



## SUMMARY OF MATERIAL MODIFICATIONS

Date: January 2023

To: Active Participants, and Retirees, and Their Eligible Dependents Enrolled in the  
Operating Engineers Local #49 Health and Welfare Fund

From: The Board of Trustees

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The Trustees of the Operating Engineers Local #49 Health and Welfare Fund are pleased to announce the following updates to the Plan of benefits regarding eligibility as a Retiree and your ability to opt-out of the Plan. The updates are effective December 1, 2022. Please read this Summary of Material Modification (SMM) in its entirety.

### RETIRED BARGAINING EMPLOYEES AND THEIR ELIGIBLE DEPENDENTS

The Plan Document and Summary Plan Description (SPD) provides, beginning at page 23, the eligibility provisions for Retirees. For clarification, the Trustees have amended the provisions to allow individuals to qualify for Retiree coverage, before age 55, if they meet the other requirements for a disability retirement.

In order to participate in the Plan as a retiree, you must meet one of the following requirements:

- a.
  1. be at least 55, eligible for a pension from the Central Pension Fund of Operating Engineers, and have been eligible for benefits provided by this Fund during the 12 months prior to retirement; or
  2. be at least 62 and have been covered for at least 10 consecutive years under this Fund immediately prior to retirement; or
  3. be at least 65 and have been covered for at least 5 consecutive years under this Fund immediately prior to retirement.
- b. Be at least age 55 with at least 10 consecutive years of employment, or age 65 with 5 consecutive years of employment with the same contributing public sector employer (i.e. city, county or other municipality) to the Fund on your last day of work prior to retirement.
- c. For disability retirement, you must have 10 Service Credits and be Totally Disabled as defined in the rules and regulations for the Central Pension Fund of Operating Engineers. If your retirement is due to the onset of a Total Disability, generally, you may receive 26 weeks of disability credits before you need to transition to the retiree program.

In addition, to meeting one of the above requirements, you must also meet all the following requirements:

- a. Be eligible under the Plan for active coverage at the time of retirement, death, or disablement.
- b. Timely submit the required self-payment.

Note that in order for a pre-retired surviving spouse to receive benefits under the retiree program, you must have had 10 Service Credits at the time of your death.

### **One-Time Retiree Opt-Out and Re-enrollment**

The Plan allows Retirees and their Eligible Dependents a **one time** option to opt-out of coverage. This one-time option applies to your entire retirement period and coverage options including the retiree program and the fully insured Medicare program.

Effective December 1, 2022, Retirees and their Eligible Dependents wishing to exercise their right to opt-out, need to provide proof that they will be eligible under another group health plan (including the plan through the Veterans' Administration) and they must maintain that coverage throughout the entire opt-out period. If a Retiree and/or the Eligible Dependents want to re-enroll in the Retiree coverage, they are required to provide proof of the continuous group health plan coverage from the date of opt-out through the requested re-enrollment date. You and your Eligible Dependents may only exercise this option once. If you exercise your right to opt-out of the retiree program and then re-enroll, you cannot later opt-out under either the retiree program or the fully insured Medicare program.

Please share this SMM with your family members and store it with your SPD booklet for easy reference.

If you have any questions regarding this SMM or your Plan benefits, do not hesitate to contact the Fund Office at (800) 535-6373 or (952) 854-0795.

This Summary of Material Modification provides only highlights of recent changes to the Operating Engineers Local #49 Health and Welfare Fund. 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.