



## **Notice of Critical Status For Pension Trust Fund for Operating Engineers**

This is to inform you that on March 31, 2017 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor (the Board of Trustees), that the plan is in critical status for the plan year beginning January 1, 2017. Federal law requires that you receive this notice.

### **Critical Status**

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan was in critical status last year and over the next 9 years, the plan is projected to have an "accumulated funding deficiency" (the funding standard account credit balance will be negative) for the 2019 plan year.

### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On March 21, 2013, you were notified that the plan reduced or eliminated adjustable benefits. If the Trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit accrued to date and payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 1, 2013.

### **Adjustable Benefits**

The plan offers the following adjustable benefits which may be (or have been) reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

### **Where to Get More Information**

For more information about this Notice, you may contact the Trust Fund Office of the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, CA 94502, Phone: (800) 251-5014 or the Fringe Benefits Center located at 1620 South Loop Road, Alameda, CA 94502, at (800) 532-2105 or (510) 748-7450; Hawaii at (800) 660-9126 or (808) 847-1289; Reno at (800) 922-6100 or (775) 857-4440; or Sandy, Utah at (800) 662-3630 (in state only) or (801) 596-2677. You have a right to receive a copy of the rehabilitation plan from the plan.