



CENTRAL PENSION FUND OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS AND PARTICIPATING EMPLOYERS
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February 12, 2020

MEMORANDUM

TO: All Local Unions

FROM: Michael A. Crabtree, Chief Executive Officer *MAC*

RE: Notice of Plan Amendment - Increase in the Benefit Accrual Rate

At its 181st Regular Meeting, the Board of Trustees amended the Plan of Benefits to increase the Benefit Accrual Rate for Credited Future Service. The Benefit Accrual Rate is the rate applied to employer contributions made on behalf of participants to calculate the amount of their monthly retirement benefit. The increase approved by the Board of Trustees will become effective April 1, 2020. No further changes to the Plan of Benefits were made by the Board of Trustees at the meeting.

The current Benefit Accrual Rate is 1.25% of employer contributions for hours of service with a participating employer on or after April 1, 2015. As a result of the amendment, effective April 1, 2020, that rate will increase to 1.75%. Please note the increased Benefit Accrual Rate will only apply to employer contributions for hours of service with a participating employer on or after April 1, 2020.

Please further note this increase does not in any way affect the benefits currently being paid to pensioners and beneficiaries. Moreover, it does not affect in any way the benefit amounts accrued by active participants prior to April 1, 2020. In addition, we wish to note this action will not impede the Fund's continued growth, as the Fund continues to be healthy and maintain its "Green Zone" status under the Pension Protection Act. Furthermore, the Plan continues to be free of any potential withdrawal liability for its contributing employers.

While no one can predict the future, the Board of Trustees will continue to review the Benefit Accrual Rate and other Plan provisions for possible improvements. However, as the Board has done in the past, the Board will only consider further amendments it deems prudent, while maintaining the Plan's sound financial and actuarial basis.