



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

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JAMES M. SWEENEY, CHAIRMAN / DAVID M. SNELTEN, SECRETARY-TREASURER

Important Information Regarding Midwest Operating Engineers Retiree Welfare Plan

April 11, 2019

If you retired before April 1, 2019, these new eligibility requirements DO NOT apply to you.

Dear Current or Future Retiree:

This information is important so please read the enclosed Summary of Material Modifications (SMM) in its entirety.

The Midwest Operating Engineers Board of Trustees for the Retiree Welfare Plan have modified the eligibility requirements for determining how a member qualifies for Retiree Welfare Plan (Retiree Plan) benefits. PLEASE NOTE: This notice only applies to your eligibility for medical coverage when you retire. This notice **does not** impact your vested benefit that you have accrued under the Midwest Operating Engineers Pension Fund.

These changes are in addition to the other eligibility requirements outlined under the Retiree Plan. It should be noted that most Members meet these eligibility requirements, including the new changes as follow:

Effective April 1, 2019, to be eligible for Retiree Plan benefits, you must:

- *Maintain continuous eligibility under the Active Plan for the lesser of:*
 1. *At least 120 consecutive months (10 years) prior to your retirement date; or*
 2. *Continuous eligibility since at least April 1, 2016*

and

- *Work at least 800 hours—during which contributions were required to be made—each year for the five (5) Active Plan Years immediately preceding the Active Plan Year containing your effective date of retirement (with 40 hours allocated each week during periods of continuous disability, for periods that you are providing care for an immediate family member's (parent, spouse, or child) serious health condition, or for periods of active military service. Please note: If you are caring for an immediate family member, you must be primarily responsible for this family member and their well-being).*

If after you read the enclosed SMM and you have questions, we encourage you to contact the Retirement Services Group to speak with a Retiree Welfare Plan Specialist. Please call (708) 937-0327 with any questions.

Sincerely,

The Board of Trustees

The Midwest Operating Engineers Retiree Welfare Plan

Enclosure



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Summary of Material Modifications

Midwest Operating Engineers Retiree Welfare Plan Changes to the Eligibility Requirements Effective April 1, 2019

April 11, 2019

This document is referred to as a Summary of Material Modifications (SMM) to your Midwest Operating Engineers Retiree Welfare Plan Summary Plan Description (SPD) dated January 1, 2010. All other information, terms, and conditions in your Retiree SPD dated January 1, 2010, remain in effect and have not changed.

Review this SMM carefully and your SPD in its entirety so you understand your benefits. For future reference keep this SMM with your Benefit Summary, SPD, and all other SMMs issued after January 1, 2010. They are a resource for you when you have questions about your benefits. Visit www.moefunds.com/rwp-formsnotices/ for additional information.

Changes to Retiree Welfare Plan Eligibility Requirements

Effective April 1, 2019, to be considered eligible for Retiree Plan benefits, you must have:

- Maintained continuous eligibility since at least April 1, 2016 or for 120 consecutive months (10 years) prior to your retirement date, whichever is less, under the Active Plan; **and**
- Worked at least 800 hours—during which contributions were required to be made—each year for the five (5) Active Plan Years immediately preceding the Active Plan Year containing your effective date of retirement (with 40 hours allocated each week during any periods of continuous disability, for periods while providing care for an immediate family member's (parent, spouse, or child) serious health condition, or for periods of active military service. Please note: If you are caring for an immediate family member, you must be primarily responsible for this family member and their well-being).

You must also meet all other eligibility requirements to retire and continue to receive benefits under the Retiree Plan.

Frequently Asked Questions

Does this notice impact my monthly vested benefit under the Midwest Operating Engineers Pension Fund?

No, this notice **does not** impact the monthly vested benefit you have accrued under the Pension Fund. This notice is only applicable to the eligibility requirements for medical coverage under the Retiree Welfare Plan.

If you are disabled, you will be allocated 40 hours each week to help you meet the 800-hour requirement. If you are caring and primarily responsible for a seriously ill parent, child, or spouse, you will be allocated 40 hours each week to help you meet the 800-hour requirement. If you are called to active military duty, you will also be allocated 40 hours each week to help you meet the 800-hour requirement.

You must meet the 800-hour requirement to be considered eligible for Retiree Plan benefits. The hours are to help you meet eligibility requirements and do not count towards any other benefits.

Why am I receiving this document if I am not retired?

In general, only current Retiree Plan participants receive information about Retiree Plan changes. However, due to the importance of this particular change, all current Retiree Plan and Active Plan participants are receiving this notification.

How does this work if I intend to retire on or after April 1, 2019?

The requirements can be explained by taking a hypothetical situation of a Member who intends to retire on or after April 1, 2019.

Requirements 1 through 5 must be answered “Yes” for the Member to be considered eligible for the Retiree Welfare Plan on or after **April 1, 2019**.

Requirement 1	Is the Member at least 55 years old and no longer/will no longer be actively employed?
Requirement 2	Has the Member accumulated at least ten (10) Vesting Service Years under the Midwest Operating Engineers Pension Plan?
Requirement 3	Has the Member been a Member in Good Standing since at least January 1, 2019?
Requirement 4	Did the Member maintain at least 120 consecutive months (10 years) of continuous eligibility under the Active Plan prior to his retirement date? Or has the Member been continuously eligible since at least April 1, 2016?
Requirement 5	Did the Member work at least 800 hours—during which contributions were made—each year for the five (5) Active Plan Years immediately preceding the Active Plan Year containing the effective date of retirement?

The Active Plan Year is from April 1 through March 31.

All of the above requirements must be satisfied for the Member’s Retiree Plan application to be approved.

See below for Member eligibility examples.

Examples 1 and 2: Pete wants to retire on April 1, 2021. He meets requirements 1 through 3 and the new requirement 4, above. In order to meet the new requirement 5 and be eligible under the Retiree Plan, Pete must have at least 800 hours allocated in each of the five (5) Active Plan Years immediately preceding the Active Plan Year containing his effective date of retirement (April 1, 2021).

Date of Retirement: April 1, 2021				
Plan Year	Example 1: Meets 800-Hour Requirement		Example 2: Does NOT Meet 800-Hour Requirement	
	Active Hours	Meets Rule?	Active Hours	Meets Rule?
4/1/2020 – 3/31/2021	925	Yes	720	NO
4/1/2019 – 3/31/2020	850	Yes	801	Yes
4/1/2018 – 3/31/2019	1,825	Yes	1,825	Yes
4/1/2017 – 3/31/2018	1,750	Yes	1,750	Yes
4/1/2016 – 3/31/2017	1,675	Yes	1,675	Yes
4/1/2015 – 3/31/2016	1,800	Yes	1,800	Yes

In Example 1, Pete has worked at least 800 hours in each of the five (5) Active Plan Years preceding his retirement date of April 1, 2021; therefore, he meets the 800-hour requirement. Pete could retire anytime during the 2020/2021 Plan Year or during the 2021/2022 Plan Year as he would meet the 800-hour requirement in either situation.

In Example 2, Pete leaves covered employment and has NOT worked at least 800 hours in each of the five (5) Active Plan Years preceding his retirement date of April 1, 2021; therefore, he is NOT eligible for Retiree Plan benefits.

In Example 2, Pete would meet the 800-hour requirement by retiring sometime during the 2020/2021 Plan Year.

Examples 3 and 4: Georgeanne wants to retire on October 1, 2019. She meets requirements 1 through 3 and the new requirement 4, above. In order to meet the new requirement 5 and be eligible under the Retiree Plan, Georgeanne must have at least 800 hours allocated in each of the five (5) Active Plan Years immediately preceding the Active Plan Year containing the effective date of retirement (October 1, 2019).

Date of Retirement: October 1, 2019				
Plan Year	Example 3: Meets 800-Hour Requirement		Example 4: Does NOT Meet 800-Hour Requirement	
	Active Hours	Meets Rule?	Active Hours	Meets Rule?
4/1/2019 – 3/31/2020	750	N/A	750	N/A
4/1/2018 – 3/31/2019	1,575	Yes	700	NO
4/1/2017 – 3/31/2018	1,750	Yes	1,750	Yes
4/1/2016 – 3/31/2017	1,600	Yes	1,600	Yes
4/1/2015 – 3/31/2016	1,825	Yes	1,825	Yes
4/1/2014 – 3/31/2015	1,700	Yes	1,700	Yes

In Example 3, Georgeanne has worked at least 800 hours in each of the five (5) Active Plan Years preceding her retirement date of October 1, 2019; therefore, she meets the 800-hour requirement. Georgeanne could retire anytime during the 2019/2020 Plan Year.

In Example 4, Georgeanne leaves covered employment and has NOT worked at least 800 hours in each of the five (5) Active Plan Years preceding her retirement date of October 1, 2019; therefore, she is NOT eligible for Retiree Plan benefits.

Even though Georgeanne only worked 750 hours in her year of retirement, these hours do not apply towards the 800-hour requirement. Only the five Plan Years prior to her date of retirement are considered.

What happens if a Member has a lapse in coverage?

The above examples are illustrative of specific situations and how a Member's retirement planning is important. Every situation can be different and depends upon various factors including, when the Member retires, when the lapse occurs, and whether the Member can meet all of the eligibility requirements. **It is extremely important for a Member to maintain his/her eligibility and avoid having a lapse in coverage.**

I have been continuously disabled from April 28, 2019 through November 30, 2019 and not worked in active employment since April 1, 2019. I plan to retire on April 1, 2020, how will this work?

You are allocated 40 hours per week if you are continuously disabled. These hours will apply toward the 800-hour requirement ONLY.

In this example, your disability hours will be allocated as follows:

If you intend to retire after April 1, 2019, you must have 800 hours allocated in each Plan Year for the five (5) Active Plan Years prior to your effective date of retirement.

Continuous Disability from 4/28/2019 – 11/30/2019: 31 weeks x 40 hours = 1,240 hours

Date of Retirement: April 1, 2020			
Plan Year	Active Hours	Disability Hours	Meets 800-Hour Requirement?
4/1/2019 – 3/31/2020	0	1,240	Yes
4/1/2018 – 3/31/2019	1,575	0	Yes
4/1/2017 – 3/31/2018	1,750	0	Yes
4/1/2016 – 3/31/2017	1,600	0	Yes
4/1/2015 – 3/31/2016	1,825	0	Yes

You would be eligible to retire on April 1, 2020 or any time during the 2020/2021 Plan Year.

Your continuous disability was from April 28, 2019 through July 31, 2019, but you worked in active employment from April 1, 2019 until April 28, 2019. You did not return to active employment after July 31, 2019. Can you still retire on April 1, 2020?

Your disability hours will be allocated as follows:

Continuous Disability from 4/28/2019 – 7/31/2019: 13 weeks x 40 hours = 520 hours

Date of Retirement: April 1, 2020			
Plan Year	Active Hours	Disability Hours	Meets 800-Hour Requirement?
4/1/2019 – 3/31/2020	160	520	NO
4/1/2018 – 3/31/2019	1,575	0	Yes
4/1/2017 – 3/31/2018	1,750	0	Yes
4/1/2016 – 3/31/2017	1,600	0	Yes
4/1/2015 – 3/31/2016	1,825	0	Yes
4/1/2014 – 3/31/2015	800	0	Yes

If you retire on April 1, 2020, you would not be eligible for Retiree Plan benefits as you would not meet the 800-hour requirement. To retire on April 1, 2020, you would need to return to active employment and work at least 120 hours (800 - 160 - 520 = 120 hours). Otherwise, you could retire during the 2019/2020 Plan Year as long as you had 800 hours during the 2014/2015 Plan Year.

Questions?

If you have questions about the information contained in this SMM, please contact the Retirement Services Group to speak with a Retiree Welfare Plan Specialist. Please call (708) 937-0327 with any questions.

This announcement contains only highlights of recent changes to the Midwest Operating Engineers Retiree Welfare 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.