

Office and Professional Employees Locals 30 & 537 Health & Welfare and Retirement Trust Funds

Administered By: Benefit Programs Administration
Telephone • (800) 386-4350 • (562) 463-5065 • Facsimile (562) 908-7568

OFFICE & PROFESSIONAL EMPLOYEES INTERNATIONAL UNION LOCALS 30 & 537 RETIREMENT FUND

February 18, 2014

To: Participants and Employers

Subject: Cessation of Voluntary Employee Contributions

Please be advised that no new employee voluntary contributions will be accepted for any *pay periods* beginning after February 28, 2014 (due March 10, 2014). This change will not affect employee voluntary contributions previously received for prior pay periods. All existing Employee Voluntary Account Balances will continue to be 100% vested and non-forfeitable. Those accounts have been credited with interest every year at the rate of 5%.¹ The accumulated amount of employee voluntary contributions and interest may be withdrawn in the same manner and frequency as before. Please refer to the Summary Plan Description for further information.

There is a risk that late or missed deposits of employee salary reduction contributions will be a violation of regulations issued by the U.S. Department of Labor (DOL) at 29 CFR §2510.3-102. Essentially, unless contributions are deposited into the Employee Voluntary Accounts within 7 – 10 business days following the date on which such amounts have been deducted from the employees' paychecks, the Board of Trustees must disclose the failure on Schedule H of the annual report (Form 5500) that is filed with the DOL and ensure that steps are taken to collect the late contributions and seek reimbursement of lost earnings. Failure to take corrective action may result in exposure to civil penalties for fiduciary violations of ERISA.

Trusts that allow employee voluntary contributions need procedures for ensuring timely collection and deposit of employee voluntary contributions. Weekly reporting and payment of employee contributions is required by employers of the employees who make such contributions. The cost incurred to monitor and to enforce timely payment is borne by the Trust as a whole even though only about 2% of total contributions received by the Trust are from employee voluntary contributions. Due to the disproportionate costs, timing restraints and other obstacles involved in complying with DOL requirements, the Trustees have elected to cease voluntary contributions to the Plan.

Please call the Administrative Office if you have any questions concerning this change.

¹ The Trustees reserve the right to change the future rate of interest that is credited on Voluntary Account balances.

