

# NEED HELP? **MORE INFO?**

**Log on to [www.ibenefitcenter.com](http://www.ibenefitcenter.com) or  
call the plan's toll-free number at 1-877-864-6644.**

Investing involves risk, including the risk of loss.

*While every effort has been made to ensure the accuracy of the information in this material, in the case of a discrepancy, the official plan document will govern.*

**Before investing, carefully consider the investment options' or funds' investment objectives, risks, charges, and expenses. Call 1-877-864-6644 or visit [www.ibenefitcenter.com](http://www.ibenefitcenter.com) for an offering statement or prospectus and, if available, a summary prospectus containing this and other information. Read it carefully.**



# NO HEAVY LIFTING REQUIRED

> RETIREMENT PLANNING **GUIDE**

OPERATING  
ENGINEERS  
LOCAL NO.

**3**

**ANNUITY PLAN**



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# GET STARTED

The Trustees maintain an account for you as a member of the Operating Engineers Annuity Plan. Contributions may be made to your account by participating employers on your behalf, as determined by your collective bargaining agreement. These contributions are received in the Fund Office for deposit in trust and invested based on your investment elections for your account.

If you do not make your own investment elections for your account, your contributions will automatically be invested in the professionally diversified Putnam Retirement Advantage Fund that most closely matches your target retirement year, based on the plan's normal retirement age of 65 and your current age. You are encouraged to review your options and make an active investment decision for your portfolio.



# GET INVOLVED

Actively participating in your plan is essential to helping you prepare for retirement, and today's decisions can have a real impact on tomorrow's account value. That's why it's important to be aware of the benefits and opportunities your plan provides.

## **Your contributions are automatic**

Your employers automatically make contributions on your behalf to a plan account in your name. It's important for you to take ownership of your account.

## **Your investments compound tax deferred**

As your account balance accumulates, your money can earn an investment return on both the amount contributed and any earnings — a powerful process known as compounding. Compounding is enhanced in the plan because both contributions and earnings are tax deferred — which means that taxes do not eat away at your account balance before you withdraw the money. So the more time you allow compounding to work, the more powerful its effect can be.

## **You decide how to invest your account**

This plan lets you choose how to invest the money in your account. It's important to consider your specific goals and how long you have to reach them, the standard of living you want to have during retirement, and the amount of investment risk you're willing to accept.

Without your active participation, your account will remain invested in the plan's default fund, which is a custom-tailored fund based on the assumption that you will retire at age 65. The decision is yours, and we encourage you to give it some thought.



# LEARN THE BASICS

Your plan lets you choose from a variety of mutual funds, which invest in both stocks and bonds.

## **Stocks offer the potential to build wealth**

Stocks represent part ownership of a company, including its earnings and assets. As a company grows and earns greater profits, its stock can increase in value, sometimes dramatically over the long term. Historically, stocks have offered the greatest opportunity to grow the value of an investment over the long term and to help protect your account from the effects of inflation. However, they have also been more likely to lose money in any given year.

## **Bonds offer the potential for greater stability**

Bonds represent loans to companies or governments that are repaid to investors over time with interest. Although a bond's price can fluctuate with changes in the financial markets, particularly in response to changes in interest rates, bond prices historically have fluctuated less than stock prices. However, lower volatility means that bonds may not be likely to grow fast enough to meet your long-term retirement goals.

## **Mutual funds offer a convenient way to invest in stocks and bonds**

A mutual fund pools your money with that of other investors to buy a variety of stocks, bonds, or both in a single, professionally managed portfolio. Since there are different types of stocks and bonds, mutual funds are managed in different styles, including growth, blend, value, income, and capital preservation.

The Operating Engineers Annuity Plan makes a range of investment options available that allows you to invest your account across multiple styles. See pages 6–13 for more information on evaluating your investment choices and the types of funds available.



# EXPLORE THE FEATURES

The information below provides an overview of the plan. For more detailed information, please refer to the Summary Plan Description (SPD).

## Eligibility

You are immediately eligible to participate in the plan if you work for a participating employer.

## Designating your beneficiary

To designate your beneficiary, complete the Beneficiary Designation Form included with this package and return it to the Fund Office in the envelope included with this booklet. When you designate a beneficiary, you instruct the Trustees as to whom the value of your plan account should be distributed in the event of your death. If the Trustees do not have a copy of your form at the time of your death, your plan account will be paid to your spouse if you are married or to your estate if you are not married.

## Changing how your existing balances are invested

You can make exchanges (transfers) among the funds in which your existing balances are invested anytime you like. Exchanges can be made in dollar amounts, percentages, or shares.

Although plan rules may permit exchanges on a daily basis, mutual fund companies reserve the right to limit or prohibit short-term or excessive trading in their funds to protect the long-term interests of all shareholders in the funds. In addition, short-term trading fees may apply to certain exchanges. Please refer to the individual fund prospectuses or offering statements for further information.

## Changing how your future contributions will be invested


On a daily basis, you can change (reallocate) the funds in which your future contributions will be invested. Changes must be made in 1% increments.

## Distribution of your account

Your account balance will be available and/or payable to you or your beneficiary 60 days after the end of the plan year (December 31) in the event of retirement, permanent disability, death, or termination of employment, in conjunction with a break in service. Please consult your plan document or Summary Plan Description for the definitions of retirement, permanent disability, termination of employment, and break in service.

If the value of your plan account is greater than \$5,000, your plan account will be payable to you in a lump sum or in monthly, quarterly, or annual installments, or you may defer distribution of your account balance until April 1 following the year in which you reach age 70½ or until you retire, whichever is later.

Withdrawals of employer contributions and/or rollover contributions are subject to current income taxes, and withdrawals made before age 59½ may be subject to an additional 10% penalty. Please consult your tax advisor for further details.



Generally, your distribution options include rolling over your account to another IRA, rolling over your account to another employer's plan, or having a distribution paid directly to you. For more information about your options and the pros and cons to consider when making your decision, please call 1-877-864-6644 for assistance.

#### **Plan fee**

An administrative fee will be deducted from each member's account. This fee will cover your share of the Fund Office expenses associated with running the plan.

#### **Statement of your account**

A comprehensive account statement will be mailed to you approximately 10 business days after the close of each calendar quarter. Your most recent quarterly statement will also be available in the "Wealth" section of the plan's website.

#### **GO GREEN!**

If you would like to stop receiving your account statements in the mail, select the "Less mail more trees" banner on the homepage of the plan's website, [www.ibenefitcenter.com](http://www.ibenefitcenter.com). You will be alerted by e-mail when your latest statement is available online. You can resume statement mailing at any time by logging on to the plan's website or calling the plan's toll-free number, 1-877-864-6644. Service Representatives are available between 8:00 a.m. and 10:00 p.m. Eastern Time, any business day.



# SELECT YOUR INVESTMENTS

You can invest and diversify your account in one of two ways. Either take no action, in which case your account will automatically be invested in the default Putnam Retirement Advantage Fund that's most appropriate for your current age and expected retirement at age 65, or mix your own customized portfolio by choosing a combination of individual investment options in the plan.

## WHAT KIND OF INVESTOR ARE YOU?

When it comes to investing for retirement through the plan, would you prefer some assistance or would you rather do it yourself?

Take this quiz to get a better idea of whether you should choose a single ready-mixed portfolio or mix your own portfolio of individual investment options.

<input type="checkbox"/>	I want to pick a single investment.	<input type="checkbox"/>	I want to choose my own combination of investments of varying types.
<input type="checkbox"/>	I want my portfolio professionally invested among funds of varying types.	<input type="checkbox"/>	I want to take the time to learn as much as I can about the plan's investment options.
<input type="checkbox"/>	I want my portfolio actively rebalanced based on a defined strategy.	<input type="checkbox"/>	I want to monitor my portfolio and make adjustments on an ongoing basis.

If you checked more items in the left-hand column, then you may want to consider selecting a single ready-mixed portfolio. Review your choices below.

If you checked more items in the right-hand column, then you may want to consider a mix-your-own portfolio of individual investments. See the next page to discover what your portfolio could look like and then mix your own portfolio.

## READY-MIXED PORTFOLIO

The plan makes 13 investments available. Learn more about these funds on pages 10–12.

<input type="checkbox"/>	American Funds American Balanced Fund	<input type="checkbox"/>	Putnam Retirement Advantage 2030 Fund
<input type="checkbox"/>	BlackRock Global Allocation Fund	<input type="checkbox"/>	Putnam Retirement Advantage 2025 Fund
<input type="checkbox"/>	Putnam Retirement Advantage 2055 Fund	<input type="checkbox"/>	Putnam Retirement Advantage 2020 Fund
<input type="checkbox"/>	Putnam Retirement Advantage 2050 Fund	<input type="checkbox"/>	Putnam Retirement Advantage 2015 Fund
<input type="checkbox"/>	Putnam Retirement Advantage 2045 Fund	<input type="checkbox"/>	Putnam Retirement Advantage Maturity 2010 Fund
<input type="checkbox"/>	Putnam Retirement Advantage 2040 Fund	<input type="checkbox"/>	Putnam Retirement Advantage Maturity Fund
<input type="checkbox"/>	Putnam Retirement Advantage 2035 Fund		

Congratulations – you're ready to make your investment elections!

## MIX YOUR OWN PORTFOLIO

What could your portfolio look like?

The plan makes a range of investment choices available to help you build a diversified portfolio. These categories below can help you decide how to diversify your money among the plan's fund styles, based on your goals, risk tolerance, and time horizon. Then, turn to the next page to select your investments.

Diversification does not ensure a profit or guarantee against a loss.

Style	Growth	Blend	Value	Income	Capital Preservation
<b>Main types of underlying investments</b>	Stocks	Stocks	Stocks	Bonds	Primarily fixed-income securities
<b>Definition</b>	Seek to invest in stocks with a strong potential for above-average earnings growth.	Seek to invest in a combination of stocks with potential for strong earnings growth and stocks that are priced below their expected worth.	Seek to invest in attractively priced stocks of well-established companies.	Seek to provide a steady stream of income and in some cases a small amount of growth by investing in bonds issued by governments or corporations.	Seek to offer price stability and a steady stream of income by investing in short-term bonds or contracts issued by creditworthy companies, banks, and governments.

## SELECT YOUR INVESTMENTS

### WHICH INVESTMENTS MAY WORK FOR YOU?

The plan also has four individual investment options to choose among. When mixing your own portfolio, keep in mind your time horizon and tolerance for investment risk.

#### Other key factors to consider

There are a number of factors to consider when evaluating your investment options in addition to investment style, including:

- **Geography** – Stocks and bonds are issued by companies and government agencies around the world and offer varying degrees of risk and potential reward.
- **Company size** – Specific to stock funds, company size refers to the total market value, or “capitalization,” of a company as determined by its outstanding stock shares.
- **Management style** – Some funds are passively managed, or “index,” funds that generally invest in the same securities, in the same proportions, as the corresponding market index. Other funds are actively managed – managers of actively managed funds attempt to outperform the corresponding market index.

Investment choices	Investment selections
<b>Blend</b>	
Conservative Balanced Fund	<input type="text"/> %
SSgA S&P 500 Index Fund	<input type="text"/> %
<b>Income</b>	
Vanguard Total Bond Market Index Fund	<input type="text"/> %
<b>Capital preservation</b>	
Putnam Stable Value Fund	<input type="text"/> %
Total (must equal 100%)	100%

See pages 13-14 for more information about all the investments in the plan’s mix-your-own lineup.

**Congratulations – you’re ready to make your investment elections!**

Turn to page 9 to find out how.

# MANAGE YOUR ACCOUNT

You can manage your account online or by phone. For either option, you will need your User Name and Password or personal identification number (PIN) to access your account.

## HOW DO YOU MANAGE YOUR PLAN ACCOUNT?

The plan offers you two convenient ways to manage your account.

**Online** – [www.ibenefitcenter.com](http://www.ibenefitcenter.com)

The plan's website provides you with interactive planning tools to help you make your investment decisions.

**By telephone** – 1-877-864-6644

For personal assistance, call the plan's toll-free number between 8:00 a.m. and 10:00 p.m. Eastern Time, Monday through Friday, and press "0" to speak with a Service Representative.

## ONLINE RESOURCES

Your plan offers the following online resources at [www.ibenefitcenter.com](http://www.ibenefitcenter.com):

- **Resource Center** – A wealth of informational articles, calculators, and web seminars are available to help you learn more about retirement planning and investing.
- **Wealth** – Here, you'll find all the transactional tools you need to review and modify your account.
- **Forms** – Here, you'll find plan forms and investment information.

## WHAT YOU NEED TO ACCESS YOUR ACCOUNT

### HOW TO ACCESS YOUR ACCOUNT

- **Log on to [www.ibenefitcenter.com](http://www.ibenefitcenter.com)** – As part of the account security process, you will need your User Name and Password to access your account online for the first time. Your User Name will be your Social Security number and your Password will be the last four digits of your Social Security number, plus the word "WEB." (For example, if the last four digits of your Social Security number are 1234, your initial Password will be 1234WEB.)

After you log on to the site for the first time, you will be prompted to change both your User Name and Password. The User Name must be a minimum of 8 characters with at least 1 letter and 1 number; the Password must be between 8 and 20 characters and contain at least 1 letter and 1 number. **If you are an existing member (return user) and returning to the website, enter the User Name and Password that you previously selected the last time you accessed your account.**

You will also be asked to provide answers to three security questions, which you will be prompted to answer in the future if you forget your User Name or Password.

By correctly answering these questions to verify your identity, you can immediately reset or retrieve your User Name or Password to access your account right away.

- **Call 1-877-864-6644** – When you call the plan's toll-free number, you will need to enter your Social Security number and your personal identification number (PIN). Your initial PIN will be the last four digits of your Social Security number. Before you access your account, you will be prompted to select a new PIN.

### THE PLAN'S INVESTMENT LINEUP

The plan offers you several ways to create a diversified portfolio for your account. You can take no action and be automatically invested in the default ready-mixed fund, choose a different ready-mixed fund for one-step diversification that may be appropriate for your age and years until retirement, or mix your own portfolio of individual investments in the plan.

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#### OPTION 1: TAKE NO ACTION

If you do not choose your own investments, your account balance is automatically invested in the plan's default fund, the professionally diversified Putnam Retirement Advantage Fund that most closely matches your target retirement year, based on the plan's normal retirement age of 65 and your current age. Be sure to review your investment options, and consider making an active investment decision for your portfolio. Putnam Retirement Advantage Funds are described below.

#### OPTION 2: INVEST IN A DIFFERENT READY-MIXED FUND

If you prefer a ready-mixed fund other than the plan's default fund, you can choose another Putnam Retirement Advantage Fund, the American Funds American Balanced Fund, or the BlackRock Global Allocation Fund.

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### HOW DO PUTNAM RETIREMENT ADVANTAGE FUNDS WORK?

Putnam Retirement Advantage Funds seek to provide a simple, one-step approach to diversification across multiple investment styles in varying proportions to target specific investment objectives. There are choices for investors with different levels of risk tolerance, and each portfolio is actively managed and adjusted based on market conditions.

Putnam Retirement Advantage Funds seek to allow you to:

- Make a single choice for your plan account based on your investment goals and risk tolerance
- Have your portfolio automatically diversified across an array of asset classes and investment styles
- Have your portfolio actively managed and adjusted based on market conditions

The target date investment is designed for investors expecting to retire around the year indicated in the product name. The asset allocation strategy generally becomes increasingly conservative as it approaches the target date and beyond. Investment risks change over time as the underlying investment asset allocation changes. The investment is subject to the volatility of the financial markets, including equity and fixed-income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates.

### Simple, one-step diversification by age

You can diversify your entire account balance in one ready-mixed Putnam Retirement Advantage Fund. Use the chart below to determine the default fund in which your account balance will be invested based on your date of birth and expected retirement at age 65.

If your birth date is on or before	Then your Putnam Retirement Advantage Fund is	Fund allocation*
6-30-1948	Maturity Fund	STOCKS   BONDS
7-1-1948 to 6-30-1953	Maturity 2010 Fund	
7-1-1953 to 6-30-1958	2015 Fund	
7-1-1958 to 6-30-1963	2020 Fund	
7-1-1963 to 6-30-1968	2025 Fund	
7-1-1968 to 6-30-1973	2030 Fund	
7-1-1973 to 6-30-1978	2035 Fund	
7-1-1978 to 6-30-1983	2040 Fund	
7-1-1983 to 6-30-1988	2045 Fund	
7-1-1988 to 6-30-1993	2050 Fund	
7-1-1993 or after	2055 Fund	

25% | 50% | 75% | 100%

**Remember:**  
Your account balance will be invested in the default fund unless you choose another investment option in the plan.

\*Allocations will vary over time.

### Changing your investment option

Although your default fund is the Retirement Advantage Fund that we consider most appropriate based on your age, you may transfer your account balance to any other investment option in the plan – including another Retirement Advantage Fund or a diversified mix of individual investments. When doing so, be sure to consider your age, your investment style (aggressive or conservative), and how your plan investment fits into your overall investment portfolio.

#### American Funds American Balanced Fund (RLBEX)

Size: Large-cap      Geography: Domestic

This fund seeks to provide conservation of capital, current income, and long-term growth of both capital and income. The fund invests in a broad range of securities, including common stocks and investment-grade bonds. The fund also invests in securities issued and guaranteed by the U.S. Government. Blend products have the flexibility to invest in both growth and value stocks in varying proportions. At any given time they may have a higher or lower risk/reward profile than growth investments or

value investments. There is no assurance that the investment option will experience less volatility or greater reward.

Government and agency securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. Bond investing is subject to risks, such as interest rate, credit, and inflation risk. As interest rates rise, bond prices fall. Long-term bonds have more exposure to interest rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. Lower-rated bonds may offer higher yields in return for more risk.



**BlackRock Global Allocation Fund (MALOX)**

**Size: Large-cap**      **Geography: Domestic**

This fund seeks high total investment return, consistent with prudent risk, through a fully managed investment policy utilizing U.S. and foreign equity, debt, and money market securities. This combination will be varied in response to changing market and economic trends. Blend products have the flexibility to invest in both growth and value stocks in varying proportions. At any given time they may have a higher or lower risk/reward profile than growth investments or value investments. There is no assurance that the investment option will experience less volatility or greater reward.

# MIX YOUR OWN PORTFOLIO

## BLEND

Blend products have the flexibility to invest in both growth and value stocks in varying proportions. At any given time they may have a higher or lower risk/reward profile than growth investments or value investments. There is no assurance that the investment option will experience less volatility or greater reward.

### Conservative Balanced Fund\*

**Size:** Large-cap      **Geography:** Domestic

This fund is an index-based balanced fund composed of funds that mimic the Standard & Poor's 500® Index, an unmanaged index of common stocks frequently used as a general measure of stock market performance. S&P 500 is registered trademark of The McGraw-Hill Companies, Inc. and the Barclays Capital Aggregate Bond Index is an unmanaged index used as a general measure of U.S. investment-grade fixed-income securities. Barclays Capital Aggregate Bond is a trademark of Barclays. Currently, 35% of the portfolio is targeted for equity investments, represented by SSgA S&P 500 Index Fund, and 65% is invested in bonds and cash, represented by Putnam Bond Index Fund. Funds that invest in bonds are subject to certain risks, including interest rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. The fund involves the risk that the stock prices of the companies in the portfolio will fall or will fail to rise.

### SSgA S&P 500 Index Fund (SVSPX)

**Size:** Large-cap      **Geography:** Domestic

The fund seeks to replicate as closely as possible the performance of the Standard & Poor's 500 Index. The fund seeks to achieve its objective by investing substantially all of its investable assets in a corresponding portfolio that uses a passive management strategy designed to track the performance of the index.

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Because the fund seeks to track its target index, the fund may underperform the overall stock market.

## INCOME

Bond investing is subject to risks, such as interest rate, credit, and inflation risk. As interest rates rise, bond prices fall. Long-term bonds have more exposure to interest rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. Lower-rated bonds may offer higher yields in return for more risk.

### Vanguard Total Bond Market Index Fund (VBTLX)

**Size:** N/A      **Geography:** Domestic

This fund seeks to generate returns that track the performance of the Barclays Capital Aggregate Bond Index, and will maintain a dollar-weighted average maturity consistent with that of the index. The index measures investment-grade, taxable, fixed-income securities in the U.S. Because the fund seeks to track its target index, the fund may underperform the overall stock market.





## **CAPITAL PRESERVATION**

Stable value products seek capital preservation, but there can be no assurance that this goal will be achieved. Returns will fluctuate.

### **Putnam Stable Value Fund\***

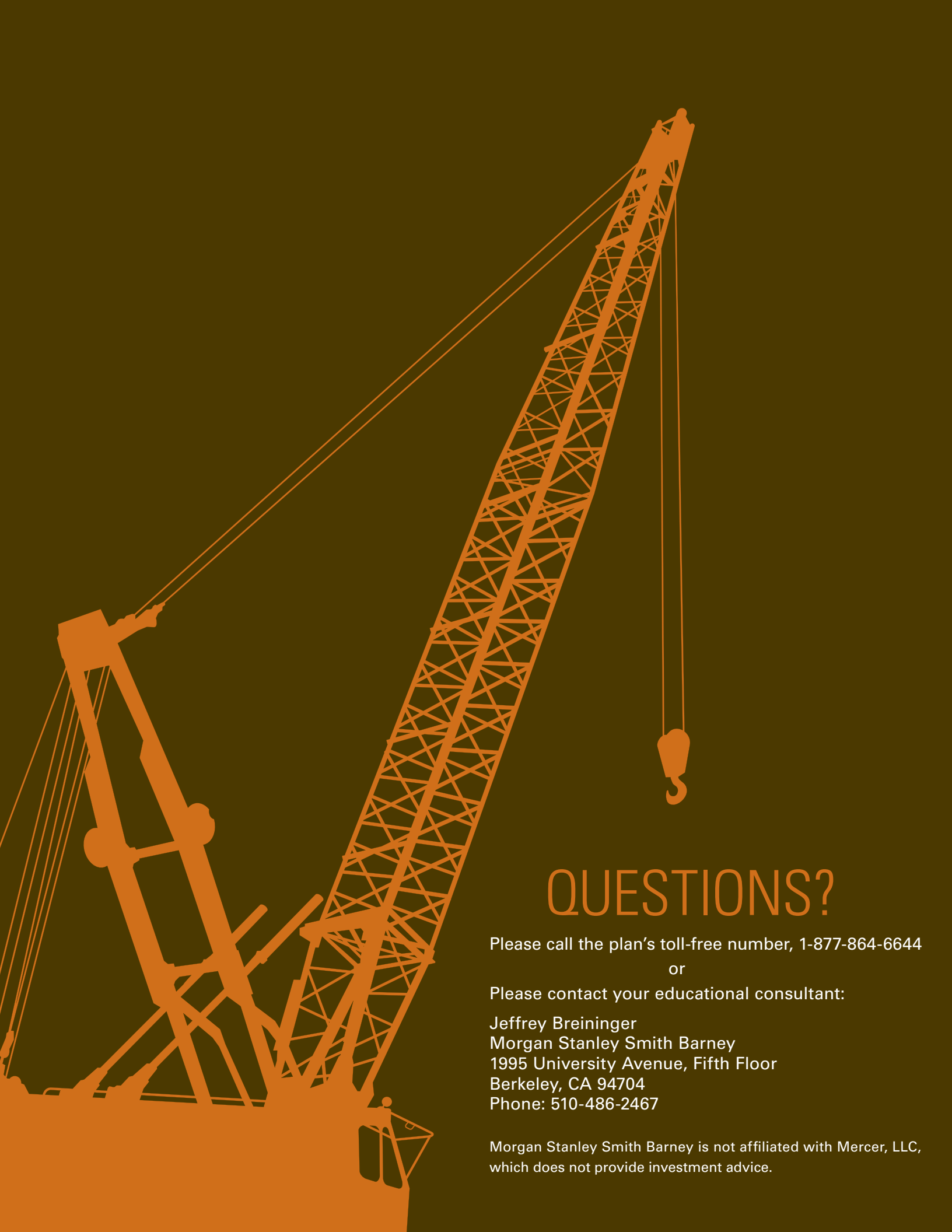
**Size: N/A**                      **Geography: Domestic**

This fund seeks stability of principal by investing mainly in investment contracts or similar investments issued by insurance companies, banks, and similar financial institutions.

\*This investment is considered a collective trust or commingled fund and therefore does not have a ticker symbol.







## QUESTIONS?

Please call the plan's toll-free number, 1-877-864-6644  
or

Please contact your educational consultant:

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