



**International Union of Operating Engineers  
Local 487 Pension Fund**

911 Ridgebrook Road  
Sparks, MD 21152-9451  
Phone: 877-291-2387  
www.associated-admin.com

EBSA/PUBLIC DISCLOSURE  
2010 AUG -3 PM 12: 20

**BY CERTIFIED MAIL:**

July 29, 2010

U.S. Department of Labor  
Employee Benefits Security Administration  
Public Disclosure Room, N-1513  
200 Constitution Avenue, NW  
Washington, DC 20210

Re: International Union of Operating Engineers Local 487 Pension Fund  
EIN: 59-6231992 PN: 001 PYB: 4/1/2009

To Whom It May Concern:

Enclosed is a copy of the Notice of Critical Status provided to participants of the International Union of Operating Engineers Local 487 Pension Fund for the Plan Year beginning on April 1, 2010.

Sincerely,

*Linda DuVall*

Linda DuVall, CEBS  
Administrative Manager  
For the Board of Trustees

CC: Board of Trustees

Enclosure



# International Union of Operating Engineers Local 487 Pension Fund

911 Ridgebrook Road  
Sparks, MD 21152-9451  
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## Notice of Critical Status For International Union of Operating Engineers Local 487 Pension Trust Fund

EIN: 59-6231992

Plan No.: 001

Date: July 29, 2010

Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act ("PPA" or "Act"), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a Plan's "financial health" with participants and other interested parties directly related to the Plan.

### Plan's Status – Red Zone

On June 29, 2010, the Plan's actuary certified to the U.S. Department of the Treasury and the Board of Trustees that the International Union of Operating Engineers Local 487 Pension Trust Fund ("Plan") is in critical status (the "red zone") for the Plan Year beginning April 1, 2010. Federal law requires that you be notified of the funding status of the Plan and its classification of critical status ("red zone"). The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary has determined that the sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants and the plan is projected to have an accumulated funding deficiency in five years.

### Rehabilitation Plan and Possibility of Reduction in Benefits

The Board of Trustees adopted a Rehabilitation Plan on August 19, 2009, designed to restore the financial health of the Plan. On February 26, 2010, a Notice of Adjustment to Benefits Due to Critical Status was sent to you explaining the changes to the Plan that were set forth in the Rehabilitation Plan. These changes apply to Participants whose benefit commencement date is on or after July 24, 2009. The changes include modification to:

The benefit level for future accruals  
Early Retirement reduction factors  
Pre-Retirement Survivor Benefit  
Factors used to determine Pre-Retirement Survivor Benefit.

## **Adjustable Benefits**

In addition to these recent changes, the law permits pension plans in critical status to make similar changes to future benefits and to reduce or eliminate, benefits called "adjustable benefits."

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of the Rehabilitation Plan:

- Disability benefits (if not yet in pay status),
- Early retirement benefit or retirement-type subsidy (such as the Unreduced Early Retirement Pension),
- Optional Forms of Payments

## **Where to Get More Information**

Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year if the Plan is in critical status. The Trustees will timely notify you of any other changes that may be made to the Plan to ensure the Plan's financial stability. If you have questions about this notice or any previous notices sent about these changes, please contact:

I.U.O.E. Local 487 Pension Fund Office  
911 Ridgebrook Road  
Sparks, MD 21152-9451  
1- (877) 291-2387 (press Option #1)

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees is working closely with the Unions and the Contributing Employers toward taking appropriate actions to improve the financial health of the Plan so that your retirement benefits are secure into the future.

Sincerely,

Board of Trustees

cc: Department of Labor  
Pension Benefit Guaranty Corporation