

July, 2015

International Union of Operating Engineers Local 4

Summary of Important Changes made to the Pension Plan

Your Summary Plan Description ("SPD") document provides you with detailed information to help you understand your Pension Plan benefits. This notification summarizes updates that will be made to the SPD as a result of certain changes recently voted by the Board of Trustees of the Pension Plan. If you do not have a copy of the SPD, please call the Funds Office at 508-533-1400 or visit our website at www.local4funds.org.

Increase in the Benefit Accrual Rate

The Board of Trustees voted to increase the benefit accrual rate in two steps:

- For Participants who earn at least ¼
 Pension Credit after December 31, 2014
 and retire on or after January 1, 2016,
 the accrual rate for service on and after
 January 1, 1993 will increase to \$140 for
 each Pension Credit.
- For Participants who earn at least ¼
 Pension Credit after December 31, 2015
 and retire on or after January 1, 2017,
 the accrual rate for service on and after
 January 1, 1993 will increase to \$150 for
 each Pension Credit.

If you have suffered a benefit break or a break in service please refer to pages 8-9 of the SPD for the benefit accrual rate that will be applied to any Pension Credits earned before your benefit break. (Benefit breaks and breaks in service are discussed at pages 14-18 of the SPD.)

If you are working for an employer that is contributing to the Pension Plan below the targeted contribution rate of \$6.50 per hour, your benefit accrual rate will be prorated. See page 10 of the SPD for more information.

What this means to you if you retire during calendar year 2016

If you retire on or after January 1, 2016, but before January 1, 2017, the benefit accrual rate for Pension Credits earned after January 1, 1993 will increase to \$140 for each Pension Credit (an increase of \$15 from the current \$125 accrual rate), as long as you earn at least ½ Pension Credit after December 31, 2014. (Pension Credit earned before January 1, 1993 will remain at the \$85 benefit accrual rate.)

For example, assume you retire on February 1, 2016 at age 62, having earned at least ¼ Pension Credit after December 31, 2014, with 30 Pension Credits (23 Pension Credits on and after January 1, 1993 and 7 Pension Credits before January 1, 1993). Assuming you do not have any unrepaired benefit breaks, the Life Annuity form of your benefit will be \$3,815 per month (23 Pension Credits x \$140, plus 7 Pension Credits x \$85).

What this means to you if you retire on or after January 1, 2017

If you retire on or after January 1, 2017, the benefit accrual rate for Pension Credits earned after January 1, 1993 will increase to \$150 for each Pension Credit (an increase of \$10 over the rate that applies in 2016, as noted earlier in this PensionLine), as long as you earn at least ½ Pension Credit after December 31, 2015. (Pension Credit earned before January 1, 1993 will remain at the \$85 benefit accrual rate.)

For example, assume you retire on February 1, 2017 at age 62, having earned at least ¼ Pension Credit after December 31, 2015, with 31 Pension Credits (24 Pension Credits after January 1, 1993 and 7 Pension Credits before January 1, 1993). Assuming you have not incurred any unrepaired benefit breaks, the Life Annuity form of your benefit will be \$4,195 per month (24 Pension Credits x \$150, plus 7 Pension Credits x \$85).

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How "Well Funded" is the Pension Plan?

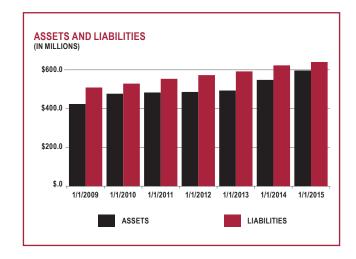
The Pension Protection Act of 2006 requires us to tell you how well the Pension Plan is funded, using a measure called the "funded percentage." You receive information about the "funded percentage" each year in the "Annual Funding Notice" the Fund Office sends you. The calculation of this "funded percentage" is simple: it is reached by dividing the Plan's assets by its liabilities (as determined by the Fund's actuary) on the Valuation Date. The Pension Protection Act generally deems any Pension Plan with a "funded percentage" of at least 80% as "Safe" or in the "Green" Zone.

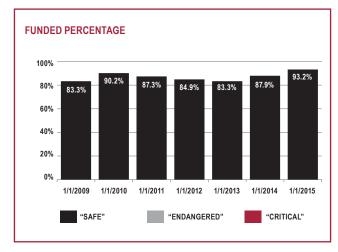
The Trustees are pleased to tell you that the Pension Plan has been in that "Green" zone since the time the Pension Protection Act requirements took effect.

In particular, the Plan's funded percentage for the past seven years and the value of the Plan's assets and liabilities for the same period are shown in the following chart:

Plan Year Beginning	Value of Assets	Value of Liabilities	Funded Percentage
1/1/2009	\$424,239,420	\$509,398,497	83.33%
1/1/2010	\$477,409,284	\$529,121,946	90.23%
1/1/2011	\$483,546,083	\$553,599,595	87.35%
1/1/2012	\$486,241,224	\$572,984,121	84.86%
1/1/2013	\$493,712,804	\$592,457,969	83.33%
1/1/2014	\$548,074,321	\$623,232,484	87.94%
1/1/2015	\$596,685,000	\$640,402,500	93.17%

These graphs illustrate the plan's assets, liabilities, and "funded percentage" from 2009 through 2015:





In Summary

We encourage you to keep a copy of this PensionLine with your SPD for future reference. If you have any questions about these benefits or the recent changes made to the Pension Plan, please call or write the Funds Office at the following telephone number or address:

IUOE Local 4 Pension Plan 16 Trotter Drive, P.O. Box 680 Medway, MA 02053-0680 508-533-1400 x121 office@local4funds.org

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IUOE Local 4

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