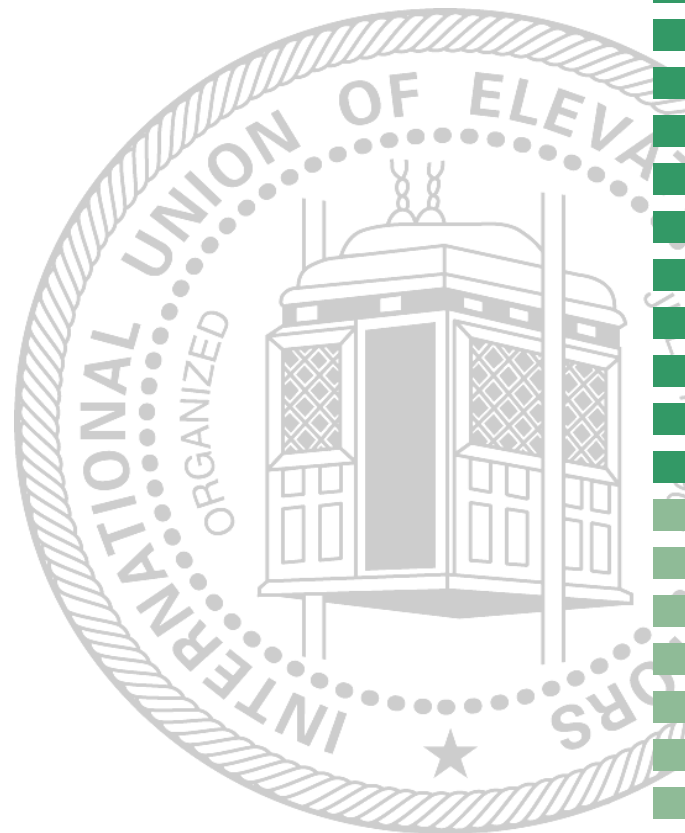


# The National Elevator Industry Pension Plan

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## Understanding Your Retirement Benefits



# Welcome!

- Retire with us!
  - Your Pension Plan was designed to provide you with an income during retirement
  - Your Pension Plan is a “defined benefit” plan---meaning the plan provides a specified monthly benefit amount
- Other sources of retirement income include:
  - Annuity and 401(k) Retirement Plan
  - Social Security
  - Personal savings

# How Your Service Counts

## ■ Vesting Service

- Used to determine your eligibility for a pension
- You're considered "vested" after you've earned five years of vesting service
- Must work at least 700 hours in a Plan Year (July 1 - June 30) to earn a year of vesting service

## ■ Benefit Service

- Used to determine your pension amount
- Generally, years of Benefit Service are calculated by taking your total hours of work during the Plan Year (July 1 - June 30) and dividing by 1,700

(Ex.- Total Hours = 25,000 / 1,700 = 14.706 benefit service credits)

# Types of Pensions

- Normal Retirement Pension
- Early Retirement Pension
- Early Vested Pension
- Disability Pension

# Normal Retirement Pension

- Normal Retirement Pension
  - Standard pension if you terminate employment on or after age 65
  - Must have at least five years of vesting service
- Additional notes:
  - No reduction for early retirement
  - Retiree medical rates reduced due to Medicare coverage



# Early Retirement Pension

## ■ Early Retirement Pension

- Must work in covered employment until at least age 55 to be eligible (some exceptions may apply for layoff, disability & transfers into management)
- Must have at least 10 years of vesting service
- Must have at least 12,000 hours in any 10 consecutive Plan Years
- Reduced benefit of 3% per year from ages 55 until 58
- Calculated like a Normal Retirement Pension from ages 58 - 65

## ■ Temporary Supplemental Pension Benefit

- Must be receiving an Early Retirement Pension
- Payable from age 58
- Will cease on the later of age 62 or once eligible for 80% of Social Security benefit
- Years of Benefit Service X \$10 per month (new amount)

# Early Vested or Normal Vested Pension

## ■ Early Vested Pension

- Available if you've left covered employment before you're age 55, as long as you are vested
- Reduced benefit of 6% per year from ages 55 to 65
- If you retire @ age 55 your benefit will be reduced by 60%!

# Disability Pension

- Disability Pension
  - Available if you become totally and permanently disabled at any age once you are vested
  - Social Security Disability determination is required
  - Must have worked at least 8,000 in covered employment (at least 200 hours in the three years immediately before your SSA disability occurs)
  - Calculated like a Normal Retirement Pension
  - Contact ALLSUP for assistance in obtaining a Social Security Disability Award (800)383-2495



# Receiving Your Benefit

The final amount of your monthly pension benefit is based on:

- 1) Your Years of Benefit Service
- 2) Your Applicable Benefit Rate & Periodic Benefit Rate
- 3) The type of pension you retire with
- 4) Your age at retirement
- 5) The form of payment you elect

# Benefit Rates

## Applicable Benefit Rate (ABR)

- Applies only to hours of work in Covered Employment prior to July 1, 2015 (certain requirements apply, ex. 700 hr rule, no break-in-service).
- The current ABR is \$106.00. (new)

## Periodic Benefit Rate (PBR)

- Applies to hours worked in Covered Employment on and after July 1, 2015.
- The PBR from 7/15 through 6/18 is \$110.00.
- The PBR effective 7/18 is \$115.00. (new)

# How Benefits Are Paid to You

The Plan offers several forms of payment:

## Single Member:

- Straight Life
- 5-Year Certain and Life
- 10-Year Certain and Life

## Married Member:

- Straight Life (with spouses consent)
- 50% Husband and Wife Pension
- 75% Husband and Wife Pension
- 100% Husband and Wife Pension
- 5-Year Certain and Life (added to one of the above options)
- 10-Year Certain and Life (added to one of the above options)

\*No lump sum option

# Sample Benefit Calculation

## ■ Sample Calculation: Early Retirement, Member Age 57, Spouse Age 56

Pre 7/15 Credits	37.000	*	\$106.00	ABR	=	\$ 3,922.00
7/15 to 6/18 Credits	3.35	*	\$110.00	PBR	=	\$ 368.50
Post 7/18 Credits	.55	*	\$115.00	PBR	=	\$ 63.25
						\$ 4,353.75 Unreduced Monthly Benefit

Early Retirement Factor: .970 = \$4,223.14 Reduced Monthly Benefit

<u>Payment Options</u>	<u>Factor</u>	<u>Member Benefit</u>	<u>Spouse Benefit</u>
Straight Life	1.00000	\$ 4,223.14	\$ 0.00
50% H&W	.93200	\$ 3,935.97	\$ 1,967.99
75% H&W	.85540	\$ 3,612.47	\$ 2,709.36
100% H&W	.81600	\$ 3,446.08	\$ 3,446.08

TSB: 40.90 \* \$ 10.00 = \$409.00 (Payable at age 58)

# Retiree Health Coverage (Rates effective 7/1/18)

Early Retiree	*Age 55, 56 & 57	Age 58 to 64
Single	\$804	\$666
Married, both under 65	\$1,683	\$1,393
Married Spouse over 65	\$1,087	\$900



Normal Retiree -Age 65 (Medicare Eligible)	Monthly Cost
Single	\$241
Married, spouse under 65 not Medicare Eligible	\$977
Married, both Medicare Eligible	\$483

Disability Retiree	Monthly Cost
Single	\$200
Married, both under 65	\$617
Married, one over 65	\$311

Dental and Vision Coverage = \$94.00 per month

# Retiree Health Factors

Hours During 60 Months Prior to Retirement

Total Hours Reported	6,800 & over	5,100 to 6,799	3,400 to 5,099	1,700 to 3,399
51,000 & over (30 yrs)	1.00	1.00	1.00	1.11
42,500 to 50,999	1.00	1.00	1.00	1.19
34,000 to 42,499	1.00	1.00	<b>1.33</b>	1.36
25,500 to 33,999	1.00	1.00	1.50	1.53
17,000 to 25,499	1.60	1.63	1.67	1.70
8,500 to 16,999	1.76	1.80	1.84	1.87
Under 8,500	1.93	1.97	2.01	2.04

**Example:** Member has 35,000 total hrs & 4,000 hrs in last 60 months: Early Retiree (58), Spouse under 65

$$\frac{\text{Standard Medical}}{\$1,393} * \text{Factor } 1.33 = \text{Adjusted Rate } \$1,853$$

# Pre-Retirement Benefits

## What happens if I die *before* retirement?

- Pre-Retirement Death-in-Service Benefit - (Single)
  - If you are single, vested and die while working in covered employment, your *named beneficiary* will receive a pension of 50% of your accrued benefit for up to ten years.
  - Must have a designated beneficiary on file with the Benefits Office.
  
- Pre-Retirement Surviving Spouse Benefit - (Married)
  - If you are vested and die while working in covered employment, your spouse will receive a benefit for life equal to  $\frac{1}{2}$  of your monthly benefit in the Straight Life Pension form unreduced for age.
  - Spouse and dependents may be entitled to continue health coverage.

# Post-Retirement Benefits

## What happens when I die *after* retirement?

- Depending on option selected at retirement, your spouse or beneficiary may be entitled to a monthly survivor benefit.
- Married: Spouse may be entitled to a continuation of health benefits.
- Beneficiary is entitled to a \$5,000 death benefit (excludes Disability Retiree under age 65 )
- Beneficiary of a Disability Retiree under age 65 is entitled to \$40,000 life insurance if the are covered by Health Plan at the time of their death.



# Retiree Health Coverage

- Eligibility for Retiree Health Coverage.
- Continuity of health coverage.
- Will my health rates remain the same throughout my retirement?
- How does Medicare affect my NEI health coverage?

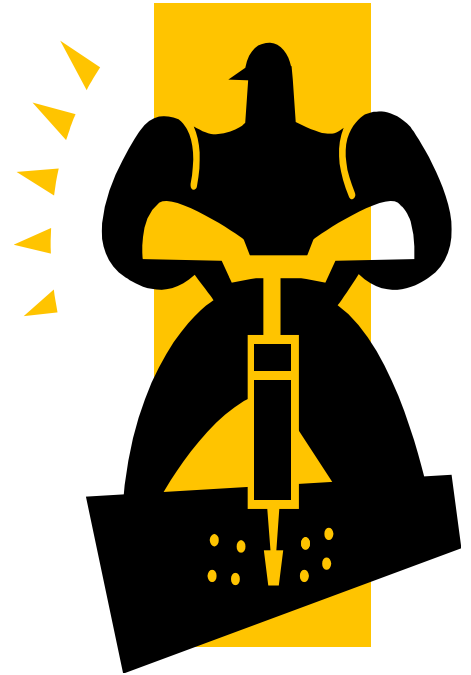
# Disqualifying Employment

## ■ What type of work is considered Disqualifying Employment ?

- Any type of work covered by the NEIHBP
- Self-employment in the elevator industry
- Salaried employment in the elevator industry
- Non-union employment in the elevator industry
- Performing sales in the elevator industry
- Consulting” in the elevator trade

## ■ Exclusions:

- Working solely as an elevator safety inspector or as an instructor for NEIEP.



# Disqualifying Employment

## ➤ How many hours can I work after I retire ?

- Retirees under age 65 cannot work any hours in Disqualifying Employment without suspension of pension.
- Retirees age 65 to 70 ½\* can work up to 39 hours per month in Disqualifying Employment without suspension of pension, however you must pay 100% of the cost of retiree health coverage while employed.
- Retirees over age 70 ½\* can work any amount of hours in Disqualifying Employment without suspension of pension, however you must pay 100% of the cost of retiree health coverage while employed.
- A retired Employee whose pension benefits have been suspended due to working in Disqualifying Employment will also lose Retired Employees' Health Benefits.

\*70 ½ is the April 1<sup>st</sup> of the year following the year the pensioner attains 70 ½ years of age.

# Life Events

- Always notify the Benefits Office if you...
  - Move
  - Marry
  - Divorce
  - Stop working
  - Want to retire (request a pension estimate or application)
  - Begin active military duty during IUEC employment
  - Become disabled in the elevator industry
  - Start working in the elevator industry after retirement
- If you die, your beneficiary should contact the Benefits Office

# Questions?

- Contact the Benefits Office at 800-523-4702
- For more detail see the Pension Plan Summary Plan Description at our website: [www.neibenefits.org](http://www.neibenefits.org)



\*The Summary Plan Description provides a summary of the benefits for participants in the National Elevator Industry Pension Plan. The actual Plan documents contain the information on which the Summary Plan Description and this Presentation is based—therefore, the actual Plan documents will govern the rights to benefits in all cases.