Announcing the Operating Engineers Local 12 Defined Contribution Plan

The Board of Trustees are pleased to announce a new pension plan for Local 12 members effective July 1, 2018. The new Defined Contribution Plan (sometimes referred to as Annuity Fund) is in addition to the Operating Engineers Pension Plan and provides a valuable supplement to your retirement financial security.

The Defined Contribution Plan (or DCP) is an individual account type pension plan where an account is setup for every member working under a Local 12 bargaining agreement which includes the Defined Contribution Plan. For every hour you work, $1.00 is credited to your individual account. All of the contributions into your individual account will be invested and will grow and compound over time. You are 100% vested in your individual account at all times and from the very first hour. Upon retirement, you will be entitled to the full balance in your individual account. You can receive your individual account balance in a lump sum or in one of a variety of lifetime annuity options for you alone or for you and your surviving spouse. There is no ability to add additional monies to your individual account over and above the $1.00 per hour that was negotiated and approved by the membership and there are no loans or hardship withdrawals.

The Board of Trustees has selected MassMutual to perform the individual account recordkeeping services and to invest the assets. The assets will be invested in a stable value mutual fund. Individual accounts will be valued daily, and members will receive quarterly statements on the activity and performance of their individual accounts. The Fund Office is currently working with MassMutual to coordinate which administrative services will be performed by the Fund Office and which services will be performed by MassMutual to best serve the membership. More on this, including new beneficiary designation forms and a summary plan description booklet, will follow.

Because this new Trust is starting with zero assets and individual account balances will be relatively small during the first year or so, Local 12 has agreed to cover all administrative costs of the DCP until it can stand on its own.

More information on this new benefit plan will follow.