



## INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 4 Health and Welfare, Pension, and Annuity Funds

April 1, 2020

*Note: This Summary of Material Modification (“SMM”) describes changes to the IUOE Local 4 Health and Welfare Plan, Pension Plan, and Annuity & Savings Plan (the “Plans”) and supplements the Summary Plan Descriptions for each of the Plans. You should read this SMM carefully and retain it with a copy of your Summary Plan Descriptions for future reference.*

The effects of the COVID-19 health crisis reach far and wide. Though the emphasis is on keeping us all safe and healthy – as it needs to be – social distancing and staying at home have resulted in large-scale unemployment, financial uncertainty, and concerns about the future. The Trustees of the Plans have made a series of changes that are now effective and that they hope will ease some of your immediate financial burden and any worries you may have about your future benefits.

### **Health & Welfare Plan**

- If you are covered by the Basic or Supplemental Plan as of March 1, 2020 and become unemployed due to a COVID-19-related work stoppage during the period of March 20 through June 30, 2020, you will receive credit for 30 hours per week towards eligibility, which will be applied only if you do not achieve eligibility based on your worked hours. We will review your hours at the end of 2020 and apply the credit if it becomes necessary in order for you to gain eligibility. If you are not covered by the Basic or Supplemental Plan as of March 1, 2020, you will receive the same credit, to be applied toward eligibility under the Supplemental Plan for the remainder of this Plan year.

To qualify, you must provide certification from an Employer or the Union stating that you are unemployed due to a COVID-19-related work stoppage and unable to work in other Covered Employment. You will also be required to provide periodic proof of receipt of unemployment benefits or reasonable explanation as to why such proof is not available or why you did not receive such benefits. If you find alternative Covered Employment for less than 30 hours per week, you will receive credit for the balance needed to reach the 30 hours.

- Effective March 1, 2020, you may become eligible for Supplemental Plan coverage on the first day of the month in which you earn your 500<sup>th</sup> hour in a calendar year (as opposed to the first of the following month, as usual) in limited emergency circumstances. Eligibility is allowed if you or your eligible dependent has an emergency need for medical coverage as a result of hospitalization that occurs within 10 days from the date you would otherwise have been eligible, you have already earned 500 hours, and you have no other medical insurance coverage. You will be required to provide sufficient proof of hospitalization and lack of insurance coverage.

- Please also keep in mind that the Trustees, in cooperation with Blue Cross Blue Shield of Massachusetts, have waived any member cost share for outpatient testing and outpatient treatment for COVID-19, and CVS/Caremark is allowing for early refills on most 30-day maintenance medications during this crisis.

### **Pension Plan**

- Hours of credit that are provided toward eligibility for the Health and Welfare Plan as a result of a COVID-19-related health crisis will also be credited for the purpose of computing Pension and Vesting Credit for the period of March 20 through June 30, 2020.

### **Annuity and Savings Plan**

- For a limited period, from April 1, 2020 to June 30, 2020, you may apply for a one-time emergency distribution from your MassMutual account of the greater of (1) an amount up to \$20,000, or (2) the value of your account. This distribution will not be subject to the usual Plan rule requiring that you not receive contributions for six months before taking a distribution. This distribution will not be eligible for rollover and will not be subject to mandatory withholding. It also will not be subject to the 10% early withdrawal penalty that would normally apply to distributions if you are less than 59 ½ years old.

To be eligible for this one-time emergency distribution, you must include a letter from an Employer or the Union stating that you are unemployed due to a COVID-19-related work stoppage, and you must establish that you have been unemployed for at least 15 days. Please contact the Funds Office at 508-533-1400 for more information on how to apply for this distribution. Please note that you will still be required to obtain spousal consent; to the extent that you are not able to access a notary during this time, the Funds Office will work with you to make an accommodation. You may also be able to repay this distribution to your account as permitted by federal law.

- Further, the federal government recently passed the CARES Act, which provides you with the following additional relief:
  - Required minimum distributions (RMD) have been waived for 2020, unless you have already taken your RMD for 2020, in which case you will be responsible for taxes on that distribution. *This applies to all participants, regardless of COVID-19 need.*
  - Loan payments that come due between March 27, 2020 and December 31, 2020 may be extended for up to one year. This will apply only to borrowers that are diagnosed with COVID-19, caring for a spouse or dependent that has been diagnosed with COVID-19, or experiencing adverse financial consequences as a result of COVID-19, such as being laid off or unable to work due to lack of child care. Proof will be required, and could include, for example, proof of unemployment benefits, a letter from the Union or your employer that you have been laid off, or appropriate medical documentation.

You may still pay your loan(s) on time, but if you submit the required proof you will not be defaulted if your loan payments are up to one year late (in other words, your April 15, 2020 payment must then be paid by April 15, 2021). Interest will continue to accrue on the payments until paid. You will need to let the Funds Office know if you intend to extend your payments so that we may ensure your payments are not deducted from your checking account for the time being. *More details to come.*

Thank you, and we wish you and your family well at this difficult time. If you have any questions about the information contained in this SMM, please contact the Funds Office at 508-533-1400.

Sincerely,

**YOUR BOARD OF TRUSTEES**

**Health & Welfare Plan**

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David B. Marr, Jr.  
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**Pension Plan**

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**Annuity & Savings Plan**

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