

# **Summary of Material Modification to the Western States 401(k) Retirement Fund of the OPEIU**

**This Summary of Material Modification (“SMM”) modifies some of the information contained in the Summary Plan Description (“SPD”) for the Western States 401(k) Retirement Fund of the OPEIU (the “Plan”) that describes the Plan as of January 1, 2015.**

Note: In the event of any discrepancy between this SMM and the SPD, the provisions of this SMM will govern.

## **Modification**

**When Benefits Will Be Paid.** The Plan has been changed to require that distribution of your vested account must be made or begin no later than the April 1 following the year you attain age 72 or, if later, following the year you terminate employment.

Previously, the Plan required that this distribution occur after the year in which you reached age 70½. If you turned age 70½ before January 1, 2020, mandatory distribution of your vested account is determined using age 70½ instead of age 72.

# ***Western States 401(k) Retirement Fund of the OPEIU***

April 2020

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### **THIS SMM CONTAINS INFORMATION ON CHANGES DUE TO COVID-19.**

#### **Introduction**

The Employee Retirement Income Security Act requires a Summary of Material Modifications be distributed to describe any material change to the information in the January 1, 2015 Summary Plan Description. This document is a Summary of Material Modifications to the January 1, 2015 Summary Plan Description. If you cannot locate your January 1, 2015 Summary Plan Description, call the Administrative Office at (800) 547-4457 and request a copy.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act contains provisions that may offer additional relief through your retirement plan. In response, the Board of Trustees have made the following changes to the Plan.

It may be tempting to access your long-term retirement savings to help you through difficult times, especially when your personal financial situation may be tight due to circumstances beyond your control. The Board of Trustees ask that you consider all sources of income before relying on your Western States 401(k), as it is an important part of your long-term future retirement.

#### **Changes to the January 1, 2015 Summary Plan Description**

The primary changes to the January 1, 2015 Summary Plan Description described in this notice are as follows:

- Update to Distribution and Required Minimum Distribution requirements relating to the CARES Act.
- Update to Your ERISA Rights and Information.
- Update to the Western States 401(k) Retirement Fund of the OPEIU’s IRS Employer Identification Number (EIN).

The changes are detailed below.

# ***Western States 401(k) Retirement Fund of the OPEIU***

## **Modification**

### **DEFINITION OF QUALIFIED INDIVIDUAL**

Under the temporary CARES Act provisions relating to distributions and loans, you are considered a Qualified Individual, if you satisfy one of the following and provide a written statement certifying that:

- You are diagnosed with the virus by a medically approved test from a healthcare provider; or
- Have a spouse or dependent who is diagnosed with the virus by a medically approved test from a healthcare provider; or
- Experience adverse financial consequences as a result of being quarantined, being furloughed or laid off or reduced work hours, being unable to work due to lack of childcare, or other factors as determined by the Secretary of Treasury.

### **CORONAVIRUS RELATED DISTRIBUTION (“CRD”)**

Effective for the period of January 1, 2020 through December 31, 2020, certain Qualified Individuals may take a Coronavirus Related Distribution withdrawal(s) not to exceed \$100,000 in total from all qualified plans. Such distributions are still subject to ordinary income tax, which may be spread over three years (to the extent not repaid) unless you elect otherwise. CRD payments will not be subject to early withdrawal penalty of 10%, which applies to participants under age 59½. A CRD payment may be repaid within three years. The three-year period begins on the date after which the CRD is received. Only the amount received (no earnings) can be paid back. The distribution amount can be repaid in one lump sum or in multiple payments to the Plan. To receive this type of distribution, you must meet the definition of Qualified Individual and complete a CRD application. Distribution fees will be waived for CRD payments. Please access your account via the John Hancock website [www.mylife.jhrps.com](http://www.mylife.jhrps.com) to complete a CRD application form.

### **REQUIRED MINIMUM DISTRIBUTION (“RMD”) FOR 2020**

All required minimum distributions that would have been due in 2020 may be waived. The waiver applies to both 2019 required minimum distributions due by April 1, 2020 and the required minimum distributions due by December 31, 2020, or for a Participant’s initial RMD payment due April 1, 2021. If you receive a required minimum distribution in 2020, then such distribution is eligible for rollover. The Trust Office will assume your 2020 RMD will be waived unless you request a distribution by contacting John Hancock.

### **DEFERRED LOAN REPAYMENTS**

Effective March 27, 2020 through December 31, 2020, certain Qualified Individuals who have a Plan loan(s) outstanding on or after March 27, 2020 may have their loan payments deferred for up to one year, or 12 monthly repayments. Your loan term will be extended by up to one year and your remaining payments will be adjusted to reflect the delay in repayment. Your loan(s) will continue to accrue interest during the deferment that you will still be required to pay after the

# ***Western States 401(k) Retirement Fund of the OPEIU***

deferment period ends, and normal loan maintenance fees will apply. Please contact the Trust Office if you are interested in deferring your loan repayments.

## **BINDING ARBITRATION OF CLAIMS**

Effective April 1, 2020, if you are dissatisfied with the written decision of the Board of Trustees denying your benefit claim on appeal, you have the right to appeal the matter to arbitration in accordance with the labor arbitration rules of the American Arbitration Association. You must submit a request for arbitration in writing within 60 days after your receipt of the Trustees' written decision. Your right to pursue arbitration takes place of any rights you would otherwise have to bring a civil court action under ERISA, as stated on page 16 of the SPD. The decision of the arbitrator will be final and binding on all parties.

Effective April 1, 2020, if you want to bring a claim other than a benefit claim against the Plan, you have the right on your own behalf and not in a representative capacity to pursue arbitration of that claim in accordance with the labor arbitration rules of the American Arbitration Association. Your right to pursue arbitration takes the place of any rights you would otherwise have to bring a civil court action under ERISA, as stated on page 16 of the SPD. The decision of the arbitrator will be final and binding on all parties.

## **IRS EMPLOYER IDENTIFICATION NUMBER (EIN)**

The Trust EIN number is 51-0141712.

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## **Modification**

**Distribution of Accepted Rollover Contributions.** Effective December 10, 2018, you may request the immediate distribution of any portion of your account that is directly attributable to amounts you have previously rolled over into your account from another retirement plan. Although you may request such a distribution at any time, you will be permitted only one such request in your lifetime for reasons other than for retirement, disability, or payments to a beneficiary or alternate payee.

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## Modification

**Hardship Withdrawals.** Effective January 1, 2018, you may receive any portion of your account, except for the earnings on your employee contributions, in the event of an immediate and heavy financial need that cannot be met from other resources. Effective January 1, 2019, you may receive any portion of your account, including the earnings on your employee contributions, in that event. To receive a hardship distribution, you must demonstrate one of the following hardship events:

- You need the distribution to pay unpaid medical expenses for yourself, your spouse, or any dependent;
- You need the distribution to pay for the purchase of your principal residence (but not solely to make mortgage payments);
- You need the distribution to pay the next twelve months of tuition and related educational fees (including room and board) for postsecondary education of yourself, your spouse, or your dependents;
- You need the distribution to prevent your eviction from or foreclosure on your mortgage on your principal residence;
- You need the distribution to pay funeral or burial expenses for your deceased parent, spouse, child, or dependent; or
- You need the distribution to pay expenses to repair damage to your personal residence that would qualify for the casualty deduction under the Internal Revenue Code.

Before you may receive a hardship distribution, you must provide the Administration Office with sufficient documentation to demonstrate the existence of one of the above hardship events. The Administration Office will provide you with information regarding the documentation it deems necessary to sufficiently document the existence of a proper hardship event.

If you have other distributions available under this Plan, you must take those distributions *before* requesting a hardship distribution. After receiving a hardship distribution before January 1, 2019, you will be suspended from making any further salary deferrals for the next six months. After receiving a hardship distribution on or after January 1, 2019, you will be permitted immediately to make further salary deferrals.

You may not receive a hardship distribution of more than you need to satisfy your hardship. In calculating your maximum hardship distribution, you may include any amounts necessary to pay federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. Contact the Administration Office for more information regarding the maximum amount you may take from the Plan as a hardship distribution and the total amount you have available for a hardship distribution. The Administration Office will provide you with the appropriate forms for requesting a hardship distribution.

All hardship distributions are subject to immediate income taxes and may also be subject to the 10% premature distribution tax payable on distributions occurring before your attainment of age 59-1/2.

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## **Modification**

**Restriction on Venue.** Effective December 1, 2017, a participant or beneficiary shall bring an action against the Plan only in federal district court in Portland, Oregon.



**Western States 401(k) Retirement  
Fund of the OPEIU**

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**SUMMARY OF MATERIAL MODIFICATION  
TO THE JANUARY 1, 2015 SUMMARY PLAN DESCRIPTION FOR THE  
WESTERN STATES 401(k) RETIREMENT FUND OF THE OPEIU**

**I. INTRODUCTION**

The Employee Retirement Income Security Act of 1974 requires that a Summary of Material Modification be distributed to describe any material change made to the information in your January 1, 2015 Benefit Booklet. Please keep this Summary of Material Modification with your Western States 401(k) Retirement Plan of the OPEIU Plan Documents. If you cannot locate your January 1, 2015 Benefit Booklet, it may be viewed online at **[www.westernstates.aibpa.com/401k](http://www.westernstates.aibpa.com/401k)**, or call the Trust Office at 800-547-4457, ext. 1677 and request a copy.

**II. MODIFICATION**

Effective July 1, 2015, new loans to participants from their 401(k) accounts are no longer available under the Plan. After June 30, 2015, participants are not eligible to apply for loans from their 401(k) accounts. New loan requests will no longer be considered or allowed by this Plan. To reflect this action, the following sentence is placed directly under the word **Loans** (at the top of the page) in the Benefit Booklet:

“After June 30, 2015, there will no longer be any new loans considered or allowed under this plan. Prior to July 1, 2015, the following guidelines apply to participant loans.”

**III. QUESTIONS**

If you have any questions regarding this Summary of Material Modification, contact the Trust Office at 800-547-4457, ext. 1677.

Dated: August 1, 2015

# **SUMMARY PLAN DESCRIPTION**

## **WESTERN STATES 401(k) RETIREMENT FUND OF OPEIU**

***Updated as of January 1, 2015***

### ***Important Note***

*This booklet is called a Summary Plan Description (“SPD”) and is intended to provide a brief description of the Plan’s features. Complete details of the Plan are contained in the Plan document. If there is a difference between this booklet and the Plan document, the Plan document (available in the Administration Office) will govern. The information provided on taxes is general in nature and may not apply to your personal circumstances. You should consult a tax advisor for more information.*

## **Plan Highlights**

The following information contains highlights of the Plan.

Please read the entire Summary Plan Description for more details.

### **Joining the Plan**

If you are an eligible employee, you may begin participating in the Plan based on your collective bargaining or your special agreement.

### **Saving is easy**

Your contributions to the Plan are made through the convenience of automatic payroll deductions. You may contribute any amount (in whole dollar amounts, unless otherwise permitted by your employer) per hour on a pre-tax basis.

Contributing to the Plan on a pre-tax basis allows you to reduce the amount of current income taxes you pay each year.

### **Participating Employer Contributions**

Participating Employer contributions may be made on your behalf based on the terms of your collective bargaining agreement or your special agreement.

### **Managing your investments**

The Plan offers a range of investment options so you can put your money to work in a number of ways.

### **Flexibility**

You may change the investment of your account balance at any time. You may also change the amount you are contributing to the Plan according to the rules of your employer.

### **Vesting**

Your pre-tax contributions, and any Participating Employer contributions made on your behalf, are always 100% vested. This means you have full ownership of your account under the Plan.

### **Accessing your account**

The Plan permits you to borrow from your account while in covered employment.

### **Retirement**

When you retire or otherwise cease covered employment (with some restrictions), your account balance will be paid to you or you may elect to have your account transferred to an Individual Retirement Account ("IRA") or to another eligible retirement plan. Under certain circumstances, you may also elect to defer distribution of your account.

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This is a Summary Plan Description which is intended to give you a summary of the major features of the Plan. If there is any inconsistency between the contents of this summary and the Plan document, your rights will be determined from the Plan document and not from this summary.

You, your beneficiaries, or your legal representative may examine the Plan document and other Plan documents during regular business hours or by appointment at the Administration Office.

*Participants and beneficiaries should not rely upon any oral description of the Plan because the written terms of the Plan document will always govern.*

## **Introduction**

Chances are, you're hoping for a long and fulfilling retirement. But a significant part of how rewarding your retirement experience will be depends on how well you have planned for it.

It's not easy to save for the future. Planning to save and actually doing it are two different things. Often the "doing" is the most difficult. Through the Western States 401(k) Retirement Fund of the OPEIU (the "Plan"), you are offered an easy way to add to your long-term retirement savings.

You may contribute to the Plan on a pre-tax basis, and your Participating Employer may contribute to the Plan on your behalf on the basis of the terms of your collective bargaining agreement or your special agreement. In addition, your Plan account has the potential to grow faster than saving outside the Plan because your pre-tax contributions, any Participating Employer contributions made on your behalf, and any earnings in your account are not subject to current income taxes until they are paid to you from the Plan.

Your personal financial security is one of life's most important objectives. The Office and Professional Employees International Union, Local No. 11 and the Participating Employers share your concern and offer the Plan as one way to help you build a strong financial future.

## ***Contacting New York Life (Website and Phone Service)***

To help with your retirement planning, you may determine your Accrued Benefit under the Plan (and your vested interest therein) and model retirement alternatives 24 hours a day, seven days a week, over an automated telephone system or internet site offered by New York Life Retirement Plan Services ("New York Life"). New York Life's system also allows you access to a Participant Service Representative if you call between the hours of 5:00 AM and 7:00 PM Eastern Time (ET) any business day (a day on which the New York Stock Exchange [NYSE] is open).

*The contact information for New York Life's telephone service and internet site is:*

- *24 hours a day via either the internet at [mylife.newyorklife.com](http://mylife.newyorklife.com) or an automated telephone system at 800.294.3575.*
- *8AM to 10PM Eastern Time on any business day the New York Stock Exchange is open by calling 800.294.3575 to speak with a Participant Service Representative.*

Contact your Administration Office if you have any questions about using this service.

## ***Important Definitions***

First, let's define the following terms to be used in this summary:

**Administration Office** means the office of the Plan's contract administrator, A&I Benefit Plan Administrators, Inc., 1220 SW Morrison Street, Suite 300, Portland, OR 97205-2222.

**Board of Trustees** means the joint labor-management board of Trustees appointed to administer the Plan.

**Early Retirement Date** means the date you reach age 55 or age 50 with 20 years of employment.

**Normal Retirement Date** means the date you reach age 62.

**Participating Employer** means any employing unit that has a collective bargaining agreement with a local union (Union) affiliated with the Office and Professional Employees International Union, the Union, and the Board of Trustees.

**Plan** means the Western States 401(k) Retirement Fund of the OPEIU.

**Plan Year** means the period in which administrative and financial records of the Plan are maintained. The Plan Year is the 12-month period beginning January 1 and ending December 31.

**Union** means a local union affiliated with the Office and Professional Employees International Union.

## ***Joining the Plan***

### **Eligibility**

You are eligible to participate in the Plan if you are:

- (a) an employee of a Participating Employer and covered by a collective bargaining agreement that requires or permits contributions to the Plan;
- (b) an employee of the Union;
- (c) an employee of a Participating Employer, not covered by a collective bargaining unit, and are within a reasonable classification approved by the Plan's Board of Trustees.

You enter the Plan on the basis of your Participating Employer's collective bargaining agreement or your special agreement.

### **Enrollment**

You may begin making contributions by completing a 401(k) Enrollment and Deferral Change Form and a Beneficiary Designation Form available from the Administration Office.

### **Military Service**

If you leave employment for certain periods of military service and are reemployed, you will be eligible to receive service credit and make contributions for those periods of qualified military service in accordance with the rules under the Uniformed Services Employment and Reemployment Rights Act of 1994. You will need to provide the Administration Office with a copy of your honorable discharge.

You should contact the Administration Office if you have any questions regarding this provision.

## **Savings Highlights**

### **Your Pre-Tax Contributions**

You may contribute to the Plan (before federal and, in most cases, state income taxes) any amount (in whole dollar amounts, unless otherwise permitted by your Participating Employer). Social Security (FICA and Medicare) taxes continue to apply to your contributions to the Plan.

You should be aware, however, that the federal tax laws limit the total amount you can contribute to the Plan on a pre-tax basis each year. For 2015, the limit is \$18,000. In addition, certain employees who meet the IRS definition of “highly compensated employees” may be limited to a specified contribution level. You will be notified if this limit affects you.

**NOTE:** *If you are age 50, or will be age 50 by the end of a Plan Year, you may be eligible to make a “catch-up” contribution (on a pre-tax basis) for the year. For 2015, the maximum catch-up contribution is \$6,000. You may elect to make a catch-up contribution by filing a 401(k) Deduction Form. However, you should be aware that any intended catch-up contribution will be treated as a regular pre-tax contribution until your total contributions for the year reach the maximum limit permitted under the Plan.*

### **Participating Employer Contributions**

On the basis of the terms of your collective bargaining agreement or your special agreement, your Participating Employer may contribute to the Plan on your behalf.

### **Rollover Contributions**

In certain circumstances, you may elect to have benefits earned under another plan transferred or rolled over to your account under this Plan. Funds may not be transferred or rolled over to your account under this Plan from a Roth IRA, or if any portion of the rollover is attributable to a designated Roth account under another retirement Plan. You should contact New York Life if you are interested in making a rollover contribution.

### **Retirement Savings Potential**

Traditionally, many people save on an after-tax basis. This means that any money they are saving has already been taxed. Under the Plan, however, you save on a pre-tax basis, which reduces your current income taxes. Social Security (FICA and Medicare) taxes continue to apply to your contributions to the Plan.



## Managing Your Investments

You work hard for your money. One of the advantages of the Plan is that it lets your money work hard for you. The Plan provides you with a range of investment options. Your initial investment election(s) must be made among the available individual investment options in 1% increments. Any subsequent changes may be made in 1% increments or in any specified dollar amount by contacting New York Life. Different investment options may be offered from time to time and you will be informed in advance of any changes.

The investment options currently offered are:

- |   |  |
|---|--|
| • Stable Value Option                                       | • PIMCO Total Return Fund (Administrative Class)       |
| • BlackRock LifePath Retirement Fund (Institutional Shares) | • BlackRock LifePath 2020 Fund (Institutional Shares)  |
| • BlackRock LifePath 2030 Fund (Institutional Shares)       | • BlackRock LifePath 2040 Fund (Institutional Shares)  |
| • Dodge & Cox Stock Fund                                    | • MFS Total Return Fund (Class A)                      |
| • Allianz NFJ Small Cap Value Fund (Class A)                | • Franklin Growth Fund (Class A)                       |
| • Invesco Mid Cap Core Equity Fund (Class A)                | • JP Morgan US Equity Fund (Class A)                   |
| • Perimeter Small Cap Growth Fund (Institutional Shares)    | • American Funds -- EuroPacific Growth Fund (Class R4) |

If you do not select an investment option, your account will be designated for investment in a BlackRock LifePath Fund (Institutional Shares) based on your age when you initially became eligible for the Plan according to the following chart:

| <u>Your Date of Birth</u>           | <u>Default Investment Option</u>                          |
|-------------------------------------|---|
| On or after 1/1/1979                | BlackRock LifePath 2040 Fund (Institutional Shares)       |
| On or between 1/1/1969 - 12/31/1978 | BlackRock LifePath 2030 Fund (Institutional Shares)       |
| On or between 1/1/1959 - 12/31/1968 | BlackRock LifePath 2020 Fund (Institutional Shares)       |
| On or before 12/31/1958             | BlackRock LifePath Retirement Fund (Institutional Shares) |

Additional information concerning the available investment options is provided separately. Prospectuses for any mutual fund options are available by contacting New York Life.

**NOTE:** *The Plan is intended to constitute a Plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA"). Section 404(c) is a provision providing special rules for participant-directed plans, like ours, that permit participants to exercise control over the assets in their accounts. If a Plan complies with Section 404(c), the Plan's fiduciaries will not be liable for poor investment performance or losses resulting directly from participant-directed investment decisions. This means you are responsible for your investment decisions under the Plan.*

You have the right to receive the following information upon request:

- 1 A description of the annual operating expenses of each standard investment option and the aggregate amount of such expenses expressed as a percentage of average net assets.
- 2 Copies of any updated prospectuses, financial statements, and reports, and other information furnished to the Plan pertaining to each such investment option.
- 3 A semi-annual listing of assets composing the portfolio of each standard investment option, the value of those assets (or the proportion of the investment option that it composes) and, with respect to each asset that is a fixed-rate investment contract issued by a bank, savings and loan association, or insurance company, the name of the issuer of the contract, the term of the contract, and the rate of return of the contract.
- 4 Information concerning the value of shares or units in each investment option, as well as the past and current investment performance of each investment option.
- 5 Information concerning the value of shares or units in each investment option held in your account.

The Board of Trustees is responsible for providing the above information. However, the above information can also be obtained by contacting New York Life.

For more information about your investment options, including fees and expenses, please consult the prospectuses.

## ***Flexibility***

### **Changing Contributions and Investments**

Nearly everyone's personal financial situation is likely to change over the years. So, the Plan offers you the flexibility to change the amount of your contributions or to stop your contributions entirely. In addition, the Plan permits you to change your investment elections.

### **Contributions**

You may elect to change how much of your pay you contribute on a pre-tax basis by filing a 401(k) Enrollment and Deferral Change Form with the Administration Office. Your contribution change will be effective according to the rules of your Participating Employer.

## Investments

You may change your investment election for future contributions allocated to your account, or your investment election for your existing account balance, or both, by contacting New York Life. Investment election changes made and confirmed before 1:00 PM Pacific Time (PT) on any NYSE business day will generally be effective as of the close of that day. A change confirmed on or after 1:00 PM PT, or on weekends or holidays, will generally be effective as of the close of the next NYSE business day. In the event the NYSE closes before 1:00 PM PT on any business day, a change made and confirmed before the time the NYSE closes will generally be effective as of the close of that day.

A change made or confirmed on or after that closing time will generally be effective as of the close of the next NYSE business day. In the event an investment option does not have sufficient liquidity to meet same-day redemption requests, your change will be effective as soon as administratively possible thereafter.

***NOTE: The Plan Administrator may impose limitations on your ability to change your investment election(s) for your existing account balance (including declining your investment instructions) in the event of certain actions, such as, for example, excessive trading. In addition, such actions may result in redemption fees being assessed to your account. Please refer to the underlying prospectus(es) and other fund information for further details.***

Written confirmation will be mailed to you for each change of your investment election. If you change your investment election with respect to future contributions and your existing account balance, you will receive separate confirmation(s). A confirmation statement will be mailed within two business days of your transaction. You should expect to receive the confirmation within five to seven business days, depending on the U.S. Postal Service. If you fail to receive a confirmation within seven business days, please call New York Life (800.294.3575) and speak with a Participant Service Representative.

## **Accessing Your Account**

One of the most commonly asked questions about the Plan is, “Can I get my money out of the Plan?” Because the primary purpose of the Plan is to encourage long-term retirement savings, distribution of your account normally cannot be made before your retirement or other termination from covered employment. However, while you remain employed by a Participating Employer, you may borrow from your account under certain circumstances. Please note that loans under the Plan may be subject to limitations, in addition to those described below, established by the Board of Trustees in order to anticipate changes in the value of your account due to market fluctuations.

## Loans

The Plan allows you to borrow against the value of your account balance. It's a way for you to borrow your own money. The interest you pay on your loan goes back into your own Plan account. You can model your repayment schedule and apply for a loan by contacting New York Life. Loan documentation and processing instructions will be mailed to you.

You may have only two loans outstanding at any time. The interest rate is fixed and will be equal to the Prime Rate (as published in *The Wall Street Journal*) plus 1%.

The minimum amount you can borrow is \$1,000. The maximum loan amount available to you will be determined by your account balance. You may borrow up to the lesser of (i) 50% of your account balance or (ii) \$50,000. This \$50,000 maximum is reduced, however, by the amount of your highest outstanding loan balance for the previous 12-month period.

Loans must be repaid over a period of not more than five years. Loans may be prepaid in full or in part at any time without penalty. Failure to repay a loan in accordance with its terms will constitute default. If you default on your Plan loan, under the federal tax laws you will be considered to be in taxable receipt of your unpaid loan balance. As a result, you will have to pay income taxes on the amount of your unpaid loan and, if you are under age 59½, an additional 10% penalty tax. In addition, interest will generally continue to accrue (for purposes of determining your eligibility for any subsequent loan) until the loan is repaid or you separate from service. You should contact a Participant Service Representative for additional information regarding the treatment of loans in default.

If you leave covered employment before your loan is repaid, you may choose to continue making loan repayments by check. Contact the Administration Office to set up payment continuation. If you fail to do so, your loan will default and the outstanding loan balance will be treated as taxable income to you. If you are under age 59½, an additional 10% penalty tax may also apply. Additionally, if you request a distribution before you repay your loan, the outstanding loan balance will automatically be deducted from your account balance before it is distributed to you. That outstanding loan balance will be treated as taxable income to you and if you are under age 59½, an additional 10% penalty tax may apply.

Please note that loan repayments will be suspended if you are performing service in any of the uniformed services.

You should also be aware that if you are married, you must obtain your spouse's written and notarized consent in order to obtain a loan from the Plan.

## **Vesting**

Vesting means ownership. You are always 100% vested (have complete ownership) in your pre-tax contributions, any Participating Employer contributions made on your behalf, and any rollover contributions you may have made.

## ***When Benefits Will Be Paid***

You may elect to receive distribution of your Plan account:

- 1 in the event of your “disability” (as determined by the Board of Trustees);
- 2 in the event of your retirement from covered employment on or after your Early or Normal Retirement Date; or
- 3 in the event you terminate covered employment for any other reason.

**NOTE:** *A change in employment status from the bargaining unit to a non-bargaining-unit position with a Participating Employer is not a “termination of employment.” Therefore, you will not be able to receive distribution of your account as a result of such a change in position.*

**NOTE ALSO:** *Under federal law, distribution of your vested account must be made or commence no later than the April 1 following the year you attain age 70½ or, if later, following the year you terminate employment.*

## ***How Benefits Will Be Paid***

If your account balance totals \$1,000 or less, distribution of your account will automatically be made in the form of a single-sum payment. If your vested account balance exceeds \$1,000 but is equal to or less than \$5,000, distribution of your account will be made in the form of a single-sum payment as soon as administratively possible after your completion of a Distribution Election Form. If you fail to complete a Distribution Election Form and your account balance exceeds \$1,000 but is equal to or less than \$5,000, the Administration Office will pay your distribution in a direct rollover to an individual retirement account (IRA) designated by the Plan Administrator.

If your account balance exceeds \$5,000, your account will normally be distributed in the form of an annuity. If you are not married, your account will be paid in the form of a life annuity, which will provide equal monthly payments for your life. If you are married, you will receive a 50% joint and survivor annuity. Under this form of annuity, you will receive monthly payments for your life, and upon your death, your spouse, if he or she survives you, will receive monthly payments for his or her life equal to 50% of the monthly payments you were receiving at your death. You may also elect to waive the annuity and receive your account in a single-sum payment or in installments over a period as limited under the Plan. You may also elect to take partial withdrawals of your account, or elect a 75% joint and survivor annuity, under which you will receive monthly payments for your life, and upon your death, your surviving spouse will receive monthly payments for his or her life equal to 75% of the monthly payment you were receiving at your death.

If you wish to waive the annuity, you may do so not more than 180 days, nor less than seven days, before the annuity is to begin. However, if you are married, you must obtain your spouse's notarized or plan-representative-witnessed consent to receive a benefit other than a joint and survivor annuity for you and your spouse. The Administration Office will provide you with the necessary forms to make this election. Because your spouse participates in this election, you must immediately inform the Administration Office of any change in your marital status.

If you do not waive the annuity, the amount of your annuity will depend upon the value of your account and your marital status on the date distribution begins. The Plan will purchase an annuity contract from an insurance company with your account balance to provide this annuity.

Whenever you receive a distribution from the Plan, it will normally be subject to income taxes. To provide for the resulting taxes, unless you receive your distribution in the form of an annuity or installments over a period of at least ten years, your distribution may be subject to mandatory 20% federal income-tax withholding, and may also be subject to any applicable state income-tax withholding. However, you may be able to defer income taxes on your distribution by electing to have your distribution paid directly to an IRA (including a Roth IRA) or to another eligible retirement plan.

If you are younger than age 59½ when you receive your distribution, any amount you receive may be subject to a 10% federal excise tax (penalty tax) in addition to any applicable federal and state income taxes. However, the 10% penalty tax will not apply to distributions made to your beneficiary in the event of your death or if you transfer your distribution directly to an IRA or to another eligible retirement plan. You may obtain a distribution election form from the Administration Office. You should contact a tax advisor to determine which option is best for you.

You will be provided with more information concerning your distribution options when you apply for benefits under the Plan.

### ***Death Benefit***

If you die before distribution of your account has commenced, your beneficiary will be entitled to receive the full value of your account.

You may choose anyone to be your beneficiary under the Plan. You make your designation by filing a Beneficiary Designation Form with the Administration Office. However, under federal law, if you are married and wish to name someone other than your spouse as your beneficiary, you may do so only with your spouse's written and notarized or plan-representative-witnessed consent. If you fail to designate a beneficiary, or if your designated beneficiary dies before you do, the Plan provides that your beneficiary will automatically be your surviving spouse or domestic partner, or, if none, your surviving children by right of representation, or, if none, your surviving parents, or, if none, your surviving brothers and sisters and nieces and nephews who are children of deceased brothers and sisters, or, if none, your estate. If your spouse is designated as your written beneficiary and you and your spouse divorce, the written designation of your former spouse will be void as of the date of the divorce.

Distribution of any death benefit under the Plan will normally be made in the form of a single-sum payment as soon as administratively possible after your death. However, if your account balance exceeds \$5,000 and you are not married, or have designated someone other than your spouse as your beneficiary, your beneficiary may elect to receive your account in annual or more frequent installments over a period as limited under the Plan. Your beneficiary may also elect to transfer or roll over the death benefit in accordance with IRS regulations.

If you are married, and if your spouse is your beneficiary, your account balance will be used to purchase an annuity for your surviving spouse. Thus, your surviving spouse will receive monthly payments for his or her lifetime. The amount of the monthly payments will depend upon the value of your account at the time of your death. Your surviving spouse may, however, elect to waive the annuity and receive your account in a single-sum payment, in installments, or as partial payments as described above.

## ***Other Important Facts***

### **Plan Name**

The name of the Plan is the Western States 401(k) Retirement Fund of the OPEIU.

### **Plan Sponsor**

The Plan is sponsored and administered by a joint labor-management Board of Trustees, the name and address of which are:

#### **Board of Trustees**

**Western States 401(k) Retirement Fund of the OPEIU  
c/o A&I Benefit Plan Administrators  
1220 SW Morrison Street, Suite 300  
Portland, OR 97205-2222  
Telephone: (503) 224-0048 or (800) 547-4457**

### **Administration**

The Plan is administered by the Board of Trustees with the assistance of a contract administrator that operates the Administration Office. The Board of Trustees interprets the Plan.

The names and addresses of the Trustees serving on the Board of Trustees are:

#### **Employee Trustees**

**Rick D. Wilson  
OPEIU Local 11  
3815 Columbia Street  
Vancouver, WA 98660**

**Mike Richards  
OPEIU Local 11  
3815 Columbia Street  
Vancouver, WA 98660**

**Maureen Colvin  
OPEIU Local 11  
3815 Columbia Street  
Vancouver, WA 98660**

#### **Employer Trustees**

**Michael Gutwig, Editor  
Northwest Labor Press  
P.O. Box 13150  
Portland, OR 97213**

**John Mohlis  
Oregon State Building and  
Construction Trades Council  
3535 SE 86th Avenue  
Portland, OR 97266**

**Leonard Phillips  
P.O.Box 4421  
Tualatin, OR 97062**

The contract administrator is the agent for the service of process. The contract administrator is:

**A&I Benefit Plan Administrators  
1220 SW Morrison Street, Suite 300  
Portland, OR 97205-2222  
(503) 224-0048 or (800) 547-4457**

**New York Life Investment Management operates the website  
[mylife.newyorklife.com](http://mylife.newyorklife.com) and New York Life can be contacted at 800.294.3575**



The following information is required to be communicated to you under the Pension Protection Act of 2006. Please read this information carefully.

### **Importance of Diversification**

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return while minimizing your overall risk of losing money. That is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

You may access the Department of Labor's website at [www.dol.gov/ebsa/investing.html](http://www.dol.gov/ebsa/investing.html) to obtain other sources of information on individual investing and diversification.

### **Collective Bargaining Agreements**

The Western States 401(k) Retirement Fund of the OPEIU is the subject of a collective bargaining agreement. Some provisions of the collective bargaining agreement pertain to pension benefits. The parties to the collective bargaining agreements are the Union and Participating Employers.

A copy of the collective bargaining agreement may be obtained by written request to the Administration Office or is available for examination at the Administration Office.

### **Expenses**

The Plan participants pay 100% of all Plan administrative expenses.

### **IRS Employer Identification Number (EIN) and Plan Number**

The EIN is 93-6026077 and the Plan Number is 001.

## ***Statements of Your Account***

### **Reports on Your Plan Account**

At the end of each calendar quarter, a statement will be provided to you in accordance with the requirements of applicable law. To help you keep up-to-date on the status of your account, the statement will include the following:

- 1 the amount you contributed to the Plan;
- 2 any Participating Employer contributions made on your behalf;
- 3 the investment options you have selected;
- 4 the value of each investment to which assets in your account have been allocated;
- 5 the earnings and/or losses on your investments;
- 6 the current value of your account; and
- 7 loans, if any.

You may also request a statement at any time by contacting New York Life.

## ***Your ERISA Rights and Information***

### **What are my rights under the Employee Retirement Income Security Act of 1974?**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants are entitled to:

#### ***Receive Information About Your Plan and Benefits***

- examine, without charge, at the Administration Office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- obtain, upon written request to the Board of Trustees, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Board of Trustees may make a reasonable charge for the copies.
- receive a summary of the Plan's annual financial report. The Board of Trustees is required by law to furnish each participant with a copy of this summary annual report.
- obtain a statement telling you (a) the amounts credited to your account under the Plan and (b) what your benefits would be under the Plan if you stop working as of that statement date. This statement is not required to be given more than once a year. The Board of Trustees must provide the statement free of charge.

#### ***Prudent Actions by Plan Fiduciaries***

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

## ***Enforce Your Rights***

If your claim for a benefit is denied or ignored, in whole or in part, you have the right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Board of Trustees and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Board of Trustees to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Board of Trustees. If you have a claim for benefits that is denied or ignored, in whole or in part, and you have exhausted the claims procedures available to you under the Plan, you may file suit in a state or federal court. In addition, if you disagree with the Board of Trustees' decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds that your claim is frivolous.

## ***Assistance With Your Questions***

If you have any questions about the Plan, you should contact the Board of Trustees. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Board of Trustees, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## ***How do I make a claim for benefits?***

We hope there will never be a disagreement about the amount owed to you under the Plan. However, if there is a disagreement, you must follow the Plan's claims procedure or you may forfeit certain legal rights to contest the decision. You must file any request for benefits in writing. Before filing your request, you or your legal representative may wish to examine any Plan records regarding your claim. This examination may occur only during regular working hours.

If your request is denied, the Board of Trustees will provide you with a written response detailing the reasons for its decision. After receiving this decision, you have 60 days within which you or your legal representative may file such additional exhibits or written arguments with the Trustees as you deem appropriate. On the basis of these materials, the Trustees will review their earlier decision and issue a final written decision.

If your claim pertains to a determination as to whether you are disabled, the Trustees must make their initial claims decision within 45 days, with a possible 30-day extension. If your claim cannot be decided because additional information is needed from you, you will be notified and will have 45 days to provide the additional information. After receiving the initial adverse claims decision, you will have 180 days to appeal the denial. In deciding an appeal based in whole or in part on medical judgment, the Board of Trustees will consult with a healthcare professional who was not involved with the initial claims determination and who is not a subordinate of such an individual.

The decision of the Board of Trustees, who have the discretionary authority to interpret the Plan and to make factual determinations pertaining to matters arising under the Plan, is final and binding.

### **What happens if the Plan is amended or terminated?**

The Board of Trustees reserves the right to amend the Plan or to terminate it. However, no amendment can reduce the amount in your account. If the Plan terminates, your account will remain 100% vested, that is, nonforfeitable.

The Plan is for the exclusive benefit of its participants and, therefore, money cannot go back to the Participating Employers or the Union because of the Plan's termination.

Upon termination of the Plan, the Board of Trustees will generally liquidate assets and distribute the value of your account to you, subject to IRS requirements.

### **Is there any way I can lose Plan benefits?**

Yes, there are a few ways in which you could lose expected benefits, such as the following, among others:

#### ***If investments go down in value***

The value of your account depends on the performance of your investments under the Plan. Your account balance is subject to both gain and loss due to investment results and administrative expenses paid by the plan participants. If you receive a distribution at a time when the value of your investments has declined, you may not receive a distribution that is as large as you had hoped. Also, certain administrative expenses of the Plan may be paid from the Plan's trust fund or, in some cases, may be charged directly to your account.

### ***If a “Qualified Domestic Relations Order” is received***

In general, your account cannot be attached or paid to creditors or to anyone other than yourself. However, under federal law, the Trustees are required to obey a Qualified Domestic Relations Order. This is a decree or order issued by a court that satisfies certain requirements under the Internal Revenue Code. A Qualified Domestic Relations Order may require that all or a portion of your account be paid to your spouse, former spouse, child, or other dependent. The Trustees, in accordance with procedures set forth in the law, will determine the validity of any order received and will inform you upon the receipt of any such order affecting you.

You may obtain a copy of the plan's Qualified Domestic Relations Order procedures free of charge from the Administration Office.

### **Forfeitures**

Make sure the Administration Office has your current address so that any funds due you are sent to this address. If the Administration Office cannot locate you or your beneficiary, your benefit may be forfeited. If a benefit is forfeited, and you or your beneficiary are located at a later date, your benefit will be reinstated to you or your beneficiary, as appropriate.

### **Should I be aware of any other aspects of the Plan?**

You should also be aware that the Pension Benefit Guaranty Corporation, a federal agency that insures defined benefit plans, does not insure this type of plan because it is a defined contribution Plan. The government has exempted plans like ours from such insurance because all contributions go directly to your account and you will remain 100% vested in your account if the Plan is ever terminated.