of assets, the extent to which benefits are guaranteed by the Pension Benefit Guaranty Corporation. A reduction in the amount of Plan benefits may also occur before Plan termination if the Plan is not sufficiently funded or if the Plan cannot pay the full amount of the benefits when due.

BENEFIT RESTRICTIONS

The Internal Revenue Code limits the amount of benefits that may be paid from a plan or from a combination of plans. The benefits provided by this Plan alone would not, based on present levels, exceed the limitations. However, no advanced determination has been made as to whether the benefits from this Plan in combination with the benefits from other plans in which employees participate would exceed the limitations. If the limitations would otherwise be exceeded, it would be necessary to reduce benefits.

HOW DO I APPLY FOR BENEFITS?

If you wish to file a claim for benefits under the Pension Plan, the Administrative Agent will supply you with all the forms necessary for the proper filing of your claim. Benefits are not required to be paid for any period before the date you file a claim.

WHAT CAN I DO IF MY CLAIM FOR BENEFITS IS DENIED?

If you make a claim for benefits under the Plan, and all or part of it is denied, the Administrative Agent will notify you in writing within 90 days (180 days if you receive a written notice from the Administrative Agent that the Trustees need extra time to reach a decision).

Within 60 days after you receive the notice of denial, you or your authorized representative may appeal the decision in writing. The Trustees will review your appeal at the next scheduled meeting. However, if it is received within 30 days of the meeting, the Trustees will review your appeal at the second scheduled meeting after receiving the appeal or, if extra time is needed because of special circumstances, at its third scheduled meeting after receiving your appeal.

As soon as possible after the Board of Trustees reviews your appeal you will be notified in writing of the final decision and the specific reasons for that decision.

WHO ADMINISTERS THE PLAN?

The Board of Trustees is the Plan Administrator. The Trustees have selected an Administrative Agent to carry out, on a contract basis, the day-to-day operation of the Plan. Also, the Board of Trustees has delegated certain of the fiduciary responsibilities to investment managers.

ARE BENEFITS UNDER THIS PLAN INSURED?

Benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC). Insured benefits are payable if a plan is unable to pay such benefits when due. If this occurs, the plan is considered to be insolvent. Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

If a plan has been in effect less than five years, or if the benefits have been increased within the five years before plan insolvency, the plan's vested benefits or the benefit increases are not guaranteed. In addition, there is a ceiling on the amount of monthly benefit that PBGC guarantees.

For more information on the PBGC insurance protection and its limitations, ask the Administrative Agent or the PBGC. Inquiries to the PBGC should be addressed to the Office of Programs Operations, Pension Benefit Guaranty Corporation, P.O. Box 151750, Alexandria, VA 22315-1750. The PBGC offices are located at 445 12th Street, SW, Washington, D.C. 20024-1750. The PBGC may also be reached by calling 1-800-400-7242.

CAN MY PENSION BENEFITS BE ATTACHED BY MY CREDITORS? CAN I ASSIGN MY RIGHTS TO PENSION BENEFITS TO SOMEONE ELSE?

For the protection of your interest and those of your dependents, your benefits under this Plan cannot be assigned and, to the extent permitted by law, are not subject to garnishment or attachment.

WHAT HAPPENS TO MY PENSION BENEFITS IF I GET DIVORCED?

If you are eligible for benefits under the Plan, and you get divorced, your spouse may be granted certain rights in your pension if the court issues what is called a Qualified Domestic Relations Order. Because pension rights are important to you as a participant and to your spouse, each of you should seek experienced counsel to advise you regarding your rights in the event of a divorce.

YOUR RIGHTS UNDER ERISA

As a participant in the Operating Engineers Local No. 77 Pension Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine without charge, at the Administrative Agent's office, and at other locations, such as worksites and Union halls, all plan documents, collective bargaining agreements and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of all plan documents and other plan information upon written request to the Administrative Agent. The Board of Trustees may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Board of Trustees 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 and, if so, what your benefits would be at normal retirement age if you stopped 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 in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for plan participation, ERISA imposes duties upon the people who are responsible for the operation of this employee benefit plan. The people who operate your 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 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.

If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Board of Trustees reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights.

For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require the Board of Trustees 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 Board of Trustees. 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.

If 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.

If you have any questions about this statement or your ERISA rights, you should contact the Board of Trustees. If you have any questions about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Employers under the Plan
You may receive from the Administrative Agent or the Union, upon written request, information as to whether a particular employer is a sponsor of the Plan and, if the employer is a Plan sponsor, the employer's address. Also, you may examine a list of the sponsoring employers during normal business hours at the office of the Administrative Agent or the Union.

Collective Bargaining Agreements
Your Plan is maintained pursuant to one or more collective bargaining agreements. A copy of the agreements may be obtained from the Administrative Agent upon written request. Also, you may examine the agreements during normal business hours at the office of the Administrative Agent, or, within 10 days of a written request to the Administrative Agent, at the office of the Union or at worksites where 50 or more Plan participants customarily work.

Plan Documents
A copy of the Plan documents may be obtained from the Administrative Agent upon written request. Also, you may examine the Plan documents during normal business hours at the office of the Administrative Agent or, within 10 days of a written request to the Administrative Agent, at the office of the Union or at worksites where 50 or more Plan participants customarily work.

We have tried to write this summary in clear, understandable and informal language. However, you should refer to the official Plan documents for more information about your benefits. In the event there is any conflict between the information in this summary and the official plan documents, the plan documents will govern. The Board of Trustees has the authority to interpret the terms of the Plan and to make factual determinations that will be binding on all parties.