

OPERATING ENGINEERS TRUST FUNDS

I.U.O.E. LOCAL 12 HEALTH & WELFARE / PENSION / VACATION / DCP

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Explanation of Forms of Pension Payment

When you retire, you must choose the form of pension you want to receive. Please read these brief explanations carefully. For complete details, please refer to the Summary Plan Description Booklet (SPD) or contact the Fund Office.

Single Life Annuity (with 120 Months Certain)

This is the automatic form of payment for unmarried participants. A married participant may elect this form of payment only if he and his spouse have properly rejected the Joint & Survivor Annuity. This form of payment provides a monthly pension to the pensioner for life. In the event the pensioner dies before receiving 120 monthly pension payments, the monthly pension will continue to be paid to the pensioner's designated beneficiary until a total of 120 monthly payments have been made to the pensioner and the pensioner's designated beneficiary combined. For married participants, the spouse is automatically the beneficiary unless the participant and spouse complete a Designation of Beneficiary Form naming someone other than the spouse and the spouse consents to that beneficiary.

50% or 75% Joint & Survivor Annuity

This is the automatic form of payment for married participants and is not available to unmarried participants. It provides a reduced monthly pension payable to the pensioner for life. It is reduced from the Single Life Annuity form because it spreads benefits over two lifetimes – the pensioner and the spouse. The amount of reduction is based on the ages of the pensioner and his spouse. Upon the pensioner's death, 50% or 75% of the reduced monthly pension, whichever the pensioner and his spouse elect at retirement, will continue to be paid to the pensioner's surviving legal spouse for the spouse's life. The spouse at the time of the participant's retirement will be entitled to this lifetime pension even if the participant and spouse are subsequently divorced. If the participant and spouse want to elect a different form of pension payment, they must reject this form of payment

Lump Sum Benefit at Retirement

This benefit is payable in addition to the monthly pension. It provides a single sum payment equal to \$250 for each year of Current Service credit, up to a maximum of \$2,500. The pensioner may elect to take all or some of this benefit at retirement or to defer all or some of it to be paid to his spouse or beneficiary upon the pensioner's death. If the pensioner elects the Joint and Survivor Annuity (50% or 75%), this payment will not be made in a lump sum, but rather spread actuarially over the monthly pension payments.