

CENTRAL PENSION FUND OF THE INTERNATIONAL UNION OF OPERATING  
ENGINEERS AND PARTICIPATING EMPLOYERS

POLICY ON PARTICIPATION BY WORKING OWNERS

WHEREAS the Board of Trustees is empowered and authorized to adopt administrative rules and regulations they deem necessary or desirable to facilitate the proper administration of the Trust, as set forth in Article V, Section 5.9 of the restated Agreement and Declaration of Trust; and

WHEREAS the Board of Trustees has full and exclusive discretion to determine all questions of coverage and eligibility, methods of providing or arranging for benefits and all other related matters, as set forth in Article V, Section 5.18 of the Restated Agreement and Declaration of Trust; and

WHEREAS the Board of Trustees may extend coverage of the Trust Agreement to such other parties and upon such terms and conditions as the Trustee shall determine, provided such parties are required to conform to the terms and conditions of the Restated and Amended Trust Agreement, as provided in Article IX, Section 9.3; and

WHEREAS the Board of Trustees wishes to set forth a specific policy concerning participation in the Central Pension Fund by Working Owners; it is hereby

RESOLVED that certain Working Owners shall be considered eligible to participate in the Central Pension Fund as Active Employees, as defined in Section 1.03 of the Central Pension Fund's Plan of Benefits, subject to the following terms and conditions.

1. For purposes of this policy a Working Owner is defined as an individual who owns, either directly or indirectly, at least 5% of the stock of an incorporated employer, or of the ownership interest of a non-corporate employer, including a limited liability company, partnership, limited partnership or sole proprietorship and who also works for that same employer as a journeyman operating engineer on more than a de minimis basis.
2. A Working Owner may only participate in the Central Pension Fund as an Active Employee if the Working Owner's employer is a regular corporation (*i.e.* a Subchapter C Corporation), Limited Liability Company and/or a Subchapter S Corporation.
3. Under no circumstances shall a Working Owner be permitted to participate in the Central Pension Fund as an Active Employee if the Working Owner's employer is operated as a sole proprietorship, partnership or limited partnership.
4. A Working Owner may only participate as an Active Employee provided the Working Owner's employer is signatory to a bona fide collective bargaining agreement with a Local Union of the International Union of Operating Engineers, AFL-CIO, which agreement sets forth a detailed contribution basis with respect to participation in the Central Pension Fund and furthermore, the Working Owner's employer must agree to adopt and be bound to the Restated Agreement and Declaration of Trust, as presently written and as may be amended by the Board of Trustees from time to time.

5. In order for a Working Owner to participate in the Central Pension Fund as an Active Employee, his or her employer must:

(a) Agree, upon written request, to furnish promptly all documentation requested by the Central Pension Fund reasonably necessary to determine whether such participation is acceptable and consistent with this policy, including all payroll and personnel records reasonably necessary to determine if all required contributions have been properly reported and paid, as more fully provided in Article IV, Section 4.4 of the Restated Agreement and Declaration of Trust; and

(b) Maintain payroll and earnings records showing the hours worked by or compensation paid to such Working Owner sufficient to confirm the number of hours for which contributions are required to be made in accordance with the terms of the relevant collective bargaining agreement.

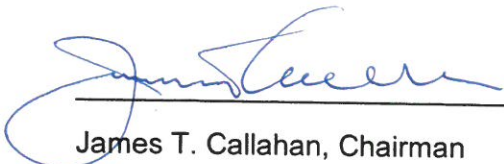
7. In the event a Working Owner is paid a weekly or monthly salary, rather than an hourly wage, contributions shall be made on the basis of 40 hours per work week. No contributions are required nor permitted at any time during which the Working Owner is not receiving any form of compensation from the company or business subject to federal income tax. (For a Working Owner of an employer that is a limited liability company which is taxed as a partnership or sole proprietorship, compensation is defined as Earned Income under the Internal Revenue Code).

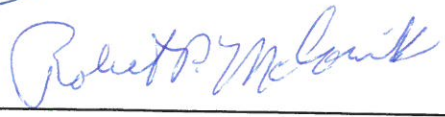
8. No contributions are required nor acceptable with respect to any month in which a Working Owner is not performing any work that would be considered bargaining unit work under the terms of the relevant collective bargaining agreement.

9. Contributions on behalf of any Working Owner shall be made at the same rate of contribution made on behalf of journeymen operating engineer employees of the company who are not Working Owners. In the event the relevant collective bargaining agreement contains differing contribution rates for different bona fide job classifications, contributions for Working Owners shall not be made at a rate higher than the highest rate set forth in the collective bargaining agreement for any such bona fide job classification.

10. The Board of Trustees expressly reserves the right to modify or amend this policy at any time; however, any such modification or amendment shall be effective prospectively only, unless otherwise required by law.

Duly Adopted this 3<sup>rd</sup> day of February, 2015

  
James T. Callahan, Chairman

  
Robert P. McCormick, Secretary

Robert P. McCormick, Secretary