

Your Guide to Local 4 Benefits Winter 2023



THE GAUGE

TAKE THE MEASURE OF YOUR BENEFITS

This issue contains important information about your rights under the Local 4 H&W, Pension, and Annuity & Savings Plans, and should be read and retained for future reference.



Dear Plan Participants,

I hope this newsletter finds you and your loved ones in good health and spirits as we enter the winter season.

This year has been a busy one for our members, with activity at numerous job sites throughout the region. Our Operating Engineers have also been busy participating in charitable outreach efforts and events like our annual Healthy Living and Retirement planning fair.

As winter approaches, it is important to be aware of the hazards faced by our members this time of year. Winter weather brings snowfall, low temperatures, and ice buildup on work surfaces and equipment. I urge our members to be cautious during wet and cold weather conditions.

Thank you to everyone for joining us for the 2023 Healthy Living and Retirement planning fair.

Again, please take advantage of the wonderful resources available to you and your family, like the ones detailed in this newsletter. We hope you enjoy this holiday season. Take care!

A handwritten signature in black ink, appearing to read "M J Bowes".

Michael J. Bowes

Operating Engineers Local 4 Business Manager
Chairman of the Health & Welfare, Pension, and Annuity & Savings Funds



Dear Plan Participants,

As we near the end of 2023, I am proud to share a new edition of *The Gauge* with you.

This edition includes photos from this year's Healthy Living and Retirement planning fair, an update on switching our recordkeeper to Fidelity as of January 2, and other useful information for you and your family. I hope that you take the time to review it fully, and as always, we are here to help with any questions that you may have.

We had a strong turnout for this year's annual Healthy Living and Retirement planning fair at Polar Park in Worcester. This event provided members and their families with important information and tools to help assess and improve their health, such as receiving on-site flu shots, dermatology scans, and biometric scans. It is part of the Funds Office's ongoing mission to provide Plan Participants with the resources they need to promote their physical, emotional, and financial well-being.

This issue's Partner Spotlight provides information about the Annuity & Savings Plan, and our January 2, 2024 transition to Fidelity recordkeeping services.

I hope that you enjoy this edition of the Local 4 Funds newsletter.

A handwritten signature in black ink, appearing to read "Gregory A. Geiman".

Gregory A. Geiman, Esq.

Operating Engineers Local 4 Benefit
Funds Administrator



PARTNER SPOTLIGHT



We know that Local 4 members work hard, often in physically demanding jobs, and deserve great health and retirement benefits. The Local 4 Annuity & Savings Plan recognizes the importance of making knowledgeable decisions about your money, and so we are partnering with Fidelity to make sure our Plan Participants receive the highest level of services to manage their finances.

Effective January 2, 2024, Fidelity will begin providing its services to Plan members. While Fidelity's relationship with the Annuity Plan is new, Fidelity has a long history of service with Taft-Hartley organizations across the country, which positions it well to help Plan Participants make the most of their retirement savings opportunities.

Founded in 1946, Fidelity serves more than 43 million customers. Because thousands of tax-exempt organizations utilize their services, they understand how to assist participants with savings goals for today and into retirement.

Fidelity NetBenefits has comprehensive planning tools that Local 4 members can take advantage of, with or without Fidelity assistance, to help determine how close they are to reaching their retirement goals. Members can also use Fidelity's Planning Summary to see, set, and track retirement, college, or emergency savings goals, get help with an investment strategy, and track savings, spending, and debt – all in a single location.

With Fidelity as the Plan provider, members can choose how to access and manage their account when the transfer is complete during the week of January 14, 2024. Members can access their information in a variety of ways:

- ◆ Online at Fidelity NetBenefits, any time virtually at [NetBenefits/atwork.com](https://netbenefits.atwork.com).
- ◆ By phone, talk to a representative at 800-343-0860.
- ◆ In person by scheduling a one-on-one consultation with a Fidelity Workplace Financial Consultant at [Fidelity.com/Schedule](https://fidelity.com/schedule).
- ◆ Download the NetBenefits App and access your Fidelity workplace accounts from your mobile device.

Visit the Funds website at [Local4Funds.org](https://local4funds.org) to register for the upcoming Fidelity webinar.



Updates from the Funds Office

CHANGES TO THE ANNUITY & SAVINGS PLAN EFFECTIVE JANUARY 2, 2024

The Trustees of the IUOE Local 4 Annuity & Savings Plan have elected to change the Plan's recordkeeper from Empower to Fidelity Investments, effective January 2, 2024. The Trustees believe that Fidelity will offer better assistance to support your retirement goals. You will be receiving communications from the Plan and Fidelity between now and the end of 2023 to introduce you to Fidelity's website and mobile app, where you can easily access and manage your account, as well as Fidelity's online planning tools and its team of experienced investment representatives. You will also be able to find updates about the transition to Fidelity, including FAQs and online and virtual workshops, by visiting the Funds' website, Local4Funds.org, or by visiting Fidelity's transition website, MyFidelitySite.com/Local4Funds.

You will be able to reach Fidelity with any questions by calling **800-343-0860**, and representatives will be available from 8:30 a.m. until 12:00 a.m. ET

on business days after the transition is complete. The Funds Office will be here to help you with the transition and will remain your point of contact for loans, distributions, or any general questions you may have about your retirement account, even after the transition. The Annuity Department can be reached at **508-533-1400, Option 4**, from 8:00 a.m. until 4:00 p.m. on business days.

There will be a blackout period beginning on December 22. From that date until December 29, you will continue to be able to view your account balance on the Empower website and app, but you will not be able to make any investment changes. Thereafter, from December 30 until the week of January 14, you will not be able to make changes or view your account balance. Further, for the period of December 22 until the week of January 14, you will be unable to take any loans or distributions from your account, so please plan accordingly. Please know that during the blackout period, your assets remain invested and will participate in the market.

Once the transition is complete, during the week of January 14, you will be able to access your account on Fidelity's website, [NetBenefits.com/AtWork](https://www.fidelity.com/NetBenefits.com/AtWork), or by downloading the NetBenefits mobile app. Unless noted below, if you have a balance in and/or future contribution elections directed to be invested in a current fund option, your balance and/or elections will automatically transfer to NetBenefits, the Fidelity platform, which contains the same option with the same investment strategy but with lower expenses. No action is required on your part.

The Board of Trustees approved investment options with lower expense ratios to reduce your overall fee and to make those fees more transparent to you. In the past, the Plan's operating costs have been paid, in large part, through fees charged against your investment options. Those fees, known as "Annual Operating Expenses," reduced your rate of return. The fee was paid as a percentage of your balance (for example, if it was .60%, the fee was \$6.00 for every \$1,000 your investment earned).

As part of the change to Fidelity, the Plan has incorporated lower expense ratios for all investment options and will no longer use Annual Operating Expenses to pay its operating costs. Instead, effective in 2024 or 2025, as necessary, the Plan will reinstate a quarterly fee of \$50 on each participant account to pay the Plan's operating costs (regardless of the amount of your overall investments). The Trustees believe that such a fee, which will be transparently

noted on each of your quarterly statements, will markedly decrease the overall amount paid by the average participant in a year.

The Trustees also wish to bring your attention to two important changes to the Plan as part of the move to Fidelity:

First, if you are currently invested in the Plan's Guaranteed Interest Account, the interest rate that your investment earns will be changing. The Trustees are pleased to share that the rate you receive on investments in the Guaranteed Interest account, which had been held stable at 3.00% and was scheduled to be lowered by Empower next year, will instead increase as of January 2, 2024, to 3.36%. The rate will remain there until January 1, 2027, at which time it will change to whatever the prevailing market rate is at that time.

Second, effective January 2, the Plan will be changing its target retirement date investment options from the American Century Retirement CIT Series to the Capital Group Retirement Trust Series by American Funds. The target date investment options follow their own asset allocation path to progressively reduce equity exposure and grow more conservatively over time, depending on your anticipated retirement date. The Trustees have decided to make the switch to Capital Group after a detailed analysis of relative performance and fees, and they believe that the asset allocation path



(or “glide path”) of Capital Group is best suited to participants’ retirement goals. To learn more about the Capital Group Retirement Series, please visit the Fidelity participant website, [NetBenefits.com/AtWork](https://www.fidelity.com/NetBenefits.com/AtWork), when the blackout period ends.

Your existing balance will be transferred to the Capital Group option that is closest to your anticipated retirement date. (For example, if you are currently invested in the American Century One Choice Target Date 2040 Trust, your balance will be transferred to the Capital Group 2040 Target Date Retirement Trust.) If you are currently invested in the American Century In Retirement Trust, your balance will be transferred to the Capital Group 2010, 2015, or 2020 Target Date Retirement Trust, depending on which option is closest to your actual retirement date. The Capital Group glide path continues into your retirement years, so it is important that you be invested in the correct option. If you do not want your existing balance in the American Century Retirement CIT Series to be transferred to the Capital Group Retirement Series, you will need to reallocate your balance and future contribution elections to other fund placement options before the blackout period begins.

The target date options also serve as the Plan’s Qualified Default Investment Alternative. If you have not made an election as to how the Plan should invest your future contributions (e.g., rollover, employer

contribution, or participant contribution), the Plan will invest your future contributions in the default investment option of the Capital Group Retirement Trust Series that is appropriate for your anticipated retirement age.

WEIGHT LOSS DRUGS EXCLUDED EFFECTIVE JANUARY 1, 2024

Effective January 1, 2024, the Health and Welfare Plan will no longer cover any weight loss medications, such as Saxenda and Wegovy. Ozempic and other GLP-1 medications will continue to be covered if you have a diagnosis of Type 2 Diabetes as they are only FDA-approved to treat Type 2 Diabetes Mellitus and not weight loss. The Trustees remain committed to their goal of helping participants and dependents achieve a healthy weight and an active lifestyle, but the Trustees also have an obligation to manage costs across the entire Plan and to ensure that the Plan remains economically viable for the long term. These weight loss medications are very expensive and are intended to be used for a lifetime, and at this point in time, there is not enough empirical data to show that these medications have an effect on users’ overall health that justifies the exorbitant cost. Further, there have been studies demonstrating that these weight loss medications may be associated with an increased risk of severe conditions in non-diabetic patients, including bowel obstruction, stomach paralysis, and pancreatitis.

As always, participants and dependents will have the right to appeal the denial of these drugs should their providers believe that there is a “medically necessary” reason for them to be on these weight loss medications. Your appeal rights are on page 70 of the Health and Welfare Summary Plan Description, which is located on the Funds’ website, [Local4Funds.org](https://www.local4funds.org). Please keep in mind that the Plan defines “medically necessary” to exclude any treatment or drug that “improves the patient’s appearance or how the patient feels about his or her appearance.”



The 2023 Healthy Living and Retirement Planning Fair

The 2023 Healthy Living and Retirement planning fair held in November at Polar Park in Worcester offered a combination of family activities, helpful health screenings, and informative presentations.

The focus of this year's event was on our collective physical, emotional, and financial well-being. It featured a range of services to assess and improve physical and mental health that included: flu shots, dermatology scans, biometrics, and other screenings. Representatives from the Plan's many health vendors were also on hand. Additionally, representatives from Fidelity were present to answer questions about their recordkeeping services and to provide an overview of the January 2, 2024 transition.



IUOE Local 4 Benefit Funds

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Attend a virtual workshop to learn more about the important changes to the Annuity & Savings Plan and get answers to your questions.

Fidelity will deliver the "Get ready for the move to Fidelity" workshop on Wednesday, December 6, 2023 at 6 p.m.

To register for the workshop, visit the transition website at MyFidelitySite.com/Local4Funds or the Funds website at Local4Funds.org.



Visit us at

Local4Funds.org

At Local4Funds.org, you'll find:

- ◆ Plan details and important updates
- ◆ Essential documents
- ◆ Important videos about your benefits