



Iron Workers District Council of Western New York and Vicinity

Welfare, Pension, Annuity & Supplemental Benefit Funds

LOCAL UNIONS

9—NIAGARA FALLS

12—ALBANY

33—ROCHESTER

60—SYRACUSE

440—UTICA

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Re: *Summary of Material Modifications*

To: All Participants

Rollover from Your Annuity Fund Account

The Board of Trustees is pleased to announce the adoption of a new special benefit for participants that have not yet retired.

As is described in detail below, the Annuity Fund Rollover benefit allows you to increase your monthly retirement benefit from the Pension Fund using your Annuity Fund account. Because your Pension Fund benefits are payable for your entire life (and your spouses, if applicable), the Annuity Fund Rollover benefit effectively reduces the risk of outliving the value of your Annuity Fund account, which increases the predictability and reliability of your retirement income for the entirety of your retirement.

Eligibility

If you are a participant in both this Pension Plan and the Iron Workers District Council of Western New York and Vicinity Annuity Fund or other affiliated defined contribution plan benefitting participants of this Pension Fund, you may be eligible to make a tax-qualified rollover of all or part of your defined contribution account value in order to “purchase” additional lifetime benefits from the Pension Fund. This is known as an Annuity Fund Rollover.

Eligibility for the Annuity Fund Rollover benefit is subject to the following rules and conditions below:

- You must be both a participant in this Pension Fund and in an affiliated defined contribution plan, such as the Iron Workers District Council of Western New York and Vicinity Annuity Fund or the Iron Workers Local Union 60 Annuity Pension Fund;

In some instances, you may make an Annuity Fund Rollover of money you previously rolled over from an affiliated annuity fund to an individual IRA. Please ask the Fund Office for more information if you are interested in a rollover from an IRA.

- You must be eligible for a retirement benefit from this Pension Fund and be electing to receive your Pension Fund benefit immediately; and
- The affiliated annuity fund must provide for “eligible rollover distributions” and the Annuity Fund Rollover must comply with all applicable rollover procedures and qualify as an “eligible rollover distribution.”

Amount and Form of Annuity Fund Rollover Benefit

The Annuity Fund Rollover will be used to increase the monthly benefit available to you upon your retirement in the same form as you elect for your Pension Fund benefit. The Pension Fund determines the additional lifetime benefits that result from an Annuity Fund Rollover in the same form of payment you elect for your Pension Fund benefit on the basis of actuarial equivalence, where actuarial equivalence is determined by the amount of the Annuity Fund Rollover and interest rates and mortality tables prescribed by the IRS.

In general, depending on the applicable interest rates and mortality tables, the increase to the monthly benefit from the Pension Fund will be higher than the monthly benefit you would receive from an annuity purchased on the retail annuity market. This is because the Pension Fund does not seek to profit from your Annuity Fund Rollover. When you apply for your Pension Fund benefit, you can ask the Fund Office for an estimate of the additional benefits amount you could receive from an Annuity Fund Rollover. As with any other important financial decision, you should consider talking to a qualified adviser for help in determining the best option for you.

Payment of Annuity Fund Rollover Benefit

The Annuity Fund Rollover must be completed at least three days prior to your beginning to receive your monthly Pension Fund benefits. After the rollover is complete, the transaction cannot be reversed and monthly Annuity Fund Rollover benefits will start and be paid at the same time and in the same form as your Pension Fund benefits. However, the portion of your monthly benefit attributable to an Annuity Fund Rollover is not subject to the Suspension of Benefits rules described in the Summary Plan Description. This means that if your Pension Fund benefits are suspended because you return to work, you will continue to receive the Annuity Fund Rollover portion of your monthly benefit while you are working.

Monthly Annuity Fund Rollover benefits will continue to be made to you or your beneficiary in accordance with the form of payment you elect for your Pension Fund Benefit. ***Beyond any guarantees or death benefits offered under the form of payment you elect at retirement, there are no additional guarantees of payment of your Annuity Fund Rollover by the Pension Fund.*** This means that if you retire on a single life annuity with a 120 month payment guarantee, and you die after receiving 120 payments, your monthly benefit will cease and your beneficiary will be paid nothing further as a result of the Annuity Fund Rollover, even if accumulated total of all monthly benefits made to you that are attributable to the Annuity Fund Rollover do not exceed the amount of the Annuity Fund Rollover. Your beneficiary, however, may be entitled to Pension Fund death benefits, as maybe applicable.

Annuity Fund Rollover Pre-Retirement Death Benefits

If you die after the Annuity Fund Rollover is completed, but prior to payments commencing and:

- Are unmarried, your beneficiary will receive the amount of the Annuity Fund Rollover in a lump sum, plus any accrued interest; or
- Are married, your spouse will receive the amount of the Annuity Fund Rollover plus accrued interest in an actuarial equivalent single life annuity based on the same actuarial equivalence assumptions described above.

These benefits are in addition to any Pension Fund death benefits that you may be eligible for.

Additional Annuity Fund Rollover Disclosures

Pension Protection Act

The availability of the Annuity Fund Rollover benefit is predicated on the financial and actuarial health of the Pension Fund. If the Pension Fund's funding status deteriorates, it may not be allowed to offer the Annuity Fund Rollover benefit. Should this occur, the Fund Office will notify you of the unavailability of the Annuity Fund Rollover benefit.

Pension Benefit Guaranty Corporation ("PBGC")

The PBGC is a government agency that provides insurance, in the form of financial assistance, to multiemployer defined benefit plans that become insolvent so that the plans may continue to pay participants some portion of their benefits. The PBGC currently guarantees a monthly benefit payment equal to 100 percent of the first \$11 of a plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service (as determined by the PBGC). The PBGC's maximum guaranteed amount, therefore, is \$35.75 per month times a participant's years of credited service. The PBGC has not issued guidance addressing how the guarantee rules work in the case of a rollover from a plan like the Annuity Fund to a multiemployer defined benefit plan like the Pension Fund. At this time, the Pension Fund believes that additional benefits that result from an Annuity Fund Rollover may not be covered under the PBGC multiemployer insurance program in certain circumstances including, but not limited to, when a participant's benefit amount is more than the PBGC's maximum guaranteed amount for that participant. This means that if the Pension Fund becomes insolvent, the portion of your monthly benefit attributable to an Annuity Fund Rollover is not insured by the PBGC. In other words, if the Pension Fund becomes insolvent, any portion of your monthly benefit that is determined to exceed the PBGC's maximum guaranteed amount for you is not insured by the PBGC, even if some or all of that amount is attributable to an Annuity Fund Rollover.

