

Important Change for 2013

The Board of Trustees of the Pension Plan voted unanimously to lower the Pension Benefit accrual rate for employees working at less than a \$6.00 contribution rate, effective January 1, 2013, and a \$6.50 contribution rate, effective January 1, 2014. The accrual rate is the actual dollar amount that is used when calculating your pension benefit. While this change may not affect everyone, we are notifying plan participants in accordance with Section 1054(h) of Title 29 of the United States Code.

Please read the following information carefully to determine if this change applies to you.

The Board of Trustees reminds you that your Pension Plan remains strong and the changes outlined in this newsletter will help ensure that the Plan remains secure.

Pension Accrual Rate for 2013 and 2014

Effective January 1, 2007, the benefit accrual rate changed from a fixed rate for 1,000 or more hours of work to a rate that reflects the contribution rate your employers pay into the Pension Plan. The current benefit accrual rate (\$115) applies to employers that pay the current target contribution rate of \$5.00 per hour. The Pension Plan's consultants and actuaries have determined that the target contribution rate for 2013 will be \$6.00 per hour and \$6.50 per hour for 2014.

If you *always* work for an employer whose contribution rate is at least \$6.00 as of 01/01/13 or \$6.50 as of 01/01/14, this change **will not** affect you. Approximately 82% of all contributing employers as of March 1, 2012 already contribute at or above the rate of \$6.50 per hour. If you work at a contribution rate below the applicable target contribution rate, however, this change will mean a lower accrual rate for you.

If you *always* work for an employer that contributes at least \$6.00 (2013) or \$6.50 (2014), your accrual rate **will not** change.

What This Means to You

If you work for a single company:

Effective January 1, 2013 Target Rate \$6.00

- If you work for a company that contributes into the Pension Plan at a rate of \$5.50, your accrual rate for that year would be \$105.42.

Calculation = \$5.50 divided by the target rate of \$6.00, multiplied by \$115.00

- If you work for a company that contributes into the Pension Plan at a rate of \$2.20, your accrual rate for that year would be \$42.17.

Calculation = \$2.20 divided by the target rate of \$6.00, multiplied by \$115.00

Effective January 1, 2014 Target Rate \$6.50

- If you work for a company that contributes into the Pension Plan at a rate of \$5.50, your accrual rate for that year would be \$97.31. *Calculation = \$5.50 divided by the target rate of \$6.50, multiplied by \$115.00*

- If you work for a company that contributes into the Pension Plan at a rate of \$2.20, your accrual rate for that year would be \$38.92. *Calculation = \$2.20 divided by the target rate of \$6.50, multiplied by \$115.00*

If you work for more than one company:

- If you work for multiple companies that contribute different rates to the Plan, your accrual rate will be determined using the highest contribution rate first up until 1,000 hours are counted.

For example, if you work for four different companies with the following contribution rates:

Company	No. of Hours	Contribution Rate	Contributions
Company 1	250	\$5.50	\$1,375.00
Company 2	250	\$4.00	\$1,000.00
Company 3	400	\$3.00	\$1,200.00
Company 4*	600	\$2.50	\$1,500.00

* Note: only the first 1000 hours are used in the contribution rate calculation.



The average contribution rate would be \$3.83.

Calculation = total contributions of \$3,825 divided by 1,000 hours equals the average contribution rate of \$3.83.

Your accrual rate for that year would be \$73.41.

Calculation = \$3.83 divided by the target rate of \$6.00, multiplied by \$115.00

Important Notes: In no event can you obtain a rate higher than \$115.00 unless the Board of Trustees increases the accrual rate for all participants in the Plan.

Your accrual rate **will not be affected at all** if your employer contributes at least \$6.00 per hour as of January 1, 2013 and at least \$6.50 per hour as of January 1, 2014. You will continue to receive the full accrual rate if your employer contributes at least \$5.00 per hour for the period of January 1, 2007 through December 31, 2012. Your accrual rate for the period prior to January 1, 2007 remains unaffected by your employer's contribution rate.

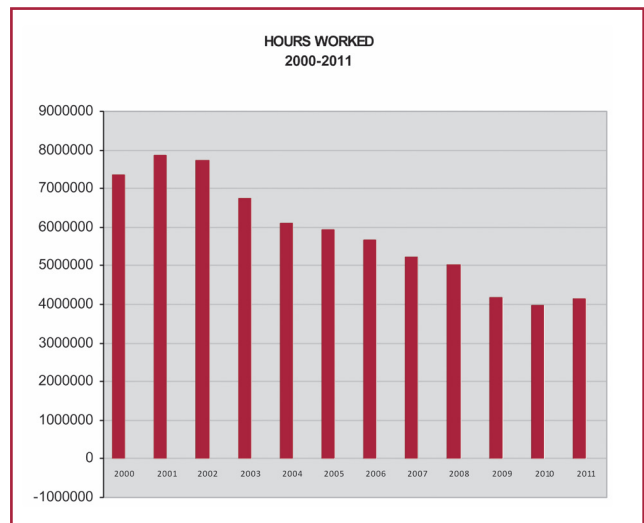


Reminder: You will receive the benefit of the full accrual rate for all years through 2007 regardless of your employer's contribution rate, through 2012 if your employer contributes at least \$5.00 per hour, and through 2014 if your employer contributes at least \$6.50 per hour.

Why Change?

We have seen significant fluctuations in the number of hours worked and investment returns over the past ten years. The number of hours peaked at 7.8 million in 2001 during the "Big Dig" and then declined by almost 48% to 4.1 million in 2011.

We encourage you to keep a copy of this notification with your SPD for future reference. If you have any questions about these benefits, please call or write the Fund Office. As always, the Board of Trustees is committed to providing you with a retirement plan that will help you meet your retirement needs.



Around that same time, investment returns across the nation drastically declined. Although our actuaries and investment managers make adjustments for potential downturns in the market, no one can predict market performance. These lower-than-expected returns between 2000 and 2011 caused many retirement plans across the country to experience financial challenges.

These factors led the Trustees to review all provisions of the Pension Plan with the goal to ensure that the Plan remains properly funded and is able to pay out benefits.

In Summary

Your Pension Plan is an important component of your overall benefit package. The Trustees are cognizant that many pension plans across the country are experiencing severe financial difficulties – some are forced to reduce benefits while other plans have actually been terminated. Your Pension Plan remains strong and the changes outlined in this newsletter will help ensure that strength continues. Your Board of Trustees will take the necessary steps to protect your investment in the Pension Plan and to ensure the continued solvency of your Plan now and for the future.

Board of Trustees

Louis G. Rasetta
William D. McLaughlin
David F. Shea

Brian MacDonald
Peter Martin
John J. Shaughnessy, Jr.

IUOE Local 4

Louis G. Rasetta, Business Manager

Administrator

Gina M. Alongi