

# Electrical Workers Local No. 26 Pension Trust Fund

Pension Presentation

October 2017



# Terms to Know



**Normal  
Retirement  
Age**

**Active  
Participant**

**Break-in-  
Service**

**Rule of 85**

**Vesting**

**Covered  
Employment**

**Disability**

# Types of Pensions



**Normal**

**Early Retirement**

**Unreduced Early**

**Deferred**

**Disability**

# Normal Pension Eligibility



**ACTIVE**

**At least 5 Years  
Vesting Service  
as of  
Normal Retirement Age  
(Age 62)**



# Credits & Rates



## •What are Credits?

- You can earn a maximum of one Credit for each year in the Plan. Credit by Hours is determined by dividing your total Pension benefit hours by 1600
- Credit by Years is the number of actual Years of Participation in the Plan

## •What are Rates?

- If you work in the “A” program you receive P Credits. The current rate for P Credits is \$90.00
- If your class is RW you receive R Credits. The current rate for R Credits is \$24.00

# Basic Pension Calculation



**Credits X Rate = Monthly Benefit**

**BENEFIT CREDITS BASED ON LOWER OF “CREDIT BY YEARS” AND “CREDIT BY HOURS”**

# Eligibility for Pension Bonus Credits



## What are Bonus Credits?

- You will earn bonus credits if you keep working in covered employment after age 62 (Normal Retirement age) or after becoming eligible under the Rule of 85.
- The current rate for Bonus Credits is \$30.00. Bonus Credits became available in the year 2000.



# Breaks in Service

- What are Breaks In Service?
- Occur in any year in which you have less than 400 credit hours.
- Can Breaks In Service be Waived?
  - Can be waived (“bridged”) if you can verify:
    - unemployment for up to two years
    - unemployment for up to three years with 25 years of vesting service if the break occurs between 1991-1994
    - disability for up to three years
    - strikes and lockouts
    - active military service
    - years of Traveling Service prior to 1988 under certain conditions.
  - To bridge a break in service, contact the Fund Office for the appropriate forms.



# Bridged Break in Service



## How does a Break In Service affect your Pension Benefit?

A Break in Service “Freezes” all credit earned prior to the break at the Benefit Rate for the break year.

## How does a “bridged” Break In Service work?

A “Bridged” Break in Service avoids the “Break” and removes the “Freeze” so that the benefit is calculated at a higher benefit rate which results in an increased benefit amount.

# One-Time Lump Sum Bonus of \$2,500.00



- Active & Normal Retirement (with minimum of 15 years of vesting service) or
- Unreduced Early (Rule of 85)
- Continue working until Retirement

# Early Retirement Pension – Eligibility



**At least age 55**  
**15 Vesting Credits**

**OR**

**Active**  
**Vested (at least 5 Vesting Credits)**  
**At least age 55**  
**1600 hours in 12 months prior to Retirement**

# Early Retirement Pension – Calculation



## **Credit x Rate – Reduction = Pension Benefit**

The Basic Pension Calculation is reduced by 6% for each year you retire earlier than age 60; and 3% for the years between 60 and 61. (For example: Reduction at age 55 is 36%; at age 58, it is 18%)

## **What's the Reduction for?**

Plan must reduce your benefit amount to pay your benefit for a longer period of time



# Unreduced Early Retirement



**Vested**

**Age plus years of service =  
85 or more (Rule of 85)**

# Unreduced Early Retirement Pension Calculation



- Same as Normal Pension

- No reduction for retirement before age 62

# Deferred Pension - Eligibility



**Inactive**

**Vested**

**At least age 62**

**Calculations are the same as with Normal Retirement.**

# Disability Pension - Eligibility



**Vested**

**Totally and Permanently  
Disabled**

**Calculation is the same as with Normal Retirement--no reduction**

**One-time Lump Sum bonus of \$1,500**



# Forms of Benefits



- JS80 (Joint and Survivor Pension)
- GB60 (60-Month Guarantee)

Once monthly payments begin, the form of benefit cannot be changed

# JS80 (Joint and Survivor Pension)



Normal form of benefit for married pensioners

Provides for 80% of your monthly benefit to your surviving spouse

No spousal consent is required

# JS80 (Joint and Survivor Pension): Calculation



89% of  
unreduced  
benefit

Minus .4% for  
each year your  
spouse is  
younger OR

Plus .4% for  
each year your  
spouse is older  
(maximum is  
91%)



# GB60 (60-Month Guarantee)

Normal form of benefit for non-married pensioners

Guaranteed minimum of 60 payments to pensioner and/or beneficiary (combined)

If pensioner dies **before** receiving 60 payments, the remaining payments will be paid to beneficiary

If pensioner dies **after** receiving 60 or more payments, no benefit to beneficiary

GB60 may also be elected by married pensioners with notarized spousal consent



# Pop-Up Provision



- Joint & Survivor option selected at retirement and spouse predeceases
- Benefit recalculated for GB60 rate from date of retirement at date of Spouse's death
- Add in increases since retirement to get new benefit amount

# Applying for Pension



- Contact Fund Office about three (3) months before you want to retire.
- Earliest retirement date is the first day of the month following the month in which you apply.
- Other factors may also affect retirement date.

# Applying for Pension



## Documents Required:

- Birth Certificate for you
- Birth Certificate for your spouse
- Marriage Certificate
- Divorce Decree and Property Settlement

Other documents may be requested!

# Work After Retirement



- What's "Prohibited Employment?"
- More than 39 hours a month
- Notification and suspension
- Repayment of benefits
- Pension Reinstatement

# Annual Statements



**Mailed every year**

**Contact the Fund Office if you have any questions about your Statement.**



# Survivor Benefits after Retirement



- **JOINT & SURVIVOR**
- **GB60**



# Pre-Retirement Death Benefit

If at your date of death you have **NOT** retired are Vested and Married:

- Lifetime Survivor Pension - Spouse's share under the Joint & Survivor Pension payable on or after member's 45<sup>th</sup> birthday, calculated as if the member were age 55 or their age (if older) at the time of their death
- Five Year Survivor Pension as a monthly payment of the unreduced vested benefit payable for five years or as a lump sum payment equal to 85% of your vested benefit times 60
- Lump Sum Death Benefit calculated by multiplying number of Benefit Units by \$500.00

# Pre-Retirement Death Benefit (continued)



If at your date of death you have NOT retired are Vested and Not Married:

- Five Year Survivor Pension as a monthly payment of the unreduced vested benefit payable for five years or as a lump sum payment equal to 85% of your vested benefit times 60
- Lump Sum Death Benefit calculated by multiplying number of Benefit Units by \$500.00

# Pre-Retirement Death Benefit (continued)



If at your date of death you have **NOT Retired** and are **Not Vested**:

Lump Sum Death Benefit calculated by multiplying number of Benefit Units by \$500.00



# Health Coverage at the Time of Your Retirement



To be eligible for Welfare Coverage as a Retiree:

- **Must be covered by the Plan at the time you retire and must have ten consecutive years of coverage immediately preceding retirement date**
- **Must be receiving a Local 26 Pension; Or**
- **Receiving Social Security retirement benefits (if you are unable to receive Local 26 Pension benefits)**



# Health Coverage at the Time of Your Retirement



## Details on Retiree Health Coverage:

- Must pay for retiree coverage and premiums can be withheld from monthly pension payment
- You begin paying for retiree health coverage approximately 6 months from the month you last worked, depending on your banked hours
- Coverage includes prescription, dental, and vision
- Death benefit is reduced from \$25,000 to \$6,000

# Premiums for Retirees Under 65 (Not Eligible for Medicare)



**Current monthly rates are:**

<b>Age at Retirement</b>	<b>Monthly Rate Per Person</b>
<b>Under 60</b>	<b>\$200.29</b>
<b>60 – 64</b>	<b>\$145.16</b>

Maximum \$400.58 per month per family

# Health Coverage for Retirees Age 65 or Over (Eligible for Medicare)



- Supplemental to Medicare Benefits
- Current monthly premium is \$73.50
- Coverage includes, prescription, dental, and vision
- Death Benefit is \$6,000

# Health Coverage for Dependents of Retirees



- Spouse
- Dependent Child



# If You Have Less than 10 Consecutive Years of Coverage Before Retirement



- Can **self-pay** for coverage by:
  - Pay Back (20 or more years of coverage) or
  - Pay Ahead (10 or more years of coverage and age 62 or older)
  - Disability pension allows for either option
- You must be covered by the Health Plan at the time you retire
- If you have a break in coverage due to unemployment between 10/01/2008 and 12/31/2013 and you were available for work with Local 26, you may be eligible to apply to bridge the break.



# Surviving Spouse Coverage



- Three Months
- Cost
- Availability
- Termination

# Electrical Workers Local No. 26 Individual Account Plan



- Type of Plan
- Contributions
- Investing
- Contact: Fidelity Customer Service at  
1-866-84-UNION (1-866-848-6466) or go online  
[www.netbenefits.fidelity.com](http://www.netbenefits.fidelity.com)

# Eligibility to Collect IA Benefits



- Retirement
- Separation
- Total and Permanent Disability
- Hardship Withdrawal

# When to Apply for an IA Retirement Benefit



- **Wait at least four months**
- **Contact Fund Office for forms**
- **Provide copies of documents**

# IA Distribution Options



Rollover Lump Sum Payment to an Individual Retirement Account (IRA)

Lump Sum Cash Payout

Combination cash payout and rollover to an IRA

Monthly installments (not to exceed 120 months)

Combination of lump sum and monthly installments

Life Annuity



# Beneficiary Designation Form



- Purpose
- Update your form!

# Member Portal



**There is a website for members and their families that is easy, convenient, and secure.**

Use your smartphone, tablet, or PC to review benefits information like *Pension Credit, Pension Payment, Work History, Health Claims, Eligibility, Beneficiary Designation*, and more.

Creating an account is simple, access is granted through self-authentication with just a few pieces of information so **Sign Up Now!** Look for the “*quick link*” on our page at [EWTF.org](http://www.ewtf.org).

If you need help signing up, directions can be found on the Create Account Page of the Member Portal or call the Fund Office.

# Questions



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Summary Plan Description (SPD) for all Plans available online at [www.ewtf.org](http://www.ewtf.org)