



## **IBEW LOCAL 505 NECA PENSION PLAN**

Sponsored by  
the International Brotherhood of Electrical  
Workers Local Union 505,  
your Employer  
and the  
National Electrical Contractors Association

### **SUMMARY PLAN DESCRIPTION**

A Summary Of The Most Important Provisions  
In The Restated Plan Document

**EFFECTIVE SEPTEMBER 1, 2012**



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## I.B.E.W. LOCAL 505 N.E.C.A. PENSION PLAN

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### MESSAGE FROM THE BOARD OF TRUSTEES

One of the most important long-range goals for you and your family is to prepare for your financial security during retirement. The IBEW Local 505 NECA Pension Plan was established to help you with this goal.

The Pension Plan was established for employees covered by a collective bargaining agreement between employers and the International Brotherhood of Electrical Workers Local No. 505. The Pension Plan, as restated September 1, 2007, is a continuation of the Plan established September 1, 1973. This description reflects the Plan provisions as of September 1, 2012, for participants who retire on or after that date. If you retired or terminated service prior to September 1, 2012, some of the eligibility and benefit provisions may be different.

The IBEW Local 505 NECA Pension Plan is a "defined benefit pension plan" which provides retirement benefits to employees who work for employers that contribute to the Pension Fund. The Plan is paid for by employers who make contributions on behalf of their employees, based on a negotiated contribution rate for each hour worked. Qualification for a benefit and the benefit amount is calculated based on a formula that takes into consideration your years of employment, work hours credited, age at retirement, and the type of retirement option you select. Benefits may also be provided for disability and death.

Effective September 1, 2001, the Plan added a 414(k) Individual Account. The 414(k) Account credits reciprocal contributions in excess of the defined benefit allocation, as established by the Trustees, to be paid to the participant's 414(k) Individual Account.

Contributions made to the Fund on your behalf are tax exempt. Your benefit will not be taxed until you retire and begin receiving your pension or make a withdrawal from your 414(k) Account. No amendment may be made that will reduce your vested benefit under this Plan or divert Plan funds to any use other than for the exclusive benefit of you and your beneficiaries. We urge you to read this booklet carefully and put it in a place for safekeeping.

### ABOUT THIS SUMMARY PLAN DESCRIPTION

This Summary Plan Description (SPD) has been prepared in an easy-to-read format summarizing the benefits, rights, and obligations you have under the Plan. The eligibility rules, provisions, and benefits described are those in effect as of the Plan Year beginning September 1, 2012. Certain words and terms have a specific meaning in relation to the Plan and are capitalized when used in this SPD. You will find these terms explained in the Definitions section or defined within the text of this document. It is important to remember that this booklet is only a summary. Copies of the Pension Plan Document and Trust Agreement are available from the Trustees. The provisions of the Plan described in this SPD supercede those described in booklets previously printed and distributed to you. In the event of a conflict between this SPD and the Pension Plan Document, the Trustees have authority to interpret the Plan and resolve conflicts. The Board of Trustees, as Plan Administrator, reserves the right to amend or terminate the Plan, to interpret provisions, and make determinations on all matters.

### NO RELIANCE ON ORAL REPRESENTATION

No oral representation, confirmation, description or explanation of eligibility or benefits given by any person is binding upon the Trustees. Eligibility and benefits are determined solely on the basis of the Plan documents, applicable rules and procedures of the Plan and determinations by the Trustees. All determinations of eligibility and benefits are based on the specific facts of any particular circumstances, including the data on hand with the Trustees such as employment and/or contribution history.

### CONTACT INFORMATION

Trustees, IBEW Local 505 NECA Pension Plan  
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Alabama Administrators  
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**IT IS IMPORTANT THAT YOU NOTIFY THE PLAN MANAGER WHEN:**

- You have a change of address or telephone number.
- You are considering retirement.
- You retire and continue working or return to work.
- You are called to or return from military service.
- You get married, separated or divorced.
- You desire to change your beneficiary.
- You find a discrepancy in your annual pension statement.

Always keep your contact information current and especially your address. The Plan will send you an annual pension record and an invitation to retire when you reach Normal Retirement age.

Terminated Vested Participants should especially keep in contact with the Plan.

Contact the Plan Manager at least 60 days in advance of your retirement. The Plan Manager will prepare your record and send you a retirement packet, including your annuity options. After you have reviewed the retirement packet, you may call the Plan Manager for an appointment or simply complete and return the forms to the Plan Manager along with the required documentation for processing of your retirement.

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## **PARTICIPATION IN THE PLAN**

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You will become a Participant in this Plan as of the beginning of the Plan Year in which you work at least 500 Hours of Service. As long as you remain a Participant, all of your Hours of Service will accrue toward eligibility for benefits under the Plan. [1.3]

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## **HOURS OF SERVICE**

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Hours of Service are hours you work in Covered Service for which you are entitled to be paid. Hours of Service may include paid vacation, holidays, illness, back pay, and periods during which you are on an approved leave of absence, if you are entitled to be paid at these times. [1.2(13)]

An Employer signatory to the Collective Bargaining Agreement or other written agreement with Local 505 is required to make Contributions to this Plan on your behalf for all your Hours of Service. When you work for an Employer who pays Contributions on your behalf, you are working in Covered Service.

### **UNINDENTURED AND 1ST YEAR APPRENTICES**

The Collective Bargaining Agreement does not require Employers to pay Contributions for work performed by unindentured employees and 1st year apprentices. No vesting or benefit accrual is credited under this Plan until an Employer initiates Contributions on your behalf.

### **NON-BARGAINING PARTICIPANTS**

Certain full-time employees of Employers, who are not represented by the Collective Bargaining Agreement, may participate in this Plan. The terms and conditions of their participation are set forth in a separate written agreement titled "Non-Bargaining Employees Participation Agreement." Hours for vesting and benefit accrual are limited to not more than 160 hours for any reporting month regardless of the actual number of hours worked.

## **NEW EMPLOYERS**

No hours are credited for work you performed for an employer prior to that employer becoming signatory to the Collective Bargaining Agreement or other written agreement with Local 505. Only after the employer signs the Collective Bargaining Agreement or other written agreement with Local 505 do you begin to work in Covered Service. [2.3(B)]

## **WORK IN ANOTHER JURISDICTION**

When you work outside the Jurisdiction of Local 505 and you want this Plan to be your "Home Fund," you must register with the IBEW/NECA Electronic Reciprocal Transfer System (ERTS) and sign a reciprocal authorization to ensure that your hours and contributions are transferred to this Plan. If you fail to name the NECA Local 505 IBEW Pension Plan as your Home Fund, the pension plan in that jurisdiction is under no obligation to transfer your hours or Contributions to this Plan.

It is not the responsibility of Local 505, the Trustees, or the Plan Manager to obtain reciprocal hours. You are responsible for authorizing and verifying transfer of your reciprocal hours within six months from the date worked. The Plan assists you in tracking hours recorded by providing an annual record which lists hours by month and Employer or reciprocating plan. [7.8(A)]

Effective December 1, 2010, reciprocal hours are credited based on hours worked for vesting and based on the reciprocal contribution rate paid compared to the Local 505 Contribution rate for benefit accrual. The defined benefit accrual will be based on the pro-rated value if the reciprocal contribution rate is less than the Local 505 Contribution rate. A reciprocal contribution rate greater than the Local 505 Contribution rate will be credited the same as if the hours had been worked in the Jurisdiction and the excess amount credited to the 414(k) Individual Account.

Reciprocal hours are credited to your pension record only when contributions are paid and received by this Plan. This Plan cannot accept reciprocal contributions received more than six months from the date the reciprocal pension plan receives the contributions. Late reciprocal contributions will be returned to the reciprocating pension plan and hours will not be credited to your record. [7.8(A)]

## UNREPORTED HOURS

In the case of a Participant who believes there is a discrepancy in the hours reported, a written request may be submitted with proof of Hours of Service in the form of pay stubs from the employer within twelve months of the month in which the hours are worked.

Original pay stubs from an employer are the only evidence accepted by the Plan to prove a claim of unreported hours. Original pay stubs must be legible and must include the name of the employer and employee, pay period dates, hours for which the employee was entitled to be paid, and the pay rate.

*No adjustment to a Participant's record of hours will be made after 12 months from the date the hours were earned.*

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## VESTING

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The Pension Plan is designed to provide maximum benefits to those who work a significant number of years. The longer you work in Covered Service, the greater your pension benefit. However, you must work a minimum number of years in Covered Service, and earn a minimum number of Hours of Service, to be "vested" in the Plan. You must be vested in the Plan to receive a pension benefit. A Participant's Vesting Service is the sum of Past Vesting Service plus Future Vesting Service. [2.2]

### PAST VESTING SERVICE

Past Vesting Service applies to an employee who was covered under the Plan on September 1, 1973. When the Plan was initiated, employees were granted Past Vesting Service for work performed prior to the adoption of the Plan.

### FUTURE VESTING SERVICE

Future Vesting Service is granted at the rate of one year of Future Vesting Service for each Plan Year in which a Participant works at least 500 Hours of Service.

Credits given for qualified military service also count toward Future Vesting Service. Please refer to the section on federal laws for additional information on credits for periods of qualified military service.

## NEW ENTRANTS

When you earn less than 500 Hours of Service in your first Plan Year of Covered Service, but more than 1,000 Hours of Service in your second Plan Year, any Hours of Service in excess of 1,000 will be used to increase the number of hours in the first Plan Year. [2.2(B)]

## FIVE YEAR VESTING

Beginning September 1, 1997, a Participant who earns at least five years of Vesting Service and works at least one Hour of Service after August 31, 1997, without incurring a Full Break-in-Service, is 100% vested in the Plan. A Participant with five years of Vesting Service will be eligible for Normal Retirement at age 65 years. [2.5(D)(1)]

## PARTIAL VESTING

Prior to September 1, 1997, a Participant who has earned less than ten years of Vesting Service may be partially vested in the Plan. To be partially vested in the Plan, you must satisfy both of the following:

1. You must have at least five years of Vesting Service; and
2. You must have worked a minimum of 435 Hours of Service in a Plan Year beginning after August 31, 1989. [2.5(D)(2)]

If you are a partially Vested Participant, you will receive at retirement a percentage of your pension benefit value, adjusted for the Retirement Option for which you are qualified and the Annuity Option you select. The percentage of your pension benefit value will be adjusted as follows:

Years of Total Vested Service	Partial Vesting Percentage
Less than 5	0%
5 Years	50%
6 Years	60%
7 Years	70%
8 Years	80%
9 Years	90%
10 or more	100%

## PARTIAL VESTING CONVERTED TO 100% VESTING

A Participant partially vested in the Plan may become 100% vested by working a minimum of one Hour of Service after August 31, 1997. [2.5(D)(1)]

## TEN YEAR VESTING

A Participant who earns a minimum of ten years of Vesting Service is 100% vested and is eligible for Normal Retirement at age 65 years [2.5(D)(3)].

## ANNIVERSARY VESTING

Anniversary Vesting is provided as a benefit to employees who entered the workforce at an older age. Anniversary Vesting occurs on the later of:

1. The date a Participant attains age 65; or
2. The fifth anniversary of the date a Participant commenced Covered Service. [3.1(A)(1)(b)]

A Participant who incurs two consecutive One-Year Breaks-in-Service, a Termination of Participation, prior to the fifth anniversary of participation cannot qualify for Anniversary Vesting.

Two examples of Anniversary Vesting:

### EXAMPLE 1:

Mike began working in Covered Service at age 62 on September 1, 2001. He worked for four years in Covered Service and then stopped work. Even though Mike does not have the required five years of Vesting Service, he will become a Vested Participant and reach his Normal Retirement date on the fifth anniversary of the date he commenced employment in Covered Service, September 1, 2006.

### EXAMPLE 2:

Jerry began working in Covered Service at age 60 on September 1, 2001. He worked for three years in Covered Service and then stopped work. Jerry will not become a Vested Participant based on Anniversary Vesting, because he will incur a Termination before he attains age 65.

## EARLY RETIREMENT VESTING

A participant who earns a minimum of 15 years of service will be eligible for Early Retirement starting at age 55 years.

## TERMINATION OF PARTICIPATION

A Termination of Participation (Termination) occurs when you incur two consecutive Plan Years with less than 500 Hours of Service earned in each year. A Plan Year in which you work less than 500 Hours of Service results in a One-Year Break-in-Service.

The effect of a Termination of Participation depends on the vested status of the Participant.

## ONE-YEAR BREAK-IN-SERVICE

You incur a One-Year Break-in-Service when you work less than 500 Hours of Service in a Plan Year (or 435 prior to September 1, 1997). [1.2(16)]

## EXCEPTIONS TO A ONE-YEAR BREAK-IN-SERVICE

A One-Year Break-in-Service may be deemed not to have occurred if a Participant's absence from work is attributable to any of the following:

1. Total and Permanent Disability;
2. A period of qualified military service (see section on USERRA);
3. Leave of absence approved by your Employer as FMLA leave (see section on FMLA);
4. An authorized strike or lock-out;
5. Employment temporarily for an Employer in a position that does not require Contributions be made to the Plan;
6. A leave of absence authorized by the Board of Trustees to perform service for the Union, a temporary reduction in work force, educational leave, or because of injury, illness, or other appropriate cause.

Under all exceptions, the Participant is required to notify the Trustees of absence from work due to a permitted reason, in writing, preferably in advance of the absence, but absolutely during the Plan Year in which the absence takes place.

An approved absence may prevent a One-Year Break-in-Service, but benefit credits and vesting service are not earned during the absence, except for absence due to qualified military service under USERRA. [1.2(16)]

## **TWO CONSECUTIVE ONE-YEAR BREAKS-IN-SERVICE**

A One-Year Break-in-Service has no effect on Participation, provided the Participant works at least 500 Hours of Service in the next Plan Year immediately following the One-Year Break-in-Service. In this case, the employee remains an active Participant in the Plan.

Two consecutive One-Year Breaks-in-Service result in a Termination of Participation effective the last day of the second Plan Year in which there is a One-Year Break-in-Service. Eligibility for some benefits is affected by a Termination.

## **EFFECT OF TERMINATION ON VESTED PARTICIPANT**

A Vested Participant who incurs a Termination of Participation is a Terminated Vested Participant. The value of the pension benefit of the Terminated Vested Participant is fixed at that point, as of the last day of the Plan Year in which the individual became a Terminated Vested Participant.

A Terminated Vested Participant is not eligible for the Temporary Disability Income when the Termination date is prior to the Social Security disability entitlement date. A Terminated Vested Participant may qualify for Early Retirement, but the benefit value is adjusted by the Early Retirement factors in effect on the date of the Participant's Termination. [3.2(B)(2)(a)]

## **EFFECT OF TERMINATION ON NON-VESTED PARTICIPANT**

A non-vested Participant who incurs a Termination of Participation is no longer a Participant and forfeits eligibility for the Pre-Retirement Death Benefit and cannot qualify for Anniversary Vesting.

A non-vested Participant who incurs a Termination of Participation will immediately again be a Participant upon completion of a Plan Year in which 500 Hours of Service is earned. The pension record will be restored, as if there had been no Termination of Participation, *unless* there is a Full Break-in-Service. [1.3(C)]

## **FULL BREAK-IN-SERVICE**

A non-vested Participant will incur a Full Break-in-Service if the total number of consecutive One-Year Breaks-in-Service equals the greater of:

1. Five consecutive One-Year Breaks-in-Service; or,
2. Consecutive One-Year Breaks-in-Service equal to the number of prior years of Future Vesting Service.

The non-vested Participant loses credit for all prior years of Vesting Service and forfeits all rights to all benefits and Participant status as a result of a Full Break-in-Service. [2.4(B)]

Service and benefit credits forfeited due to a Full Break-in-Service cannot be restored for any reason.

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## **PENSION BENEFIT VALUE**

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Up to this point, the Summary Plan Description has dealt with participation and vesting, because you must be a Vested Participant to receive a pension benefit. This section addresses how your Hours of Service increase the value of your pension benefit.

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## **CREDITED HOURS**

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Credited Hours are used to determine the value of your pension benefit.

Credited Hours worked in the Jurisdiction of Local 505 are based on Hours of Service.

Hours transferred through reciprocity are credited based on the reciprocal contribution rate as compared to the Local 505 Contribution rate but not less than an hour for an hour worked for vesting. An hour may be less than an hour worked for benefit accrual if the reciprocal rate is less than the Local 505 Contribution rate.

Reciprocal contributions in excess of the Local 505 Defined Benefit allocation amount are credited to the 414(k) Individual Account. There is no credit to the Individual Account for hours worked within the Jurisdiction of Local 505 as there is no negotiated contribution to the 414(k) at this time.

A history of prior accrual methods can be obtained from the Plan Manager.



## BENEFIT UNIT & VALUES

Credited Hours are converted to Benefit Units. Benefit Units are determined by dividing the total number of Credited Hours earned by:

Effective 9/1/2008 and after **130 hours**  
 Prior to 9/1/2008 **100 hours**

Example: 2,000 Credited Hours earned in a Plan Year equals 15 Benefit Units (2,000 / 130 = 15).

Credited Hours earned on and after September 1, 1997 do not round up and only whole Benefit Units are counted. [2.1]

### BENEFIT UNIT VALUES FOR JOURNEYMEN

The values for a Benefit Unit for Journeymen are shown in the table:

Date of Retirement or Termination	Benefit Unit Value
9/1/2008 to Current Benefit Unit 130 Hours	\$4.00
9/1/1988 through 8/31/2008 Benefit Unit 100 Hours	\$ 4.15
9/1/1987 through 8/31/1988 Benefit Unit 100 Hours	\$ 3.85
3/1/1984 through 8/31/1987 Benefit Unit 100 Hours	\$ 3.55
9/1/1983 through 2/29/1984 Benefit Unit 100 Hours	\$ 2.73
9/1/1981 through 8/31/1983 Benefit Unit 100 Hours	\$ 2.45
9/1/1973 through 8/31/1981 Benefit Unit 100 Hours	\$1.00

### BENEFIT UNIT VALUES FOR APPRENTICES

Effective September 1, 2008, the Benefit Unit for an apprentice equals 130 Credited Hours and the value is \$1.00. When a Participant completes the apprentice program, the Benefit Units earned as a Journeyman are valued at the Journeyman rate in effect, beginning with the first of the month following completion of the apprentice program.

## CALCULATING YOUR PENSION BENEFIT

A 100% Vested Participant who has not incurred a Termination will be entitled to a monthly retirement income calculated as follows:

SAMPLE PENSION CALCULATION ILLUSTRATES THE MONTHLY BENEFIT AMOUNT EARNED SINCE INCEPTION OF THE PLAN TO THE CURRENT UNIT VALUE	
5 years Past Vesting Service x \$1.25	\$ 6.25
Credited Hours from 9/1/1973 to 8/31/1981 = 14,000 14,000 / 100 = 140 Benefit Units	
140 Benefit Units x \$1.00	+ 140.00
Credited Hours from 9/1/1981 to 8/31/1983 = 3,000 3,000 / 100 = 30 Benefit Units	
30 Benefit Units x \$2.45	+ 73.50
Credited Hours from 9/1/1983 to 2/29/1984 = 500 500 / 100 = 5 Benefit Units	
5 Benefit Units x \$2.73	+ 13.65
Credited Hours from 3/1/1984 to 8/31/1987 = 3,600 3,600 / 100 = 36 Benefit Units	
36 Benefit Units x \$3.55	+ 127.80
Credited Hours from 9/1/1987 to 8/31/1988 = 1,200 1,200 / 100 = 12 Benefit Units	
12 Benefit Units x \$3.85	+ 46.20
Credited Hours from 9/1/1988 to 8/31/2008 = 24,000 24,000 / 100 = 240 Benefit Units	
240 Benefit Units x \$4.15	+ 996.00
Credited Hours from 9/1/2008 to 9/1/2009 = 1000 1,000 / 130 = 7 Benefit Units	
7 Benefit Units x \$4.00	+ 28.00
<b>Total Monthly Pension Benefit:</b>	<b>\$ 1,431.40</b>

Terminated Vested Participants will have their Credited Hours converted to Benefit Units and multiplied by the appropriate Benefit Unit value based on the date of Termination, as shown in the table, and subject to the Plan provisions in effect as of the date of the Termination.

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## YOUR ANNUAL PENSION STATEMENT

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The Plan sends each Participant an individual pension record following completion of the auditor's financial report and the actuary's valuation each year. This record shows your vested status, Credited Hours for each Plan Year since you became a Participant, the value of Past Vesting Service (if any), the value of benefits earned as an apprentice since September 1, 2009 (if any), and the accrued value of your monthly pension benefit.

Your annual pension statement is a valuable tool in your financial planning. Check the accuracy of your statement annually and contact the Plan Manager immediately if you find a discrepancy.

Original pay stubs from an employer are the only evidence accepted by the Plan to prove a claim of unreported hours. Original pay stubs must be legible and must include the name of the employer and employee, pay period dates, hours for which the employee was entitled to be paid, and the pay rate.

*No adjustment to the Participant's record of hours will be made after 12 months from the date the hours were earned.*

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## RETIREMENT OPTIONS

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A Vested Participant has four Retirement Options: Normal, Early, Early Unreduced, and Late. The option selected determines when you are eligible to retire and begin receiving retirement payments and the amount of the monthly benefit. Retirement Options are based on your age and number of years of Vesting Service.

You must stop working in the trade, within the Jurisdiction of Local 505, to qualify to receive your monthly retirement benefit.

### NORMAL RETIREMENT

Your Normal Retirement date is the first of the month following the month in which you reach your Normal Retirement age. A Participant who is 100% vested is entitled to receive the total monthly pension value at Normal Retirement, adjusted for the Annuity Option selected.

You are eligible for Normal Retirement as of the date at which you reach age 65 and:

1. You have ten years of Vesting Service; or
2. You worked a minimum of one hour after August 31, 1997, and you have five years of Vesting Service; or
3. You are partially vested, earned at least five years, but less than ten years, of Vesting Service and worked a minimum of 435 Hours of Service after August 31, 1989; or
4. You qualify for Anniversary Vesting, which is the later of the date you attain age 65 or the fifth anniversary of the date you commenced employment in Covered Service, provided you have not incurred a Termination.

### EARLY UNREDUCED RETIREMENT AT AGE 60

Early Retirement is voluntary and you may defer your retirement to your Normal Retirement date.

An unreduced benefit for Early Retirement at age 60 is provided for retirements and Terminations on and after September 1, 1998. [3.2(B)(2)]

You may qualify to retire and begin receiving 100% of your total monthly pension value before age 65 if you are at least age 60 and you have a minimum of 15 years of Vesting Service.

Your Early Unreduced Retirement date is the first of the month following the month in which you reach age 60 when you have 15 years of Vesting Service. (If your 60th birthday is the first day of the month, then that is your Early Retirement date.)

The start date for an Early Unreduced Retirement is no sooner than the first of the month following the date the completed application is received by the Plan Manager. The Plan does not allow a retroactive Early Unreduced Retirement. [5.1(B)(4)]

### EARLY RETIREMENT AT AGE 55

Early Retirement is voluntary and you may defer your retirement to your Normal Retirement date.

You may retire as early as age 55, if you have a minimum of 15 years of Vesting Service and your monthly pension benefit is adjusted to account for the fact that you are receiving a pension earlier and for a longer period of time.

Your monthly accrued benefit at Normal Retirement is multiplied by the applicable Early Retirement percentage to arrive at the adjusted monthly amount for the corresponding Early Retirement age.

The adjustment factors for Early Retirement are provided in the table:

Early Retirement Adjustment Factors	
Retirement Age	Percent of Total Pension Value
55	48.0%
56	51.6%
57	55.2%
58	58.8%
59	62.4%
Early Retirement adjustment factors shown above apply to a retirement or Termination after 8/31/1997.	

The start date for an Early Retirement is no sooner than the first of the month following the date the completed application is received by the Plan Manager. The Plan does not allow a retroactive Early Retirement. [5.1(B)(4)]

#### **EARLY RETIREMENT AND TERMINATED VESTED PARTICIPANTS**

If you are a Terminated Vested Participant who qualifies for Early Retirement, your pension benefit will be determined using the Early Retirement adjustment factors in effect at the time of your Termination. [3.2(B)(2)(a)]

If you became a Terminated Vested Participant prior to September 1, 1998, you do not qualify for Early Unreduced Retirement at age 60, and the Early Retirement adjustment factors shown in the table may not apply to you. Contact the Plan Manager for information on the adjustment of your accrued benefit value for *Early Retirement*.

#### **LATE RETIREMENT**

A Vested Participant may, upon qualifying for Normal Retirement, elect to postpone retirement to a later date. You may retire effective the first day of any month after your Normal Retirement date, and this will be known as your Late Retirement date.

If you are not employed in Covered Service, you must notify the Trustees, in writing, that you will postpone your Normal Retirement date and the date on which you expect to begin receiving your Late Retirement.

Failure to notify the Trustees of a deferred retirement date will require that your benefits start no later than the March 1<sup>st</sup> of the Plan Year after you reach your Normal Retirement age unless you are continuing in Covered Service.

You may not elect to postpone your retirement benefit past the Required Beginning Date, which is April 1<sup>st</sup> of the calendar year in which you have reached age 70½.

The value of a Late Retirement benefit is calculated to take into consideration the following:

1. The value of your Normal Retirement benefit;
2. An actuarial adjustment for each Plan Year after your Normal Retirement date during which you were not receiving the benefit to which you were entitled; and,
3. The excess, if any, of additional benefits earned through Hours of Service over the actuarial adjustment. [3.3(B)(10)]

#### **REQUIRED BEGINNING DATE**

Internal Revenue regulations require that benefits be paid at the Required Beginning Date, which is April 1<sup>st</sup> of the calendar year following age 70½.

#### **BENEFIT START DATE**

Your benefit start date may be after your requested retirement date due to the time required to process a retirement. It may take from 30 to 90 days to collect the required documents and your final hours, especially reciprocal hours. Your first benefit payment will be retroactive to include all monthly benefit payments during this interim. If a delay is due to the Plan's administrative process, then there will be an interest adjustment for the late payment.

#### **RETIREMENT DATE FOR BIRTH DATES ON THE FIRST OF THE MONTH**

Your Normal Retirement date is the first of the month following the month you reach your Normal Retirement age. If your birth date is the first day of the month, that is your Normal Retirement date.

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## ANNUITY OPTIONS

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There are a number of Annuity Options available to you, which determine the amount of your monthly benefit and the amount and duration of continuation of your benefit after your death. Some annuity options are based on your age, the age of your beneficiary, and the percentage of payments you chose to be continued to your beneficiary.

When you apply for retirement, the Plan Manager will provide you and your spouse with the monthly pension amount for each annuity option so that you may consider which option is best for you and your spouse. The terms and conditions of the elected Annuity Option may not be changed after the first benefit payment is issued.

### LIFE ANNUITY

The Life Annuity or the normal form of benefit is a monthly pension paid beginning on your retirement date and ending with the last monthly payment immediately preceding the date of your death. The Life Annuity is paid for your lifetime only; there is no death benefit.

### TEN YEAR CERTAIN PLUS LIFE ANNUITY

Under this option, reduced payments will be made to you for your lifetime and are guaranteed payable for ten years (120 payments). If you die before 120 payments have been made, the remaining payments will be made to your beneficiary.

If your beneficiary dies before all of the guaranteed payments have been made, the remaining payments will be made to your beneficiary's beneficiary, unless you provided for a secondary beneficiary in your beneficiary designation.

### ANNUITY OPTIONS IF YOU ARE MARRIED

Under federal law, if you are married at the time you retire, your retirement benefit is payable in the form of a Joint & 50% Survivor Annuity, with your Eligible Spouse as your beneficiary. You and your Eligible Spouse may elect, in writing, not to receive your retirement benefit in this form. Please refer to "Waiving the Joint & 50% Survivor Annuity" and "Required Application Dates."

### JOINT & 50% SURVIVOR ANNUITY

If you are married at retirement, you will automatically receive your pension in the form of a Joint & 50% Survivor Annuity. A married Participant is not required to accept this Annuity Option, but if you elect no other option, this is the method by which retirement payments will be paid as required by law.

The Joint & 50% Survivor Annuity provides a reduced monthly benefit to you for your life, and when you die, 50% of your monthly benefit amount is paid to your surviving spouse for life. This method of payment provides a smaller payment than the Life Annuity, as payments are made beyond your date of death if your spouse outlives you.

If you are not employed in Covered Service at the time you reach your Normal Retirement age and you do not notify the Trustees of your desire to postpone your Normal Retirement, the Plan will automatically retire you no later than March 1<sup>st</sup> of the Plan Year following attainment of your Normal Retirement age, and will automatically provide the Joint & 50% Survivor Annuity if you are married.

### OTHER JOINT & SURVIVOR ANNUITY OPTIONS

In addition to the Joint & 50% Survivor Annuity, you may choose options that make your Eligible Spouse, or another individual, the beneficiary to your retirement benefit. Under these options, reduced payments will be made to you for your life and then to your beneficiary for life. If you die before your beneficiary, monthly payments will continue to your beneficiary in an amount equal to 75% or 100% of your monthly benefit, depending on the Annuity Option you select.

Your Eligible Spouse is required to waive rights to any benefits if you desire to name another person as your beneficiary. The spousal waiver must be in writing and witnessed by a notary public or authorized Plan representative.

### WAIVING THE JOINT & SURVIVOR ANNUITY

If you and your Eligible Spouse elect not to have retirement benefits paid in the form of a Joint & Survivor Annuity, you must notify the Trustees, in writing, at least 30 days before retirement, but in no event earlier than 180 days prior to the date benefit payments are scheduled to begin.

The benefit will automatically be paid in the form of a Joint & 50% Survivor Annuity if you are married at retirement and the spousal waiver is not timely signed, notarized and filed with your retirement application.

### DETERMINING YOUR BENEFIT PERCENTAGE

The table provides an estimate of the percentage of your accrued pension value you will receive under some of the available Annuity Options. The percentages shown in the table are rounded for illustration purposes. The table is provided to help you determine which Annuity Option you prefer. The Plan Manager will provide you and your spouse with the exact adjustment to your pension benefit for each available option at the time you apply for retirement.

Each factor is determined using your age and the age of your spouse on your retirement date.

An example is provided showing the percentage of a Participant's benefits based on different annuity selections. The percentages used in the example to calculate benefits are taken from the table. In all cases, the percentage of retirement benefits paid to you is based on your accrued monthly pension value, adjusted first for the Retirement Option for which you are qualified and then for the Annuity Option you select.

### POP-UP OF THE JOINT & SURVIVOR ANNUITY

The pop-up benefit restores the accrued monthly pension amount if your spouse or beneficiary predeceases you. For retirements on or after September 1, 2002, in the event your spouse or beneficiary predeceases you, the amount of your monthly benefit will revert back to the full value of your accrued monthly pension (value of Life Annuity). This benefit is provided free of charge.

#### IMPORTANT

You should contact the Plan Manager at least 60 days in advance of retirement to allow time for your record and annuity options to be determined. The Plan Manager will send you a kit of information. After your review, you should complete the forms and return or call the Plan Manager if you have questions. You may also make an appointment if you need assistance.

Annuity Option Selected	Spouse Exact Age	Percentage of <u>Your</u> Benefit at <u>Your</u> Exact Age When Retirement Starts					
		60	61	62	63	64	65
Life	n/a	100% of your Normal or adjusted Early Retirement amount.					
10 Year Certain + Life	n/a	98	97	97	97	96	96
Joint & Survivor 50%	55	92	91	90	89	89	88
	56	92	91	91	90	89	88
	57	92	92	91	90	89	88
	58	93	92	91	90	90	89
	59	93	92	91	91	90	89
	60	93	92	92	91	90	89
	61	94	93	92	91	91	90
	62	94	93	93	92	91	90
	63	94	94	93	92	91	91
	64	95	94	94	93	92	91
65	95	94	94	93	93	92	
The Joint & Survivor 75% benefit continuation will reduce the rates by an additional 5% on average.							
The Joint & Survivor 100% benefit continuation will reduce the rates by an additional 7% on average.							
Percentages are rounded for illustration purposes. The Pop-Up benefit is offered at no cost to the retiree. The Plan will provide the exact monthly benefit amount during the retirement process.							

### REQUIRED APPLICATION DATES

By federal law, you must apply for your retirement benefits, in writing, at least 30 days before the date on which you plan to retire, but in no event earlier than 180 days prior to the date on which you expect to receive your first monthly benefit.

Your spouse's waiver of the right to a Joint & Survivor Annuity is effective for no more than 180 days and no less than 30 days prior to the date your retirement benefit is to start. [5.2(A)(1)]

## PROVISIONS AFFECTING YOUR BENEFIT

This is why you may not choose the Life Annuity or the Ten Year Certain Plus Life Annuity with a retroactive start date. Your Eligible Spouse cannot retroactively waive the right to a benefit.

You may, if necessary, apply for retirement within 30 days of the date on which you expect your benefit to start in which case both you and your spouse must sign a waiver of your rights to consider your Annuity Options for a minimum of 30 days prior to the start of your retirement benefit.

### EXAMPLE:

#### Percentage of Benefits Based on Annuity Option

Dan is age 62 and qualifies for an Early Unreduced Retirement. Dan's wife is age 60. The accrued value of Dan's monthly benefit is \$1,450, and his effective date is after September 1, 2002.

If Dan's wife waives her rights to the Survivor Annuity, Dan may select the Life Annuity or the Ten Year Certain Plus Life Annuity.

#### Life Annuity:

Monthly benefit amount 100% = \$1,450  
Benefit payments stop at his death.

#### Ten Year Certain Plus Life Annuity:

Monthly benefit amount 96% = \$1,392  
Payments are guaranteed for the first 120 months payable to the retiree or beneficiary.

#### Joint & 50% Survivor:

Monthly benefit amount 91% = \$1,319.50  
If Dan predeceases his wife, she will receive 50% of Dan's monthly benefit amount (\$659.75) for her life.

#### Joint & 75% Survivor:

Monthly benefit amount 86% = \$1,247  
If Dan predeceases his wife, she will receive 75% of Dan's monthly benefit amount (\$953.25) for her life.

#### Joint & 100% Survivor:

Monthly benefit amount 82% = \$1,189  
If Dan predeceases his wife, she will receive 100% of Dan's monthly benefit amount (\$1,189) for her life.

#### Joint & Survivor Pop-Up:

If Dan's wife predeceases him, then Dan will begin to receive \$1,450 (the value of his Life Annuity) on the first of the month following the date of his wife's death.

### SELECTION OF A BENEFICIARY

You may not change your Annuity Option election after the first benefit payment is issued.

If you are not married at the time of retirement, or if your spouse waives the right to a benefit, you may select any Joint & Survivor Annuity, naming another individual to receive benefits after your death. In the case of the Joint & 75% Survivor Annuity, a non-spouse beneficiary may not be more than 19 years younger than you. In the case of the Joint & 100% Survivor Annuity, a non-spouse beneficiary may not be more than ten years younger.

If you select a Joint & Survivor Annuity, and your spouse or designated beneficiary dies before your initial retirement benefit is paid, the Joint & Survivor Annuity is automatically cancelled. Your pension benefit will be paid under the Life Annuity unless you select another Annuity Option prior to the first benefit payment.

If you are legally separated or have been abandoned by your spouse, and you can provide proof of legal separation or abandonment, you may not be required to select the Joint & 50% Survivor Annuity at retirement.

If you are receiving a benefit under a Joint & Survivor Annuity option and you and your spouse divorce, you may not change the Annuity Option selected or name another beneficiary, even if you remarry. In the case of divorce, at the time of your death, your divorced spouse will receive the benefit to which she would have been entitled had you remained married, even if she has remarried.

If you are receiving a benefit under a Joint & Survivor Annuity option, and your spouse dies, you may not change the Annuity Option selected or name another beneficiary, even if you remarry.

If you are a receiving benefit under the Ten Year Certain Plus Life Annuity, and your beneficiary predeceases you before 120 payments have been made, you may select a new beneficiary. [5.3(C)]

## RIGHTS OF DIVORCED SPOUSES

In the event of divorce, your former spouse may have the right to receive a portion of your retirement benefits directly from the Plan.

In connection with a divorce, property settlement or other legal action, a court may direct that a portion of your retirement benefit be paid to an "alternate payee," including your spouse, former spouse, child or legal dependent.

The Plan will recognize this court order and make direct payments to the alternate payee only if the court order is a "Qualified Domestic Relations Order" (QDRO), as determined by the Trustees.

The Plan has a written procedure for notifying you of the receipt of such a court order and for determining if the court order is a QDRO. Refer to the section on federal laws for information on the procedure for determining whether a domestic relations order is qualified.

If your former spouse is entitled through a QDRO to receive a portion of your retirement benefit, your former spouse may not receive payments from the Plan until the earliest time at which you would otherwise qualify for a benefit.

If you are eligible for Early Retirement, the payment of court-ordered benefits to the alternate payee may begin while you are still working.

The alternate payee may not select a Joint & Survivor Annuity naming a current spouse as beneficiary.

A QDRO cannot be recognized by the Plan until you or your former spouse files it with the Trustees. It is very important that you or your former spouse file the domestic relations order with the Trustees in a timely manner. At retirement, you will be asked to submit any divorce decree(s) in order to verify the existence of a former spouse's rights.

### Qualified Domestic Relations Order (QDRO)

You may obtain assistance, including the Plan's QDRO Policy and a sample QDRO approved by the Plan to assist you with the QDRO process. All you need do is contact the Plan Manager for assistance.

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## SUSPENSION AND RECALCULATION OF BENEFIT FOR A RETURN TO WORK

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When you retire from the trade, you can work in other industries and continue to receive your retirement benefit. However, once you retire and begin to receive a retirement benefit from this Plan, your monthly benefit will be suspended if you return to work in Suspendible Employment.

**Suspendible Employment** includes activities of the types engaged in by any Employer, and employment involving skills learned through practice or acquired during training that are applicable to the electrical industry within the Jurisdiction of Local 505. It also includes supervision of employees performing electrical work. Suspendible Employment includes work for Employers, work for non-Union employers and self-employment as an owner or operator performing supervisory activities at a firm engaged in the electrical trade. The decision of whether employment is Suspendible Employment is made by the Trustees. This suspension rule does not apply to work performed outside the Jurisdiction of Local 505. [5.5(B)(3-4)]

### SUSPENSION OF BENEFITS

A Participant receiving a retirement benefit under the Plan is required to notify the Trustees of a return to Suspendible Employment. Failure to provide notice prior to a return to work may result in a suspension of pension.

The retiree forfeits one monthly payment for each calendar month during which the retiree is employed 40 or more hours in Suspendible Employment.

A retiree considering a return to work may contact the Plan Manager for a determination as to whether or not employment will be considered Suspendible Employment.

Once you cease Suspendible Employment and notify the Trustees, your retirement benefit will commence or resume based on the provisions explained in this section and following approval by the Trustees.

The only exception to this rule is if you have reached age 70½ years, in which case you may work in Suspendible Employment without a suspension of pension benefits.

In enforcement of the suspension rule, Retirees may be required to periodically complete an affidavit verifying that no work in Suspendible Employment has been performed. Information that may be required in fulfillment of the affidavit includes your sworn statement, a letter from your employer, copies of pay stubs and copies of your income tax returns for the period in question. Failure to complete this affidavit upon request by the Trustees may result in suspension of pension benefits.

### **RETURN TO WORK NOTIFICATION REQUIRED**

If you intend a return to work within the Jurisdiction of Local 505, you are required to contact the Plan Manager in advance of your return to work.

If you fail to notify the Plan Manager of your return to work in the trade within the Jurisdiction of Local 505, and the Trustees subsequently discover you have returned to work, the Trustees have the right to presume you were engaged in employment for which benefits should have been suspended for each month in which your employer performed work at that job site. The Trustees have the right to require you provide information to support a claim that you are not working in the trade. Information that may be required includes your sworn statement, a letter from your employer, copies of pay stubs and copies of your income tax returns for the period in question.

You will be notified in writing of a determination that your pension benefit has been suspended, the effective date of the suspension, the duration of the suspension, and the procedure you may follow to appeal the Trustees' decision in the first month in which benefits are suspended.

If you have ceased employment by the time the Trustees determine you were working during a period when your benefits should have been suspended, you will be notified of the amount of your benefit subject to suspension, the period for which benefits will be suspended and, upon resumption of benefits, the amount that will be withheld from your monthly benefits until the total amount that should have been suspended has been recouped by the fund. Your first three months' payments after you again retire may be reduced completely (100%), if necessary. After that, your monthly payments could be reduced by up to 25%.

Department of Labor regulations concerning suspension of pension payments can be found in section 2530.203-3 of the Code of Federal Regulations. You have the right to review any suspension of benefits determination by the Board of Trustees. You may appeal a suspension of your benefits by following the claims appeal procedure as explained in this booklet.

### **RESUMPTION OF BENEFITS FOLLOWING SUSPENSION**

If your pension benefit has been suspended due to work within the Jurisdiction of Local 505, you should notify the Trustees immediately upon termination of your employment, to request resumption of your pension benefits. Benefits not paid to you during the period of employment will be forfeited.

Your benefit will resume no later than the first of the month following the third month in which you ceased employment and applied in writing for a resumption of benefits. [5.5(C)(4)]

If you were employed in Covered Service during the suspension period, you should request an application for recalculation, which may result in an increase in your monthly retirement benefit.

### **RECALCULATION OF PENSION BENEFIT**

If you return to work in Covered Service after your retirement, you may apply for a recalculation of your retirement benefit upon termination of your employment, if your benefit has been suspended, or if you have been working in Covered Service outside the Jurisdiction of Local 505.

You must have earned at least one year of Future Vesting Service (500 hours) in a Plan Year to be eligible for a recalculation of your benefit. All hours in Covered Service since your last retirement date will be used to recalculate your benefit. [5.5(e)(1)]

You may apply for a recalculation of your benefit upon termination of employment, if you do not anticipate earning any more hours during the calendar year, or annually upon the anniversary date of your retirement. A "re-retirement" requires the same application procedure as initial retirement.



The amount of your retirement benefit earned prior to your return to employment will remain the same. Any additional monthly benefit to which you may be entitled as a result of additional contributions will be calculated based on the benefit formulas in effect on the date of your re-retirement.

You may select an Annuity Option for this portion of your retirement benefit if you have not already selected an Annuity Option on or after Normal Retirement age.

Each period of re-employment will be calculated separately. The amount of any additional benefit will be added to the amount earned prior to each return to employment to arrive at the new monthly benefit.

#### **DEATH OF A RETIREE WHO HAS RETURNED TO WORK**

If a Retiree dies while under suspension of benefits for a return to work within the Jurisdiction of Local 505 or while working in Covered Service outside the Jurisdiction of Local 505, it will be presumed that the retiree had ceased employment and "re-retired" effective on the date of death. Any additional benefit earned during the return to work will be provided in the form of a Joint & 50% Survivor Annuity for a married Retiree.

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#### **TEMPORARY DISABILITY INCOME**

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The Plan provides a Temporary Disability Income benefit. Retirees, Terminated Vested Participants, and employees who have incurred a Termination are not eligible for this benefit.

A Participant may be eligible for the Temporary Disability Income when the Participant:

1. Has completed at least ten years of Vesting Service; and,
2. Has not incurred two consecutive One-Year Breaks-in-Service; and,
3. Incurs a Total and Permanent Disability as evidenced by entitlement for a Social Security disability benefit. [3.4(A)]

It is important to understand that eligibility for this benefit requires that the Participant's Social Security disability entitlement date be before the Participant incurs a Termination of Participation.

Your disability benefit starts on the later of:

1. The last day you worked in Covered Service; or
2. Your Social Security disability entitlement date.

The disability benefit start date may not be changed.

#### **DISABILITY BENEFIT AMOUNT AND PAYMENT**

The disability benefit amount will be based on your accrued monthly pension value adjusted for your age. The table below provides approximate factors which may be used to estimate your monthly disability benefit. The Plan Actuary will calculate the final disability amount.

Age at Disability Effective Date	Disability Factor
51	0.286558
52	0.310897
53	0.337582
54	0.366885
55	0.399124
56	0.434662
57	0.473916
58	0.517369
59	0.565579
60	0.619194
61	0.678973
62	0.745803
63	0.820725
64	0.904971
Additional age factors are available from the Plan.	

The disability benefit increases to your full accrued monthly pension benefit at your Normal Retirement age. The Temporary Disability Income may be converted to an Early Retirement, at the option of the qualified Participant. You must make application to have your disability benefit converted to Early Retirement. The advantages of converting may be that you may select a Joint & Survivor Annuity, and Early Retirement is unreduced at age 60 with 15 years of Vesting Service.

The initial Temporary Disability Income payment will include benefits retroactive to the disability benefit start date which may include the Social Security Administration five month waiting period.

A retroactive benefit will not qualify for an interest adjustment but will have a required 20% federal tax withhold.

Your benefit will cease to be paid if you recover from your disability prior to Normal Retirement age.

The Temporary Disability Income is not a Retirement Option, although Retirement Options are available to a Participant receiving Temporary Disability Income.

### **DISABILITY & RETIREMENT OPTIONS**

A Participant whose application for Temporary Disability Income is denied because Social Security has not approved the disability, may, if eligible, elect to take an Early Retirement, and upon receiving the Social Security disability approval, convert from an Early Retirement to Temporary Disability Income if the Social Security disability date is coincident with or prior to the Early Retirement date.

The Participant selects an Annuity Option at Early Retirement. A married Participant can have the conversion privilege only if the Life Annuity or Joint & 50% Survivor Annuity Option is selected for the Early Retirement.

Temporary Disability Income converts to Normal Retirement at your Normal Retirement age, and the monthly benefit amount increases to your full accrued benefit.

An eligible Participant may convert to an unreduced Early Retirement at age 60 and receive the full accrued monthly benefit. The Participant must make application to convert from Temporary Disability Income to an unreduced Early Retirement.

In either case, the Participant will select an Annuity Option or accept the automatic Joint & 50% Survivor Annuity if married upon conversion.

### **DEATH BENEFITS UNDER DISABILITY INCOME**

The Eligible Spouse of a Participant receiving Temporary Disability Income will be entitled to the Pre-Retirement Death Benefit if the Participant dies before reaching Normal Retirement age. [4.2(A)(1)]

For a Participant who dies prior to Normal Retirement age, leaving no Eligible Spouse, the Participant's beneficiary is entitled to a death benefit in the form of a lump-sum payment equal to the Contributions made on the Participant's behalf, reduced by the amount of Temporary Disability Income payments made prior to the Participant's death. [4.1(A)]

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### **PRE-RETIREMENT DEATH BENEFIT**

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If you die before your retirement benefit starts, your Eligible Spouse or designated beneficiary may be entitled to receive a Pre-Retirement Death Benefit.

The Pre-Retirement Death Benefit is not available for non-vested Participants who have less than three years of Vesting Service and individuals who have incurred a Termination.

### **SURVIVING SPOUSE OF A VESTED PARTICIPANT**

The Eligible Spouse of a Vested Participant who dies prior to retirement may select one of the following forms of benefits:

1. A monthly benefit with payments beginning on the earliest retirement date for which the deceased Participant would have been qualified (or the first of the month following the Participant's death if qualified for retirement at the time of death). The monthly benefit amount will be equal to one-half of the monthly benefit the Participant would have received at Early Retirement using the Joint & 50% Survivor Annuity Option; or,
2. A monthly benefit with payments beginning on the first of any month following the date of death. The monthly benefit amount will be calculated as stated in item 1 above, but adjusted to the actuarial equivalent to determine the present value of the benefit; or,
3. A single lump sum payment of the actuarial present value of a Joint & 50% Survivor Annuity, based on the benefit available at the earliest retirement date for which the deceased Participant would have been qualified; or,

4. A single lump sum payment based on Credited Hours multiplied by the applicable Contribution rates in effect at the time the hours were earned, as shown in the table on this page, but only if this amount is not less than the lump sum benefit described in item 3 above. [4.2(A-B)]

An Eligible Spouse may elect to defer receipt of the death benefit up to the deceased Participant's Normal Retirement age.

#### DEATH OF AN UNMARRIED PARTICIPANT

A Participant who is not married at the time of death and has earned at least three years of Vesting Service and has not incurred two consecutive One-Year Breaks-in-Service will have the designated beneficiary receive a Pre-Retirement Death Benefit in the form of a single lump sum payment based on the rates established by the Trustees and set forth in the table below.

The lump sum payment is reduced by the amount of any Temporary Disability Income payments made to the Participant prior to death. [4.1(A)]

September – August of:	Journeyman	Apprentice
2012 and After	\$2.76	\$1.76
2008-2012	\$2.71	\$1.71
2007-2008	\$2.10	\$1.10
2006-2007	\$1.90	\$0.90
2005-2006	\$1.85	\$0.85
2003-2005	\$1.35	\$0.35
2000-2003	\$1.30	\$0.30
1997-2000	\$1.30	\$1.30
1983-1997	\$1.15	\$1.15
1982-1983	\$0.70	\$0.70
1981-1982	\$0.65	\$0.65
1980-1981	\$0.50	\$0.50
1978-1980	\$0.40	\$0.40
1973-1978	\$0.25	\$0.25

#### POST-RETIREMENT DEATH BENEFIT

The death benefit payable to your Eligible Spouse or designated beneficiary after your retirement is the benefit option you selected at the time of retirement: Life Annuity, Ten Year Certain Plus Life Annuity, or Joint & Survivor 50%, 75% or 100%.

Upon notice of your death, the Plan Manager will contact your spouse or beneficiary and provide the forms for filing for the benefit.

#### 414(K) INDIVIDUAL ACCOUNT

Effective September 1, 2001, a benefit was added to the existing defined benefit Plan for Participants who work outside the Jurisdiction of Local 505. This benefit is called the 414(k) Individual Account because it is established under Section 414(k) of the Internal Revenue Code.

The Individual Account does not affect your benefit from the defined benefit Plan. The Individual Account provides an additional benefit for Participants when they travel for employment.

#### VESTING UNDER 414(k) INDIVIDUAL ACCOUNT

All individuals with a positive balance in their Individual Account are immediately and 100% vested in their 414(k) Account.

#### INDIVIDUAL ACCOUNT

Each Participant has an Individual Account. The Individual Account is not a separate plan but a part of the defined benefit pension Trust Fund.

Your Individual Account is credited with contributions that are made on your behalf by reciprocal pension plans. In addition, once a year, at the close of each Plan Year (August 31st), your Individual Account is credited or debited with your share of the investment earnings or losses and expenses as allocated by the Trustees.

Your benefit payable from the Individual Account is the balance in your account at the time it is paid to you or your beneficiary.

## **CONTRIBUTIONS TO YOUR INDIVIDUAL ACCOUNT**

Work within the Jurisdiction of Local 505 does not require an Employer to make Contributions to the 414(k) Individual Account.

Reciprocal contributions are allocated to the defined benefit portion of the Pension Plan first based on the negotiated Contribution rate with the excess credited to your Individual Account.

Reciprocal contributions are credited to your 414(k) Individual Account only when contributions for these hours are paid and received by this Plan.

Only Employer contributions qualify and you may not make contributions to your Individual Account.

The Plan does not provide a 414(k) Individual Account credit under USERRA as there is no Employer Contribution at this time.

It is the Participant's responsibility to register with ERTS and designate the IBEW Local 505 NECA Pension Plan as the Home Fund for both defined benefit and defined contribution plan reciprocal hours and contributions.

## **ROLLOVERS TO YOUR 414(k) ACCOUNT**

The Plan does not accept rollover funds from another qualified pension fund.

## **DISTRIBUTIONS FROM 414(k) ACCOUNT**

You or your beneficiary will be eligible to receive the balance of your Individual Account when:

1. You retire and begin receiving your Early, Normal, Late, or other vested retirement benefit from the Plan;
2. You begin receiving the Plan's Temporary Disability Income Benefit;
3. You reach age 65 and are not otherwise eligible for a retirement benefit from the Plan;
4. You are the beneficiary of a deceased Participant who has a vested right to the Individual Account; or,
5. No contributions have accrued to your Individual Account or the Pension Plan for the 90 days (*three reporting months*) immediately preceding the date of application, and you are not working for an Employer. [Amended 8.3(A)]

A withdrawal is limited to the entire account balance as of the last Valuation Date plus any contributions which have been credited in the current Plan year. A partial withdrawal is not allowed. Only one withdrawal each Plan year is allowed.

The Plan requires that you receive your Individual Account balance no later than the December 31st of the year in which you attain age 70½ years.

## **DISTRIBUTION OPTIONS**

If the balance in your Individual Account taken with the single sum value of your retirement income under the defined benefit plan is less than \$1,000, you will automatically be paid a single lump sum distribution. [8.3(E) & 5.4]

If the balance is more than \$1,000, you have several options for receiving your Individual Account:

- 1) A single lump sum distribution of your entire Individual Account balance.
- 2) Convert your Individual Account balance to a monthly annuity payable as: a) Life Annuity; (b) Ten Year Certain Plus Life Annuity; (c) Joint & Survivor Annuity with a beneficiary amount of 50%, 75%, or 100%.

If you choose a single lump sum distribution, the amount of your benefit is your Individual Account balance. If you choose a monthly annuity, the Trustees will purchase an individual annuity contract from an insurance company on your behalf using your Individual Account balance; the amount of your monthly benefit will depend on which annuity option you choose and the insurance company's annuity purchase rates at that time.

Under federal law, your Eligible Spouse has the right to require that you elect an Annuity Option that provides at least 50% of your monthly benefit be paid to your spouse after your death. You cannot choose a single lump sum distribution, a Life Annuity, or the Ten Year Certain Plus Life Annuity without your Eligible Spouse's written and notarized consent.

## **TAXES ON YOUR 414(k) DISTRIBUTION**

A withdrawal of your Individual Account is taxable income and requires a tax withhold.

The Internal Revenue Service requires the Plan to withhold 20% of a lump sum distribution and provide a Form 1099 for the taxable income in the year of the withdrawal. In the case of a direct rollover, no taxes are withheld, but the Plan will issue a Form 1099. At the time you apply for a distribution, the Plan Manager will provide you with the "Special Tax Notice" regarding federal tax rules.

The Plan Manager cannot advise you on the subject of taxes.

## **414(k) DEATH BENEFITS**

If you die, your Individual Account balance will be paid as a single lump sum distribution or as a monthly life annuity to your Eligible Spouse, or if you do not have an Eligible Spouse, to your named beneficiary. If your Eligible Spouse or beneficiary chooses to receive a monthly annuity, your Individual Account balance will be used to purchase an annuity contract from an insurance company.

If your Individual Account balance is less than \$1,000, your Eligible Spouse or beneficiary will automatically receive a single lump sum payment.

If you die after you have received a lump sum payment of your entire Individual Account or after an annuity has been purchased, and you have had no additional contributions to your Individual Account, no additional benefits will be paid from the Plan.

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## **APPLICATION FOR BENEFITS**

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This section explains the steps you must follow to apply for benefits and the appeal procedure in the event your application is denied.

The application and appeal procedures also apply to Pre-Retirement and Post-Retirement Death benefits and the Temporary Disability Income benefit.

## **INITIAL APPLICATION**

You must obtain the appropriate application from the Plan Manager to apply for a benefit.

The Plan Manager will provide information on your Retirement Options and the amount of your monthly benefit under each of the available Annuity Options, as well as instructions on completing the necessary forms. You should contact the Plan Manager not more than 180 days and not less than 30 days in advance of your retirement date to receive this information. You will need to submit the following:

1. A copy of your birth certificate or other certified proof of age; and,
2. A copy the birth certificate or other certified proof of age of your spouse or beneficiary; and,
3. A copy of your marriage license or other proof of marital status; and,
4. If you are divorced, a copy of your divorce decree(s).

You should complete and return the required forms, along with all other required documents, to the Plan Manager not more than 180 days and not less than 30 days in advance of your retirement date. You should contact the Plan Manager if you have questions or need assistance completing the forms.

## **FILING YOUR APPLICATION**

Your application will be considered filed when the Plan Manager has received the completed and signed application and all other required documents.

## **TIME LIMITS ON DECISIONS**

Unless special circumstances exist, you will be informed of the decision regarding your application within 90 days of the date the application is filed with the Plan Manager. [6.15(A)]

Within the 90-day period, you will receive either a notice approval for the benefit or a notice stating:

1. The special circumstance requiring a delay in the initial decision; and,
2. Sets a date, no later than 180 days after the application is filed with the Plan Manager, by which you can expect to receive a decision.

## **DENIAL OF A CLAIM FOR BENEFITS**

If your application is denied in whole or in part, you will receive a notice from the Plan Manager stating:

1. The specific reason(s) for the denial;
2. The pertinent Plan provisions in the Plan Document upon which the denial is based;
3. A description of any additional material or information necessary for reconsideration of the claim and an explanation of why this material or information is necessary;
4. A description of the Plan's claim review procedure and the time limits for appeal; and,
5. The claimant's right to bring a civil action under ERISA if the claim denial is appealed to the Trustees and the Trustees fully or partially deny the claim.

The initial decision to deny your claim for benefits in whole or in part is the final decision and is binding unless you appeal the denial by following the appeal procedure explained below.

## **APPEAL PROCEDURE WHEN A CLAIM IS DENIED**

If you are not satisfied with the initial decision of the Trustees, you have the right to appeal for a review of your claim for benefits. You, your beneficiary, or a duly authorized representative, including an attorney, may appeal a denial of a claim for benefits by filing a written request for review by the Trustees. The appeal procedure is as follows:

1. You must file a written request for review by the Trustees within 60 days of the date your claim for benefits was denied.
2. If the denial of the claim included a description of additional material or information required for reconsideration of your claim, you must provide that information to the Trustees, or provide a written explanation of why that information cannot be provided.
3. You may appoint a representative to handle your appeal.
4. You have the right to review documents pertinent to the denial of your claim at the office of the Plan Manager and receive copies of said documents free of charge.

5. You have the right to include with your written appeal any information you feel supports your position that the claim should be paid, including your written comments on the issues that you want the Trustees to consider. You may submit any information you feel is relevant, even if it was not submitted or considered during the initial determination.
6. Mail your appeal to:  
Board of Trustees  
IBEW Local 505 NECA Pension Plan  
1717 Old Shell Road  
Mobile, Alabama 36604

## **TRUSTEES' DECISION ON REVIEW**

The Trustees will review appeal and all information you provide and will render their decision on the appeal within 60 days after the receipt by the Trustees of the appeal. If the Trustees require additional time to review your appeal, you will be notified in writing during the initial 60-day period that an additional 60 days will be required. [6.15(A)]

You will be notified in writing of the Trustees' decision and the specific reason for their decision.

If the Trustees' deny the claim on appeal, the written notice will include:

1. The specific reasons for the denial;
2. Reference to the specific Plan provisions in the Plan Document on which the denial is based;
3. A notice of your right to receive, upon request and at no cost, information and copies of documents relevant to your claim for benefits; and,
4. A statement of your right to bring a civil action under ERISA.

The decision of the Trustees is final and binding and is intended to be upheld as neither arbitrary nor capricious if challenged in court.

If you are not satisfied with the Trustees' decision, you have the right to file a civil suit. You must have completely complied with the appeal procedure to the Board of Trustees prior to filing suit.

No legal action may be commenced against the Plan, the Plan Manager, or the Board of Trustees, individually or collectively, more than 180 days after the date of the Trustees' final decision on your appeal. [6.15(F)]

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## YOUR RIGHTS UNDER ERISA

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As a Participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants are entitled to the following:

Examine, without charge, at the Plan Manager's office and at other specified locations, such as the Union office, all Plan documents, including contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions. Examination of these documents may be made at the Plan Manager's office during normal business hours, provided you have given reasonable prior written notice and specified what materials you wish to inspect.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Manager. The Plan Administrator may charge a reasonable fee for copies.

Receive a summary of the Plan's annual financial report. The Plan Manager is required by law to furnish each participant with a copy of this summary annual report.

Subject to limitation allowed by law, obtain a copy of any periodic actuarial report, a copy of any quarterly, semi-annual or annual financial report prepared by an investment advisor or other fiduciary or a copy of the application filed with the Secretary of Treasury requesting an extension of amortization periods under Section 304 of ERISA and the determination of such Secretary pursuant to such application. Requested reports must be in possession of the Plan for at least 30 days before the Plan Manager is required to furnish the reports. These reports must be requested in writing and are not required to be given more than once every 12 months. The Plan Manager may make a reasonable charge for copies.

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement age and, if so, what your benefit would be at Normal Retirement age if you stop working under the Plan now.

If you do not have a right to a pension, the statement will show how many more years you have to work to earn a right to a pension. This statement must be requested in writing and the Plan is not required to provide it more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of your Plan. Those who operate your Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

No one, including your employer, your Union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit to which you are entitled for exercising your rights under ERISA.

If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. If you are not satisfied with the action on your claim, you have the right to have the Trustees review and reconsider your claim in accordance with the Plan's claim appeal procedures.

Under ERISA, there are steps you can take to enforce your rights. If you properly request materials that the Plan is required by law to provide, and do not receive them within 30 days, you may file suit in a federal court. Before taking action you should check with the Plan Manager to make sure your request was correctly made and received. If you are still unable to get the information you want, you may take legal action. The court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the Administrator's control.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. However, before exercising this right, you will find it advisable to exhaust all the claim appeal procedures provided under the Plan and then proceed only upon the advice of your attorney. If you feel that the Plan fiduciaries may be misusing the Plan's money, or discriminating against you for asserting your rights under ERISA, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have questions, you should contact the Plan Administrator (Board of Trustees) or Plan Manager. If you have questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, Public Disclosure Room, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

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## **GOVERNMENT PROTECTION OF BENEFITS**

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Your retirement benefits are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate, and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service.

For example, the maximum annual guarantee for a retiree with 30 years of service is \$12,870 (\$35.75 x 12 months x 30 years of service). The PBGC guarantee generally covers: (1) Normal and Early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the earlier of: (i) the date the plan terminates, or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C., 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

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## **FEDERAL LAWS AFFECTING YOUR BENEFITS**

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### **ELIGIBLE SPOUSE BENEFIT**

If you are married, federal law requires that your Eligible Spouse be involved in the process of retirement and selection of an Annuity Option.

The Retirement Equity Act of 1984 requires that your Eligible Spouse is automatically entitled to the Joint & 50% Survivor Annuity.

If you are married and wish to select an Annuity Option other than the Joint & 50% Survivor Annuity, your Eligible Spouse must consent in writing to waive the right to receive benefits under the Joint & 50% Survivor Annuity. Your spouse's waiver must be witnessed by a notary public or authorized Plan representative. Upon completion of the spousal waiver, you may name a beneficiary other than your spouse.



## **REQUIRED BEGINNING DATE AT AGE 70½**

The Board of Trustees is required to start paying your pension benefits no later than April 1st of the calendar year following the calendar year in which you have both reached age 70½ years and retired. Payments will begin even if you have not filed an application for retirement.

You are "retired" if you are employed in the trade within the Jurisdiction of Local 505 but work less than 40 hours per month, or if you are employed outside the Jurisdiction of Local 505. [5.5(B)(4)]

If you are a Participant who also owns more than 5% of a business that contributes to the Plan, your benefit payments will start on the April 1st of the calendar year following the calendar year in which you have reached age 70½ years, even if you have neither retired nor filed an application.

If you have not filed an application for a benefit at the time mandated retirement payment must be made, you will be retired based on the Joint & 50% Survivor Annuity Option, unless you do not have an Eligible Spouse or have filed a waiver within 180 days of the date your payments must begin.

## **MAXIMUM RETIREMENT BENEFITS**

In no event may your annual retirement benefit exceed the legal limit which is \$205,000 for 2013 at ages 62 through 65 and may change annually. A lower limit may apply if you begin receiving benefits prior to age 62, you have less than ten years of service, or you elect an optional form of benefit.

## **LUMP SUM PAYMENT OF A SMALL BENEFIT**

If the lump-sum value of your total retirement benefit (as determined by the Plan's actuary) is less than \$1,000, the Board of Trustees shall direct that a lump-sum payment be made to you in full settlement of all benefits due under the Plan. [5.4]

## **DIRECT ROLLOVER OF ELIGIBLE DISTRIBUTION**

You may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by you. An eligible rollover distribution is a lump-sum payment as described above if not for retroactive benefits, or a lump sum amount paid to a surviving Eligible Spouse under the provisions of the Pre-Retirement Death Benefit.

Your monthly retirement benefit under this Plan cannot be paid in a single lump sum and would not be an eligible rollover distribution.

An eligible retirement plan is another qualified retirement plan, such as an individual retirement account (IRA), which will accept an eligible rollover distribution from this Plan. You should contact the Plan Manager once you are eligible to receive a rollover distribution.

The Local 505 Pension Plan does not accept a direct rollover of contributions to this Plan.

## **WITHDRAWAL OF FUNDS IS NOT PERMITTED**

Under a defined benefit pension plan, federal law does not permit any withdrawal of Contributions except from your 414(k) Individual Account. Money contributed on your behalf by an Employer may be paid only in the form of a retirement annuity, disability, or death benefit.

## **DISTRIBUTION UNDER A QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)**

Generally, your benefits under this Plan are payable to you or your spouse or a designated beneficiary in the event of your death. In certain cases, if you divorce, the court may order that a portion or all of your benefits are payable to your former spouse or children (referred to in the court order as an "alternate payee"). If the Trustees determine that the order is a "Qualified Domestic Relations Order," as defined below, payments will be made to the alternate payee(s) as required by that order.

A QDRO is a court order granting an alternate payee the right to receive some or all of a Participant's benefits in a retirement plan such as this one. The order must satisfy all of the following requirements:

1. It must contain the names and last known mailing addresses for the Participant and each of the alternate payees;
2. It must set forth a specific dollar amount or percentage of the Participant's benefits that are assigned to each of the alternate payees;
3. It must describe the period to which it applies, that is, the period of the marriage, start and end dates;

4. It must specify that it applies to the IBEW Local 505 NECA Pension Plan and state that it applies to the defined benefit and/or 414(k) Individual Account;
5. It may not require this Plan provide any type or form of benefits it does not otherwise provide;
6. It may not require the Plan to pay more in benefits than it would if the order did not exist; and,
7. It may not require the Plan to pay the same benefits to an alternate payee that have been assigned to another alternate payee either in this or a prior QDRO.

When the Plan receives a DRO, the Plan Manager will notify you and each named alternate payee that the court order has been received. Within 60 days of receipt of the court order, you and each alternate payee will be notified of the Trustees' determination whether the court order is a Qualified Domestic Relations Order. If a decision is made that the order is not a QDRO, the notice will include an explanation of why this determination was made.

If the court order is a QDRO, you and each alternate payee will be notified of the procedure to arrange for distribution of benefits.

Under no circumstances will any alternate payee be entitled to receive any payments until you, the Participant, are entitled to receive your pension, according to all other provisions of the Plan.

An individual or their attorney attempting to establish a QDRO may contact the Plan for assistance and the Plan's sample QDRO.

#### **UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)**

Effective December 12, 1994, USERRA requires that this Plan give you pension credit (i.e. Credited Hours) for certain service performed while you are in the United States Army, Navy, Air Force, Marines, or Coast Guard (or any Reserve or National Guard components of any of these), in the commissioned corps of the United States Public Health Service, or in any other category of persons designated by the President of the United States in a time of war or emergency.

In order to receive pension credit under the Plan for your military or other service as described above, you must have been working in Covered Service immediately prior to entering such service and you must return to Covered Service within the time period specified in the law.

You may obtain the Plan's policy on credit for qualified military service by contacting the Plan Manager prior to your departure for military service. Information about the federal law, USERRA, can be found at: [www.servicemembers.gov](http://www.servicemembers.gov).

#### **FAMILY AND MEDICAL LEAVE ACT (FMLA)**

The FMLA is a federal law that requires the Plan to allow you credit for a period of absence from work for certain reasons without counting that absence as a Break-in-Service.

Under FMLA, authorized absences are limited to:

1. A leave of absence taken for incapacity due to pregnancy, prenatal medical care or child birth;
2. A leave of absence taken to care for the employee's child after birth or placement for adoption or foster care;
3. A leave of absence taken to care for your spouse, son, daughter, or parent with a serious health condition;
4. A leave of absence taken when you are unable to perform your job because of a serious health condition; or
5. A leave of absence taken under the military family leave entitlements of the FMLA.

Please note that only your Employer can determine whether to grant FMLA leave, and this is not a determination made by the Trustees. The Trustees' authority extends only to determining whether you are eligible for a grace period for the duration of the leave so that you will not incur a Break-in-Service.

FMLA leave is granted by your Employer and when approved you should contact the Plan Manager to request a grace period to avoid the possibility of incurring a One-Year Break-in-Service.

## **RESPECTING YOUR PRIVACY**

The Plan collects and shares information only for the purpose of administering benefits. Access to an individual's personal information is provided only to those who have a legitimate need to know in order to provide administrative services, benefit products, or who are entitled to access information as required by law. Employees who have access to this information are required to follow procedures designed to keep the information secure and confidential. Physical, electronic and procedural safeguards are in place to protect this information.

Most information is obtained directly from you or your Employer, and may include:

1. Personal identifying information, such as name, address, telephone number, date of birth, and Social Security Number;
2. Financial information, such as hourly wage information provided on Employer Contribution reports or pay stubs that you provide; and,
3. Health information, if you are applying for a Temporary Disability Income or exception to a One-Year Break-in-Service.

If the Plan needs to verify information or requires additional information, that information may be collected from the Union, your Employer or the administrator of a reciprocal plan.

Individual Participant records are maintained and may contain transaction information including employment history, hours worked, dependent data, beneficiary changes and account withdrawal.

Medical information from health care providers or health plan administrators is obtained only if you apply for disability or medically related benefits from the Plan, and only with your authorization. Medical information is disclosed to affiliate third parties only as permitted or required by law.

Current law allows disclosure of information in order to carry out necessary business activities. These may include underwriting contracts, data processing, legal, accounting and actuarial services, as allowed by law. Information may also be disclosed to your Eligible Spouse who is entitled to receive benefits, Employers, the Union and reciprocal administrators, as allowed by law. Information may be provided to law enforcement and governmental and regulatory agencies as required by law.

Through participation in the Plan, you authorize the Plan to obtain, use and release all records about you which may be needed for proper administration of the Plan and your benefits. Please be advised that the Trustees and the Plan Manager will strive to keep this information confidential and release it only to others who have a legitimate need for the information. The Plan, Trustees and Plan Manager will not be liable for uses of the information that are not authorized.

## **PLAN MERGER**

Although the Board of Trustees intends to continue this Plan as it currently exists and not merge it with another Plan, the Trustees may, in the future, determine that it is in the best interest of the Plan's Participants to merge with another pension plan. In the event this happens, you will not receive a benefit after the merger that is any less than the benefit you would have received on the date prior to the merger.

## **PLAN TERMINATION**

The Board of Trustees fully intends to maintain the Plan on a sound actuarial basis. Although there are certain legal minimum annual Contributions which must be made in order to maintain the Plan, neither your Employers, the Union, the Trustees, nor any of their officers, agents, or employees may guarantee that Contributions will be made. All Contributions will be placed in the Trust Fund and all benefits under the Plan will be paid from the Fund in accordance with the legal Plan documents. Any person having any claim under the Plan should look to the assets of the Trust Fund for satisfaction.

The Board of Trustees intends to continue the Plan indefinitely, but must reserve the right to amend the Plan, to change the method of providing benefits, or to terminate the Plan if that should ever be necessary. In such a case, you will be notified of any changes that have to be made and the reason behind any such a decision.

However, no amendment will be made to the Plan that would deprive you, any Retiree, or any beneficiary of any rights or benefits you had already earned. Under the law, no amendment or change can be made that would divert any part of the Plan's Trust Fund to a purpose other than for the exclusive benefit of you or your beneficiaries until all earned benefits have been provided.

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## PENSION PLAN ADMINISTRATION

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If the Plan has to be terminated, you will become 100% vested in the normal retirement benefit you had already earned as of the Plan's termination date (to the extent funded as of such date). This is true regardless of how much service you may have had in the Plan at that time.

Whether you eventually receive all or part of your Plan benefit depends on whether there is enough money in the Trust Fund to pay for it, and if not, whether the Pension Benefit Guaranty Corporation insures the benefit.

The law sets priorities as to how the money in the Trust Fund will be used to provide the following benefits in the order as listed below, until the money is used up.

**First:** All 414(k) Individual Accounts.

**Second:** Benefits for those who have received Plan benefits for at least three years before the termination date, and then for those who could have started receiving benefits at least three years before the termination date. Benefits in these instances will be based on any Plan provision in effect during the five years prior to termination that would produce the lowest amount. In addition, the maximum for those who have received benefits for at least three years would be based on the lowest benefit received during that three-year period.

**Third:** All other benefits that are insured by the Pension Benefit Guaranty Corporation.

**Fourth:** Vested benefits that are not insured by the Pension Benefit Guaranty Corporation.

**Last:** Any other benefits earned in the Plan. This includes those benefits that became vested only because of Plan termination.

Prior to the distribution of assets, the distribution will be submitted for approval to the PBGC, a corporation within the Department of Labor, and the Internal Revenue Service. No assets of the Trust Fund will revert to the Contributing Employers.

### NON-TRANSFERABILITY OF BENEFITS

The money in the Trust Fund is used exclusively to provide benefits to you and your beneficiaries. It cannot be used for any other purpose. This applies both to the Employers and to you, because you cannot assign, transfer, or attach your benefits nor use them as collateral. The only exception is in the case of a Qualified Domestic Relations Order.

The Board of Trustees administers the Plan and acts as the Plan fiduciary. The Board is the legal Plan Administrator and has authority to make the rules and regulations necessary for the day-to-day operations of the Plan.

The Trustees have full authority and discretion to interpret any and all provisions of the Plan and their decisions are final. Benefits under this Plan will be paid only if the Plan Administrator determines that the applicant is entitled to a benefit.

No Employer or Union is authorized to interpret the Plan on behalf of the Board of Trustees, nor may an Employer or Union act as an agent of the Board.

The Board of Trustees has contracted with a Plan Manager to handle routine requests regarding eligibility rules, benefits, and claims procedures, and to file government reports and handle administrative activities under the Plan provisions.

In the case of a dispute, the Plan Manager will refer such matter to the Trustees for final determination.

As required by law, an independent auditor examines the Fund's financial records every year and certifies their accuracy, completeness, and fairness. The Trustees are required to submit annual financial statements and other reports to the U.S. Department of Labor and the IRS.

### LEGAL PLAN DOCUMENTS

This booklet provides a summary of the Plan documents. It has been written in a more clear, understandable and informal language than the legal documents of the Plan. Please refer to the legal Plan Document and the Trust Agreement, which are the official Plan documents, for more information.

In the event there are discrepancies between what is written in this Summary Plan Description and the legal Plan documents, the official documents shall take precedence over this booklet.

You may examine the Plan Document and the Trust Agreement, as well as the Plan's annual financial report, by requesting an appointment in writing to the Plan Manager. If you would rather have a copy of these documents, send a written request to the Plan Manager. The Plan Manager may charge a reasonable fee for copies.

An individual may receive from the Plan Manager, upon written request, information as to whether a particular Employer or employee organization is a sponsor of the Plan and if so the sponsor's address.

Participants will receive an Annual Funding Notice concerning the Plan's status under the Pension Protection Act. It will provide financial information required by the Act and the Plan's status: safe, endangered, or critical. Information concerning any benefit reductions required for an endangered or critical status will be sent to all Participants.

You will receive a summary of the annual financial report each year at no charge. You will also receive at no charge an annual statement of the current accrued value of your individual pension.

When changes are made to the Plan that may affect future eligibility and benefits, every attempt is made to notify you as soon as possible. The law requires that you be notified within 210 days of the close of the Plan Year in which such a change was made.

#### **PARTICIPANT'S RIGHTS IN THE TRUST FUND**

No portion of the Plan's Trust Fund may be diverted to a purpose other than for the exclusive benefit of Participants and their beneficiaries. No Participant or other person shall have any interest in or right to any part of the assets of the Trust Fund except in the form of a retirement benefit, disability benefit, or survivor annuity to which they are entitled.

#### **EMPLOYER PARTICIPATION IN THE TRUST**

An Employer signatory to the Collective Bargaining Agreement becomes a participant in the Trust. The Employer will remain a participant in the Trust so long as all provisions of the Collective Bargaining Agreement or other written agreement are fulfilled, especially timely reporting and payment of Contributions. The Employer may be removed as a participating Employer in the Trust for failure to meet obligations under the Collective Bargaining Agreement, the Trust Agreement, and Plan.

The Board of Trustees has the authority to remove an Employer from the Trust. The Trustees have written policies and procedures designed to protect the financial integrity of the Trust. A violation of the Trust or conditions for participation may result in the Employer being removed from the Trust at the sole discretion of the Trustees. Removal has no effect on the Collective Bargaining Agreement.

Hours of Service earned on and after the date an Employer is removed from the Trust will not be credited to the Participants' retirement accounts. In such case, Participants working for the Employer will receive written notice prior to removal of the Employer. [14.01 Trust]

#### **PARTICIPANT'S RESPONSIBILITIES**

Each Participant is responsible for providing to the Trustees information the Board considers necessary or desirable for the purpose of administering the Plan and its provisions. Payment of benefits to a Participant is conditioned upon the Plan timely receiving the full, true, and complete information necessary to establish the facts upon which benefits are based.

As a Participant, you are responsible for the following:

1. Notifying the Plan Manager of your correct address and telephone number.
2. Completing beneficiary designation forms and updating those forms as necessary.
3. Reviewing your annual pension record. If you have questions or concerns regarding the information contained in the record, you must contact the Plan Manager immediately. If you have a claim of unreported hours, you must submit original paystubs within twelve months of the month the hours were earned.
4. Registering with the IBEW/NECA Electronic Reciprocal Transfer System (ERTS) and signing a reciprocal authorization to ensure that your hours and contributions from outside the Jurisdiction of Local 505 are transferred to this Plan.
5. Completing the required forms approved by the Trustees when making a claim for benefits. All forms may be obtained from the Plan Manager.
6. In the event of divorce, where the former spouse is awarded a portion of the pension, the Participant must file with the Trustees in order to effect a Qualified Domestic Relations Order (QDRO). Failure to file a Domestic Relations Order (DRO) with the Plan may result in your having a financial liability to comply with the DRO.

7. Retirees may be required to periodically complete an affidavit verifying that no work in Suspendible Employment has been performed. Information that may be required includes your sworn statement, a letter from your employer, copies of pay stubs and of your income tax returns for the period in question. Failure to complete this affidavit upon request may result in suspension of pension benefits.
8. Retirees are required to inform the Plan upon a return to work in Suspendible Employment.

Any notice of information which, according to the terms of the Plan, must be filed with the Trustees shall be deemed to be filed at the time it is actually received by the Plan Manager. Any notice must be filed at: Alabama Administrators, 1717 Old Shell Road, Mobile, Alabama 36604.

### **CONTRIBUTIONS TO THE TRUST FUND**

The Plan provides that each Employer will make Contributions to the Trust Fund. The Contribution amount is stated in the Collective Bargaining Agreement between the Employer and Local 505 or other written agreement accepted by the Trustees.

The minimum Contributions to the Trust Fund for each year are determined by the Plan's actuary, using standards set forth in the Employee Retirement Income Security Act of 1974.

Plan benefits are provided solely from Trust assets. Employees and Plan Participants are not required nor permitted to make contributions to the Fund.

### **PLAN INVESTMENTS**

Contributions are paid into the Trust in accord with the Collective Bargaining Agreement. The Trustees have adopted an investment policy statement and employ professional financial managers to oversee the investments and ensure the funds are managed in adherence to the investment policy.

### **TAXES ON BENEFIT PAYMENTS**

There are considerable tax advantages in the use of a trust fund. The Fund pays no taxes on the income it earns or on any gains in the market value of its investments. While funds are accumulating to provide Participants a future benefit, you owe no income tax on these investments until you receive a benefit from the Plan.

Federal income taxes may be required to be withheld from your monthly retirement benefit if the amount is \$1,600 or more, unless you make a written election to the contrary on an election form available from the Plan Manager. Whether you have elected to have tax withheld from your monthly retirement benefit or not, you may change your election at any time by contacting the Plan Manager.

You should consult with a financial advisor concerning how and to what extent your pension benefit will be subject to federal and state taxes. The Plan Manager, Trustees, or employees of Local 505 may not provide you with any information concerning the extent to which your individual pension benefit will be subject to taxes.

### **RECOVERY OF OVERPAYMENT**

It is possible that a pension benefit may be overpaid due to a calculation error or a system problem or for some other reason. If a mistake is made in the calculation of a Pension benefit or an overpayment results from any other reason, whether attributable to the Participant, beneficiary, Eligible Spouse or any other person or corporation associated with the Pension Plan, the Pension Plan has the right to be reimbursed.

Benefit payments may be reduced to correct for a mistake, and the amount of any overpayment made to or on behalf of the Participant, Beneficiary or Eligible Spouse shall be deducted from the next succeeding benefit payments until such overpayment is recovered by the Pension Plan.

If any payments are made from the Trust Fund in excess of the amount entitled such overpayment must be repaid. If a mistake results in an underpayment the benefit will be adjusted to correct for the underpayment.

The retiree is required to notify the Plan Manager if the monthly benefit amount is different from the amounts stated in the original application. The retiree must notify the Plan of any overpayment.

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**GENERAL INFORMATION**

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The information provided in this section will assist you in understanding the general administration of the Plan and in contacting the appropriate individuals concerning your rights and benefits.

**OFFICIAL NAME**

I.B.E.W. Local 505 N.E.C.A. Pension Plan

**EMPLOYER IDENTIFICATION NUMBER (EIN)**

51-0176914

**PLAN NUMBER**

001

**PLAN ADMINISTRATOR**

The Plan is provided through and administered by the Board of Trustees of the IBEW Local 505 NECA Pension Plan. The names of the Trustees are as follows:

<b>Employer Trustees</b>	<b>Local 505 Trustees</b>
Charles Freeman	Donald L. Adams
Tracy Landers	Michael D. Alexander
Richard Russell	Fred J. Moore

The Trustees may be contacted at:

Board of Trustees  
IBEW Local 505 NECA Pension Plan  
1717 Old Shell Road  
Mobile, Alabama 36604

**PLAN SPONSORS**

This is a multi-employer benefit plan, established and maintained under a Collective Bargaining Agreement between the following organizations:

NECA Gulf Coast Chapter  
2058 Dauphin Street  
Mobile, Alabama 36606

IBEW Local Number 505  
2244 Halls Mill Road  
Mobile, Alabama 36606

**TYPE OF PLAN**

This Plan is a multi-employer defined benefit pension plan with IRC §414(k) Individual Accounts.

**PLAN YEAR**

The records of this Plan are kept on the basis of a Plan Year which begins on September 1 and ends on August 31, for the purposes of accounting, maintaining individual pension records, and all reports to the U.S. Department of Labor, Internal Revenue Service and other regulatory bodies.

**FUNDING MEDIUM USED FOR ASSETS**

Assets are held in trust by the Board of Trustees. The primary investment of such funds is currently money market funds, common stock, corporate bonds and government securities.

**PLAN MANAGER**

Certain administrative duties have been delegated by the Board of Trustees to the Plan Manager:

**Alabama Administrators**

A Division of Gulf States Consultants & Administrators, Inc.  
1717 Old Shell Road  
Mobile, Alabama 36604

In Alabama: (251) 478-5412

Outside Alabama: (800) 221-7025

**AGENT FOR SERVICE OF LEGAL PROCESS**

Ed Kahalley, Jr., Plan Manager  
Alabama Administrators  
1717 Old Shell Road  
Mobile, AL 36604

**PAYMENT OF PENSION BENEFITS**

Benefits are paid monthly through electronic deposit to your personal checking or savings account, deposited the first day of each month. Upon your request, benefit checks can be mailed to your home address, in which case checks are mailed in anticipation that they will arrive during the first week of each month. The Plan cannot ensure your payment will be received on the first of any month unless benefits are paid through electronic deposit. You may change your form of deposit, including financial institution account numbers, at any time by contacting the Plan Manager.



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## DEFINITIONS

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Certain words and terms have a specific meaning in relation to the Plan and are capitalized when used in this Summary Plan Description. You will find these terms explained in the Definitions section or defined within the text of this booklet.

The following terms are defined within the text of this booklet:

<b>ANNUITY OPTION</b>	<b>8</b>
<b>ANNIVERSARY VESTING</b>	<b>3</b>
<b>BENEFIT UNIT</b>	<b>5</b>
<b>COVERED SERVICE</b>	<b>1</b>
<b>CREDITED HOURS</b>	<b>4</b>
<b>EARLY RETIREMENT</b>	<b>6</b>
<b>EARLY UNREDUCED RETIREMENT</b>	<b>6</b>
<b>FULL BREAK-IN-SERVICE</b>	<b>4</b>
<b>HOME FUND</b>	<b>1</b>
<b>HOUR OF SERVICE</b>	<b>1</b>
<b>414(K) INDIVIDUAL ACCOUNT</b>	<b>15</b>
<b>NORMAL RETIREMENT</b>	<b>6</b>
<b>ONE YEAR BREAK-IN-SERVICE</b>	<b>3</b>
<b>PRE-RETIREMENT DEATH BENEFIT</b>	<b>14</b>
<b>REQUIRED BEGINNING DATE</b>	<b>7</b>
<b>RETIREMENT OPTIONS</b>	<b>6</b>
<b>SUSPENDIBLE EMPLOYMENT</b>	<b>11</b>
<b>TERMINATED VESTED PARTICIPANT</b>	<b>4</b>
<b>TERMINATION OF PARTICIPATION</b>	<b>3</b>
<b>VESTING SERVICE, PAST &amp; FUTURE</b>	<b>2</b>

**ACTIVE PARTICIPANT:** A Participant who has not incurred a Termination of Participation.

**ADMINISTRATOR:** The Board of Trustees of the IBEW Local 505 NECA Pension Plan.

**BOARD OF TRUSTEES:** The joint employer/union Board of Trustees is the legal Plan Administrator. The Board of Trustees has the authority to make the rules and regulations governing the Plan, and to interpret Plan provisions. Decisions of the Board of Trustees are binding upon the Plan and its Participants.

**COLLECTIVE BARGAINING AGREEMENT:** The written agreement negotiated between Local Union 505 and the Gulf Coast Chapter of the National Electrical Contractors Association or any other Employer, and any amendment, modification, or successor agreement which requires Employers to make payments to the Trust.

**CONTRIBUTIONS:** The payment an Employer is required to make on behalf of an Employee to the Trustees and to the Trust Fund in amounts and in a manner set forth in the Collective Bargaining Agreement or other written agreement between Local 505 and an Employer.

**EMPLOYER OR CONTRIBUTING EMPLOYER:** One who is bound by the Collective Bargaining Agreement or other written agreement with Local 505 to make Contributions to the Trust Fund on behalf of its employees.

**ERTS:** The Electronic Reciprocal Transfer System, operated by the International Brotherhood of Electrical Workers. Participants are required to register with ERTS, via computer, in order to direct that contributions paid for work performed outside the Jurisdiction of Local 505 are reciprocated to this Plan.

**ELIGIBLE SPOUSE:** Your legal spouse of the opposite sex who is the husband or wife of a Participant at the Participant's retirement date or date of death. The term legal spouse excludes a common law spouse or spouse by civil union where the marriage cannot be evidenced by a marriage license issued by the appropriate state or jurisdiction where the marriage occurred. For purposes of determining the Eligible Spouse to receive the pre-retirement death benefit, the employee and such spouse must be married throughout the one-year period ending on the employee's date of death.



**FUND:** The Trust Fund established by an Agreement and Declaration of Trust between the International Brotherhood of Electrical Workers Local Union 505 and the Gulf Coast Chapter of the National Electrical Contractors Association. The Trust Fund provides the funding for this Plan.

**FUTURE VESTING SERVICE:** One year of Future Vesting Service will be granted for each Plan Year beginning September 1, 1973 during which a Participant works a minimum of 500 Hours of Service.

**JURISDICTION OF LOCAL 505:** The geographical area recognized by the Secretary of Labor and under the Collective Bargaining Agreement as the territorial Jurisdiction of Local 505. This area is defined as: Baldwin, Choctaw, Clarke, Mobile, Monroe and Washington counties in Alabama.

**LOCAL 505:** The International Brotherhood of Electrical Workers Local No. 505.

**PARTICIPANT:** One who is qualified as follows:

1. Any Retiree;
2. Any person entitled to receive benefits in the future as the beneficiary of a deceased Participant.
3. An employee who has a vested interest in a 414(k) Individual Account with the Plan;
4. An employee who has completed the requirements for a vested retirement income;
5. An employee who has earned at least 500 Hours of Service within a Plan Year;
6. An employee who has earned at least 500 Hours of Service within a preceding Plan Year and who has not incurred two consecutive One Year Breaks-in-Service;
7. An employee who is not vested and ceases participation based on two consecutive One-Year Breaks-in-Service and who becomes reemployed in Covered Service and earns at least 500 Hours of Service in the Plan Year.

**PENSION PLAN OR PLAN:** The IBEW Local 505 NECA Pension Plan.

**PLAN MANAGER:** The administrative manager hired by the Board of Trustees to conduct the day-to-day activities of the Plan, according to the terms and conditions established by the Trustees in the legal Plan documents. The Plan Manager is Alabama Administrators.

**PLAN YEAR:** The 12-month period from September 1st through August 31st. The first Plan Year is September 1, 1973 through August 31, 1974.

**RETIREE:** An individual who is receiving pension benefits under this Pension Plan, either as a former employee or as the beneficiary of a former employee.

**TOTAL AND PERMANENT DISABILITY:** A physical or mental condition that qualifies a Participant as eligible for a federal Social Security disability benefit.

**TRUST OR TRUST FUND:** The entire trust estate of the IBEW Local 505 NECA Pension Fund.

**TRUSTEES OR BOARD OF TRUSTEES:** The joint Employer and Union Board of Trustees is the legal Plan Administrator.

**UNION:** As used in this booklet, the Local No. 505 of the International Brotherhood of Electrical Workers.

**VALUATION DATE:** August 31 of each calendar year.

**VESTED PARTICIPANT:** A Vested Participant has a guaranteed right to a pension benefit by virtue of meeting the service requirements under the Plan.

## HISTORICAL INFORMATION

### The Plan Document

The I.B.E.W. Local 505 N.E.C.A. Pension Plan was effective September 1, 1973. The latest restated Plan document is effective September 1, 2007. That document has 4 amendments as of January 1, 2013.

**Amendment One:** Reduced the time period for a separation of service from 6 months to 90 days for an early withdrawal of a 414(k) Individual Account.

**Amendment Two:** Credits reciprocal hours the same as hours worked for vesting and the prorated amount based on the reciprocal contribution which is less than the Local 505 Contribution.

**Amendment Three:** IRS required amendment to comply with Code section 401(a)(9).

**Amendment Four:** Stipulates that this Plan will no longer accept a rollover distribution.

### History of 414(k) Allocations

September 1, 2007: The Defined Benefit allocation is the same as the collectively bargaining Pension Plan rate and there is an annual \$50 administrative expense fee.

Prior to September 1, 2007 the Defined Benefit Allocation was set by the Trustees:

9/1/2005 = \$2.00    1/1/2004 = \$1.50    9/1/2002 = \$3.00

\* Effective 9/1/2001 all defined contribution money reciprocated was credited to the 414(k) account with no credit to the Defined Benefit account.

\* Credited returns:    8/31/2012 = 4%

8/31/2011	8%	8/31/2006	4%
8/31/2010	0%	8/31/2005	5%
8/31/2009	0%	8/31/2004	5%
8/31/2008	0%	8/31/2003	5%
8/31/2007	4%	8/31/2002	0%

The investment returns credited to the 414(k) component are based on the Pension Plan's investment returns over a period of years.

There are investment, actuarial, and other fees specific to the 414(k) component of the Pension Plan which are averaged and assessed to each account equally, not to exceed \$50 per year.

### Early Retirement Factors

Factors are based on the date of retirement or termination:

Age	5/1/82 8/31/83	9/1/83 8/31/85	9/1/85 8/31/88	9/1/88 8/31/97	9/1/97 after
55	0.460	0.460	0.480	0.480	0.480
56	0.496	0.496	0.516	0.516	0.516
57	0.532	0.532	0.552	0.552	0.552
58	0.568	0.568	0.588	0.588	0.588
59	0.604	0.604	0.624	0.624	0.624
60	0.690	0.700	0.740	0.740	0.740
61	0.762	0.780	0.820	0.820	0.820
62	0.834	0.860	0.900	0.900	1.000
63	0.906	0.920	0.960	1.000	1.000
64	0.978	0.980	1.000	1.000	1.000
65	1.000	1.000	1.000	1.000	1.000

**Terminated Vested Participants are not subject to the actuarial equivalent but are eligible for the early retirement schedule in effect at the time of termination.**

**Early retirements factors prior to 5/1/82 may be obtained from the Plan Manager.**

### Credited Hours

Hours worked in the Jurisdiction of Local 505 are always credited an hour for an hour.

Hours worked outside the Jurisdiction of Local 505 are always credited an hour for an hour for vesting and eligibility but not always for benefit accrual.

Prior to September 1, 2002 reciprocal hours were credited in direct proportion to the Local 505 Contribution rate. A reciprocal rate higher than the Local 505 rate resulted in more hours credited and a lower rate in less hours credited for benefit accrual.

The period September 1, 2002 through October 31, 2010 had hours credited equal to the number of hours worked or what is commonly referred to as an hour for an hour.

October 31, 2010 and after reciprocal hours are credited in direct proportion to the Local 505 rate but not to exceed one hour with any excess credited to the 414(k) Individual Account.

**IBEW-NECA LOCAL 505 HEALTH & WELFARE PLAN  
C/O PLAN MANAGER  
2560 OLD SHELL ROAD  
MOBILE, AL 36607**