

# NATIONAL ELEVATOR INDUSTRY PENSION PLAN

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July 2019

To: All Participants in the National Elevator Industry Pension Plan, I.U.E.C. Locals and Regional Directors

From: Robert O. Betts, Jr.  
Executive Director for the Board of Trustees

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## OVERVIEW OF BENEFIT IMPROVEMENTS AND OTHER AMENDMENTS TO THE PLAN

The Trustees of the National Elevator Industry Pension Plan are pleased to announce several benefit improvements to the Plan. In addition, the Trustees have amended beneficiary designation rules relating to the Plan's Pre-Retirement Death-in-Service Benefit.

### Active Participant Increases

#### 1. Increase in the Applicable Benefit Rate.

If you work in Covered Employment on or after July 1, 2019, your **Applicable Benefit Rate** will increase from \$106.00 to \$108.00 provided you: (a) complete at least 700 hours of work in Covered Employment in the Plan Year 7/1/2018-6/30/2019 or a subsequent Plan Year, or (b) complete at least 700 hours of work during the 12 months preceding your last day of Covered Employment. Your **Applicable Benefit Rate** applies for your hours of Benefit Service prior to **July 1, 2015**.

#### 2. Increase in the Periodic Benefit Rate for hours worked on and after July 1, 2019.

Effective July 1, 2019, the **Periodic Benefit Rate for years of Benefit Service earned on or after July 1, 2019** will increase from \$115.00 to \$120.00. The \$110 Periodic Benefit Rate will continue to apply for hours you worked between July 1, 2015 and June 30, 2018, and the \$115 Periodic Benefit Rate will continue to apply for hours you worked between July 1, 2018 and June 30, 2019 (see Periodic Benefit Rate chart below).

PERIODIC BENEFIT RATES (beginning July 1, 2015)	
Period Worked	Periodic Benefit Rate per Year of Benefit Service (1,700 Hours)
Hours Worked between July 1, 2015 through June 30, 2018	\$110.00
Hours Worked between July 1, 2018 through June 30, 2019	\$115.00
Hours Worked on and after July 1, 2019	\$120.00

The following example illustrates how these benefit increases will affect the amount of your monthly pension benefit:

<p><i>Kevin retires November 1, 2020 at the age of 62 and has no break-in-service. At that time, he has a total of 52,275 hours of Benefit Service prior to 7/1/2015, 5,100 hours of Benefit Service between 7/1/2015 and 6/30/2018, 1,700 hours of Benefit Service between 7/1/2018 and 6/30/2019 and 2,550 hours of Benefit Service from 7/1/19 through 10/31/2020.</i></p>	
<p><b>Kevin's Monthly Pension <u>assuming no</u> Benefit Improvement</b></p>	<p><b>Kevin's Monthly Pension <u>with</u> Benefit Improvement</b></p>
<p><i>Kevin's monthly pension benefit would have been based on an Applicable Benefit Rate for hours worked prior to July 1, 2015 of \$106.00, a Periodic Benefit Rate for hours worked between July 1, 2015 and June 30, 2018 of \$110.00, and a Periodic Benefit Rate for hours worked beginning July 1, 2018 of \$115:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Years of Benefit Service pre-7/1/2015:</i> <math>52,275 \div 1,700 = 30.750 \text{ years}</math></li> <li>▪ <i>Years of Benefit Service beginning 7/1/2015 through 6/30/18:</i> <math>5,100 \div 1,700 = 3.000 \text{ years}</math></li> <li>▪ <i>Years of Benefit Service beginning 7/1/2018 through 10/31/2020:</i> <math>4,250 \div 1,700 = 2.500 \text{ years}</math></li> </ul> <p><i>Pre-7/1/2015 benefit: <math>30.750 \times \\$106.00 = \\$3,259.50</math></i>  <i>7/1/2015 – 6/30/2018 benefit: <math>3.000 \times \\$110.00 = \\$ 330.00</math></i>  <i>7/1/2018 – 10/31/2020 benefit: <math>2.500 \times \\$115.00 = \underline{\\$ 287.50}</math></i>  <i>Total monthly pension benefit (Old): <b>\$3,877.00</b></i></p>	<p><i>Kevin's monthly pension benefit will be based on an Applicable Benefit Rate for hours worked prior to July 1, 2015 of \$108.00, a Periodic Benefit Rate for hours worked between July 1, 2015 and June 30, 2018 of \$110.00, a Periodic Benefit Rate for hours worked between July 1, 2018 and June 30, 2019 of \$115.00, and a Periodic Benefit Rate for hours worked on and after July 1, 2019 of \$120.00:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Years of Benefit Service pre-7/1/2015:</i> <math>52,275 \div 1,700 = 30.750 \text{ years}</math></li> <li>▪ <i>Years of Benefit Service beginning 7/1/2015 through 6/30/2018:</i> <math>5,100 \div 1,700 = 3.000 \text{ years}</math></li> <li>▪ <i>Years of Benefit Service beginning 7/1/2018 through 6/30/2019:</i> <math>1,700 \div 1,700 = 1.000 \text{ years}</math></li> <li>▪ <i>Years of Benefit Service beginning 7/1/2019 through 10/31/2020:</i> <math>2,550 \div 1,700 = 1.500 \text{ years}</math></li> </ul> <p><i>Pre-7/1/2015 benefit: <math>30.750 \times \\$108.00 = \\$3,321.00</math></i>  <i>7/1/2015 – 6/30/2018 benefit: <math>3.000 \times \\$110.00 = \\$ 330.00</math></i>  <i>7/1/2018 – 6/30/2019 benefit: <math>1.000 \times \\$115.00 = \\$ 115.00</math></i>  <i>7/1/2019 – 10/31/2020 benefit: <math>1:5000 \times \\$120.00 = \underline{\\$180.00}</math></i>  <i>Total monthly pension benefit (New): <b>3,946.00</b></i></p>
<p><i>The amount of Kevin's monthly pension benefit will be adjusted for any Surviving Spouse Pension he elects if he is married or for a Certain and Life benefit if he is single.</i></p>	

**Change in Beneficiary Designation Rules that Apply to the Plan's Pre-Retirement Death-in-Service Benefit.**

The Trustees have amended the Plan's special beneficiary designation rules for Plan's Pre-Retirement Death-in-Service Benefit. The new rule permits you to designate more than one beneficiary for this benefit.

\* \* \* \*

These changes in your Plan are described in the following Modification to the National Elevator Industry Pension Plan Summary Plan Description.

## MODIFICATIONS TO THE NATIONAL ELEVATOR INDUSTRY PENSION PLAN SUMMARY PLAN DESCRIPTION

The following modifications to the Plan’s Summary Plan Description reflect the benefit improvements and other changes to the Plan discussed above:

▪ **Page 6, “Highlights of the Plan” is amended by revising the Normal Retirement Pension highlight as follows:**

<b>Normal Retirement Pension</b>	<ul style="list-style-type: none"> <li>▪ You are eligible for a Normal Retirement Pension if you cease Covered Employment after you reach age 65.</li> <li>▪ Your monthly benefit is the sum of:               <ol style="list-style-type: none"> <li>1. Your years of Benefit Service prior to July 1, 2015 multiplied by your Applicable Benefit Rate(s), <i>plus</i></li> <li>2. The sum of:                   <ol style="list-style-type: none"> <li>a. Your years of Benefit Service earned from July 1, 2015 through June 30, 2018 multiplied by the Periodic Benefit Rate of \$110.00, <i>plus</i></li> <li>b. Your years of Benefit Service earned from July 1, 2018 through June 30, 2019 multiplied by the Periodic Benefit Rate of \$115.00, <i>plus</i></li> <li>c. The years of Benefit Service you earn on and after July 1, 2019 multiplied by the Periodic Benefit Rate of \$120.00.</li> </ol> </li> </ol> </li> </ul>
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▪ **Page 11, the last paragraph under the heading “Service” is amended as follows:**

Years of Benefit Service are used to determine the amount of your pension benefit. You earn Benefit Service throughout your career based on how many hours you work in Covered Employment. Your years of Benefit Service prior to July 1, 2015 are multiplied by your Applicable Benefit Rate(s) to determine the benefit you accrued prior to July 1, 2015. The years of Benefit Service you earned on and after July 1, 2015 are multiplied by the Periodic Benefit Rate that applies to a specific work period. The years of Benefit Service you earned from July 1, 2015 through June 30, 2018 are multiplied by a Periodic Benefit Rate of \$110.00 to determine the benefit you accrued during that period; the years of Benefit Service you earned from July 1, 2018 to June 30, 2019 are multiplied by a Periodic Benefit Rate of \$115.00 to determine the benefit you accrued during that period; and the years of Benefit Service you earn on and after July 1, 2019 are multiplied by a Periodic Benefit Rate of \$120.00 to determine the benefit you accrue during this period.

The amount of your monthly pension benefit (before reduction for early retirement and form of benefit, if applicable) is the sum of:

- The benefit you accrued prior to July 1, 2015 based on your Applicable Benefit Rate(s) *plus*
- The benefit you accrued beginning July 1, 2015 based on Periodic Benefit Rates as follows:
  - The benefit you accrued for hours worked beginning July 1, 2015 through June 30, 2018 based on a Periodic Benefit Rate of \$110.00), *plus*
  - The benefit you accrued for hours worked beginning July 1, 2018 through June 30, 2019 based on a Periodic Benefit Rate of \$115.00, *plus*
  - The benefit you accrued for hours worked on and after July 1, 2019 based on a Periodic Benefit Rate of \$120.00.

▪ **Page 14, “Eligibility Requirements for a Pension” is amended by revising the paragraph below the subheading “Normal Retirement Pension” as follows:**

**Normal Retirement Pension**

You are eligible for a Normal Retirement Pension if you cease Covered Employment on or after age 65. The amount of the Normal Retirement Pension is equal to the sum of:

- Your years of Benefit Service earned prior to July 1, 2015 multiplied by your Applicable Benefit Rate(s), *plus*
- Your years of Benefit Service earned for hours worked beginning July 1, 2015 through June 30, 2018 multiplied by the Periodic Benefit Rate of \$110.00, *plus*
- Your years of Benefit Service earned for hours worked from July 1, 2018 through June 30, 2019 multiplied by the Periodic Benefit Rate of \$115.00, *plus*
- Your years of Benefit Service earned for hours worked on and after July 1, 2019 multiplied by the Periodic Benefit Rate of \$120.00.

- The Section of the SPD “The Amount of Your Pension” (pages 17-24) is amended in its entirety as follows:

### The Amount of Your Pension

#### FAST FACTS:

- The amount of your pension depends on your Benefit Service, Applicable Benefit Rate, Periodic Benefit Rates, age, and the form of payment option you elect at retirement.
- In general, your monthly pension benefit is equal to the Benefit Service you earn times your Applicable Benefit Rate(s) (for the Benefit Service you earn before July 1, 2015), *plus* the Benefit Service you earn times the Periodic Benefit Rate that applies when you earn that Benefit Service (for the Benefit Service you earn on and after July 1, 2015). The result is then reduced for early retirement and form of payment, if applicable.

### APPLICABLE BENEFIT RATE AND PERIODIC BENEFIT RATE

#### In General

The amount of your pension is the sum of:

1. Your years of Benefit Service prior to July 1, 2015 multiplied by your Applicable Benefit Rate(s), *plus*
2. The sum of:
  - a. Your years of Benefit Service for hours you worked from July 1, 2015 through June 30, 2018 multiplied by the Periodic Benefit Rate of \$110.00, *plus*
  - b. Your years of Benefit Service for hours you worked from July 1, 2018 through June 30, 2019 multiplied by the Periodic Benefit Rate of \$115.00, *plus*
  - c. Your years of Benefit Service for hours you work on and after July 1, 2019 multiplied by the Periodic Benefit Rate of \$120.00.

Your Applicable Benefit Rate is the Applicable Benefit Rate that would be applied to your years of Benefit Service prior to July 1, 2015 on your last day of Covered Employment provided you completed at least 700 hours of work in Covered Employment during the 12 months preceding that date. If you do not meet this 700 hour requirement, your Applicable Benefit Rate is the Applicable Benefit Rate in effect on the last day of the most recent Plan Year (June 30<sup>th</sup>) in which you completed at least 700 hours of work in Covered Employment. Applicable Benefit Rates apply to hours of work in Covered Employment prior to July 1, 2015. If you leave Covered Employment and later return to Covered Employment, more than one Applicable Benefit Rate may apply to your Benefit Service prior to July 1, 2015 (See “Multiple Applicable Benefit Rates” on page 8).

Periodic Benefit Rates apply to hours you work in Covered Employment on and after July 1, 2015. A Periodic Benefit Rate applies only to the Benefit Service you earn while that Periodic Benefit Rate is in effect.

The following chart shows the history of the Plan’s Applicable Benefit Rate increases:

DATE OF APPLICABLE BENEFIT RATE INCREASES*	APPLICABLE BENEFIT RATE PER YEAR OF BENEFIT SERVICE (1,700 HOURS) EARNED PRIOR TO JUNE 30, 2015
Applicable Benefit Rate as of 7/1/19	\$108.00
Applicable Benefit Rate as of 1/1/18	\$106.00
Applicable Benefit Rate as of 1/1/15	\$103.00
Applicable Benefit Rate as of 1/1/08	\$98.00
Applicable Benefit Rate as of 1/1/07	\$93.00
Applicable Benefit Rate as of 1/1/01	\$90.00
Applicable Benefit Rate as of 1/1/00	\$86.00
Applicable Benefit Rate as of 1/1/99	\$80.00
Applicable Benefit Rate as of 1/1/98	\$75.00
Applicable Benefit Rate as of 1/1/97	\$72.00
Applicable Benefit Rate as of 1/1/96	\$69.00
Applicable Benefit Rate as of 1/1/95	\$68.00
Applicable Benefit Rate as of 1/1/94	\$66.00
Applicable Benefit Rate as of 1/1/93	\$64.00

Applicable Benefit Rate as of 1/1/92	\$63.00
Applicable Benefit Rate as of 1/1/91	\$60.00
Applicable Benefit Rate as of 1/1/90	\$57.00
Applicable Benefit Rate as of 1/1/89	\$53.00
Applicable Benefit Rate as of 1/1/88	\$50.00
Applicable Benefit Rate as of 1/1/87	\$44.00
Applicable Benefit Rate as of 1/1/86	\$40.00
Applicable Benefit Rate as of 1/1/85	\$32.00
Applicable Benefit Rate as of 1/1/84	\$29.00
Applicable Benefit Rate as of 1/1/83	\$26.00
Applicable Benefit Rate as of 7/1/81	\$23.00
Applicable Benefit Rate as of 7/1/80	\$18.00
Applicable Benefit Rate as of 10/1/79	\$16.00
Applicable Benefit Rate as of 7/1/78	\$15.00
Applicable Benefit Rate as of 4/1/76	\$11.00
Applicable Benefit Rate as of 7/1/73	\$10.00
From 7/1/70 through 6/30/73	\$8.00

\* In order to be eligible for an increased Applicable Benefit Rate, you must have an hour of Covered Employment on or after the effective date of the increase and meet the 700 hours of work rule described above.

The following chart should be used to determine what your Periodic Benefit Rate would be:

PERIOD WORKED	PERIODIC BENEFIT RATE PER YEAR OF BENEFIT SERVICE (1,700 HOURS)
Hours worked on and after 7/1/2019	\$120.00
Hours worked beginning 7/1/2018 through 6/30/2019	\$115.00
Hours worked beginning 7/1/2015 through 6/30/2018	\$110.00

**Example:**

Joe retires in December 2019 at the age of 65 and has no break-in-service. Between July 1, 2019 and Joe's last day of Covered Employment, Joe worked 850 hours in Covered Employment; during this work period, the Periodic Benefit Rate is \$120.00. Between July 1, 2018 and June 30, 2019, Joe worked 1,700 hours; during this work period, the Periodic Benefit Rate was \$115.00. Between July 1, 2015 and June 30, 2018, Joe Worked 5,100 hours; during this work period, the Periodic Benefit Rate was \$110.00. Prior to July 1, 2015, Joe worked 39,100 hours. He has not had a break-in-service. Because Joe had an hour of Covered Employment after July 1, 2019 and 700 hours of work in Covered Employment during the 12 months preceding his retirement, his Applicable Benefit Rate is \$108.00.

Years of Benefit Service prior to 7/1/2015:  $39,100 \text{ hours} / 1,700 = 23.000 \text{ years} \times \$108.00 = \$2,484.00$   
 Years of Benefit Service from 7/1/2015 through 6/30/2018:  $5,100 \text{ hours} / 1,700 \text{ hours} = 3.000 \text{ years} \times \$110.00 = \$ 330.00$   
 Years of Benefit Service from 7/1/2018 through 6/30/2019:  $1,700 \text{ hours} / 1,700 \text{ hours} = 1.000 \text{ years} \times \$115.00 = \$ 115.00$   
 Years of Benefit Service on and after 7/1/2019:  $850 \text{ hours} / 1,700 = 0.500 \text{ years} \times \$120.00 = \$ 60.00$   
 Total Monthly Benefit = \$2,989.00

The amount of Joe's monthly pension benefit will be adjusted for any Surviving Spouse Pension he elects if he is married or for a Certain and Life benefit if he is single.

## NORMAL RETIREMENT PENSION

To determine the amount of a Normal Retirement Pension, multiply your years of Benefit Service earned prior to July 1, 2015 by your Applicable Benefit Rate(s) and for the years of Benefit Service you earned on and after July 1, 2015, multiply your years of Benefit Service earned during a particular work period by the Periodic Benefit Rate that corresponds to the work period.

**Example:**

John retires in August 2020 at the age of 65. His Applicable Benefit Rate is \$108.00, and he has no breaks-in-service. He has 49,300 hours of Benefit Service prior to July 1, 2015, 5,100 hours of Benefit Service between July 1, 2015 and June 30, 2018, 1,700 hours of Benefit Service between July 1, 2018 and June 30, 2019, and 2,125 hours of Future Benefit Service on and after July 1, 2019. The amount of John's monthly pension will be:

$$\begin{aligned} \text{Years of Benefit Service before 7/1/2015: } & 49,300/1,700 = 29.000 \text{ years} \times \$108.00 = \$3,132.00 \\ \text{Years of Benefit Service from 7/1/2015 to 6/30/2018: } & 5,100/1,700 = 3.000 \text{ years} \times \$110.00 = \$ 330.00 \\ \text{Years of Benefit Service from 7/1/2018 to 6/30/2019: } & 1,700/1,700 = 1.000 \text{ years} \times \$115.00 = \$ 115.00 \\ \text{Years of Benefit Service on and after 7/1/2019: } & 2,125/1,700 = 1.250 \text{ years} \times \$120.00 = \$ 150.00 \\ \text{Total Monthly Benefit: } & \underline{\$3,727.00} \end{aligned}$$

John will be entitled to a monthly pension of \$3,727.00. This amount will be adjusted for any Surviving Spouse Pension he elects if he is married or for a Certain and Life benefit if he is single.

## IMMEDIATE AND DEFERRED EARLY RETIREMENT PENSION

If you retire between the ages of 55 and 65, the amount of your immediate Early Retirement Pension will be:

- If your Effective Date of Early Retirement Pension is on or after your 58<sup>th</sup> birthday, the amount of the Normal Retirement Pension based on your Benefit Service as of your Effective Date of Early Retirement Pension, or
- If your Effective Date of Early Retirement Pension is before your 58<sup>th</sup> birthday, the amount of the Normal Retirement Pension reduced by  $\frac{1}{4}$  of 1% for each full calendar month between your Effective Date of Early Retirement Pension and the first day of the month following your 58<sup>th</sup> birthday.

**Example:**

Frank leaves Covered Employment December 2020 at the age of 55 and has no break-in-service. He has 43,775 hours of Benefit Service prior to July 1, 2015, 5,525 hours of Benefit Service between July 1, 2015 and June 30, 2018, 1,700 hours of Benefit Service between July 1, 2018 and June 30, 2019, and 2,975 hours of Benefit Service on and after July 1, 2019. Frank's Applicable Benefit Rate would be \$108.00 for years of Benefit Service earned prior to July 1, 2015. His Periodic Benefit Rates would be \$110.00 for years of Benefit Service earned between July 1, 2015 and June 30, 2018, \$115 for years of Benefit Service earned between July 1, 2018 and June 30, 2019, and \$120.00 for years of Benefit Service earned on and after July 1, 2019. Since Frank is only 55 and has chosen to have payments begin immediately, his normal monthly pension will be reduced by  $\frac{1}{4}$  of 1% for each full calendar month between his Effective Date of Early Retirement Pension (age 55) and his 58<sup>th</sup> birthday:  $\frac{1}{4}\% \times 36 \text{ months} = 9\% \text{ reduction}$ . Accordingly, he will receive 91% of his normal monthly pension.

$$\begin{aligned} \text{Years of Benefit Service prior to July 1, 2015: } & 43,775/1,700 = 25.750 \text{ years} \times \$108.00 = \$2,781.00 \\ \text{Years of Benefit Service between July 1, 2015 and June 30, 2018: } & 5,525/1,700 = 3.250 \times \$110.00 = \$ 357.50 \\ \text{Years of Benefit Service between July 1, 2018 and June 30, 2019: } & 1,700/1,700 = 1.000 \times \$115.00 = \$ 115.00 \\ \text{Future Benefit Service on and after July 1, 2019: } & 2,975/1,700 = 1.750 \times \$120.00 = \$ 210.00 \\ \text{Total normal monthly pension benefit: } & \underline{\$3,463.50} \end{aligned}$$

$$\begin{aligned} \text{Percentage of normal monthly pension Payable for Early Retirement Pension } & \underline{\times .91} \\ \text{Monthly Early Retirement Pension: } & \underline{\$3,151.79} \end{aligned}$$

Frank will receive an Early Retirement Pension of \$3,151.79 per month, adjusted for any Surviving Spouse Pension he elects if he is married or for a Certain and Life benefit if he is single.

**Example:**

Bill left Covered Employment in Feb. of 2015 at age 55 with 46,750 hours of Benefit Service and has no break-in-service. Bill elects to defer his Early Retirement Pension until age 58. The Applicable Benefit Rate for an employee who leaves Covered Employment in Feb. 2015 is \$103.00.

$$\begin{aligned} \text{Years of Benefit Service through February 2015: } & 46,750/1,700 = 27.500 \text{ years} \times \$103.00 = \$2,832.50 \\ \text{Monthly Deferred Early Retirement Pension Benefit: } & \underline{\$2,832.50} \end{aligned}$$

Bill will begin receiving \$2,832.50 per month on the first day of the month following his 58<sup>th</sup> birthday in 2018. This amount will be adjusted for any Surviving Spouse Pension he elects if he is married or for a Certain and Life benefit if he is single.

## NORMAL VESTED PENSION

If you leave Covered Employment before age 55 and are vested, you will receive a Normal Vested Pension that will not begin until you are 65. The Normal Vested Pension will be calculated in the same manner as a Normal Retirement Pension based on your Benefit Service. You may also begin receiving your Vested Pension prior to age 65 as an Early Vested Pension (see below).

**Example:**

Nick left Covered Employment in August 2006 at the age of 52 and has no break-in-service. He is not eligible for an Early Retirement Pension because he left Covered Employment before age 55. However, Nick is vested and is eligible for a pension. Nick has 34,000 hours of Future Benefit Service. The Applicable Benefit Rate for an employee who left Covered Employment in August 2006 is \$90.00.

*Years of Benefit Service through August 2006:  $34,000/1,700 = 20.000$  years  $\times$  \$90.00 = \$1,800.00*

*Total normal monthly pension benefit at age 65: \$1,800.00*

*In 2019, at age 65, Nick can begin receiving Normal Vested Pension payments of \$1,800.00 per month, which will be adjusted for any Surviving Spouse Pension he elects if he is married or for a Certain and Life benefit if he is single.*

## EARLY VESTED PENSION

If you leave Covered Employment before the age of 55 and are vested, you are eligible for a pension, and you may elect to have your pension payments begin at any age between 55 and 65. The Early Vested Pension will be the amount of your Normal Retirement Pension based on your Benefit Service, and because you will be receiving benefits for a longer period of time, reduced by ½ of 1% for each full calendar month between the date your Early Vested Pension Benefit commences and the first day of the month following your 65<sup>th</sup> birthday. The following chart shows the percentage of the Normal Retirement Benefit you will receive as of the month of your birthday if you elect to begin receiving your Vested Pension as an Early Vested Pension.

AGE WHEN PAYMENT BEGINS	PERCENTAGE OF NORMAL PENSION BENEFIT YOU RECEIVE
65 and 0 months	100%
64 and 0 months	94%
63 and 0 months	88%
62 and 0 months	82%
61 and 0 months	76%
60 and 0 months	70%
59 and 0 months	64%
58 and 0 months	58%
57 and 0 months	52%
56 and 0 months	46%
55 and 0 months	40%

The Early Vested Pension reduction is ½ of 1% for each full calendar month between the date your Early Vested Pension commences and the first of the month following your 65<sup>th</sup> birthday. For example, if your Early Vested Pension commences when you are age 60 and 4 months, you will receive a monthly Early Vested Pension benefit equal to 72% of your normal pension benefit (0.5%  $\times$  56 months = 28% reduction).

**Example:**

Bob left Covered Employment in September 2012 at age 50 and has no break-in-service. Since he terminated Covered Employment prior to age 55, he is ineligible for an Early Retirement Pension. Bob, however, is vested with 37,400 hours of Benefit Service. He elects to begin receiving his Early Vested Pension in Sept. of 2019 at age 57. In Sept. 2012, when Bob left Covered Employment, his Applicable Benefit Rate was \$98.00. Since Bob has elected to receive payments beginning at age 57, he will receive 52% of his normal monthly pension benefit.

*Years of Benefit Service through September 2012:  $37,400/1,700 = 22.000$  years  $\times$  \$98.00 = \$2,156.00*

*Total normal monthly pension benefit at age 65: \$2,156.00*

*Percentage Payable for Early Vested Pension: x.52*

*Monthly Early Vested Pension: \$1,121.12*

*Bob's monthly pension beginning at age 57 will be \$1,121.12 and will be adjusted for any Surviving Spouse Pension he elects if he is married at that time or for a Certain and Life benefit if he is single.*

## DISABILITY RETIREMENT PENSION

A Disability Retirement Pension is calculated like a Normal Retirement Pension. Payments may begin at any age as long as you meet the eligibility requirements.

**Example:**

*George becomes Totally and Permanently Disabled and receives a Social Security Award effective May 2020 when he is 45 years old. George worked over 700 hours in the 12 months preceding his Disability retirement and did not have a break-in-service. At this point, George has 28,475 hours of Benefit Service prior to July 1, 2015, 5,950 hours of Benefit Service between July 1, 2015 and June 30, 2018, 1,700 hours of Benefit Service between July 1, 2018 and June 30, 2019 and 935 hours of Future Benefit Service on and after July 1, 2019. The amount of George's monthly Disability Retirement Pension benefit is:*

*Years of Benefit Service prior to July 1, 2015:  $28,475/1,700 = 16.750$  years  $\times$  \$108.00 = \$1,809.00  
Years of Benefit Service between July 1, 2015 and June 30, 2018:  $5,950/1,700 = 3.500$   $\times$  \$110.00 = \$ 385.00  
Years of Benefit Service between July 1, 2018 and June 30, 2019:  $1,700/1,700 = 1.000$   $\times$  \$115.00 = \$ 115.00  
Years of Benefit Service on and after July 1, 2019:  $935/1,700 = 0.550$   $\times$  \$120.00 = \$ 66.00  
Monthly Disability Retirement Pension: \$2,375.00*

*George's Disability Retirement Pension will be \$2,375.00 per month, subject to an adjustment for any Surviving Spouse Pension if he is married or for a Certain and Life benefit if he is single.*

## MULTIPLE APPLICABLE BENEFIT RATES

Under certain circumstances your monthly pension may be calculated using more than one Applicable Benefit Rate. This will happen if:

- You leave Covered Employment after you are vested or for one of the reasons specified under the Break in Future Service Section on page 31, and you later return to Covered Employment, or
- You have a Break-in-Service on or after July 1, 1973 and your service is restored upon your return to Covered Employment.

Under these circumstances, the portion of the monthly pension you accrued for Benefit Service earned prior to July 1, 2015 will be calculated in two parts:

- Your Benefit Service at the time you first left Covered Employment or preserved your pension credits multiplied by your Applicable Benefit Rate at that time, plus,
- Your Benefit Service (through June 30, 2015) after your return to Covered Employment multiplied by your subsequent Applicable Benefit Rate when you retire.

However, if you complete 5 years of Vesting Service after your return to Covered Employment, your subsequent Applicable Benefit Rate will be applied to your total Benefit Service through June 30, 2015.

For purposes of the multiple benefit rate rules, you will be deemed to have left Covered Employment if you fail to work at least 200 hours in any 36-month period. However, prior to June 30, 1998, you will not be deemed to have left Covered Employment after being vested if:

- You leave Covered Employment because there is no available covered work;
- You do not leave the elevator industry of participating Employers;
- You are registered on the referral list of your home IUEC local union;
- You regularly contract the local for work opportunities;
- You are available for work in Covered Employment;
- You do not refuse work when offered; and
- Your total absence from Covered Employment (for all absences covered by this section) does not exceed:
  - Six (6) years if your pension effective date is between July 1, 1997 and December 31, 1997; and
  - Five (5) years if your pension effective date is January 1, 1998 to June 30, 1998.

You and your local union must submit sufficient proof that you satisfy the foregoing conditions for this rule to apply to you. This limited exception to the above 200-hour rule automatically expired on June 30, 1998.

**Example:**

*Andy left Covered Employment in Sept. 2010. He was vested with 29,920 hours of Benefit Service. The Applicable Benefit Rate at that time was \$98.00. Andy did not return to Covered Employment until June, 2017. Upon returning to Covered Employment, Andy continued to work until he subsequently retired on May 1, 2020 at age 59. He had 1,530 hours of work from June 2017 through June 30, 2018, 1,700 hours of work between July 1, 2018 and June 30, 2019, and a total 1,955 hours of work on and after July 1, 2019. Andy's monthly benefit is calculated as follows:*

*Years of Benefit Service through 9/2010 (the month Andy first left Covered Employment):  $29,920/1,700 = 17.600$  years  $\times$  \$98.00 = \$1,724.80  
Years of Benefit Service between 6/5/2017 and 6/30/2018:  $1,530/1,700 = 0.900$  years  $\times$  \$110.00 = \$ 99.00  
Benefit Service between 7/1/2018 and 6/30/2019:  $1,700/1,700 = 1.000$  years  $\times$  \$115.00 = \$ 115.00  
Benefit Service beginning July 1, 2019:  $1,955/1,700 = 1.150$  years  $\times$  \$120.00 = \$ 138.00*

Total Monthly Benefit: \$2,076.80

Andy will receive a monthly benefit of \$ 2,076.80, adjusted for any Surviving Spouse Pension if he is married or for a Certain and Life benefit if he is single. However, if Andy had completed 5 years of Vesting Service after he returned to Covered Employment in June 2017, his monthly pension accrued prior to September 2010 would have been calculated on the basis of his subsequent Applicable Benefit Rate of \$108.00.

### TEMPORARY SUPPLEMENTAL PENSION BENEFIT

Generally, if you are receiving an Early Retirement Pension, you are eligible for a monthly Temporary Supplemental Pension Benefit.

- A participant who has worked as an elevator inspector within six months of his retirement date will be eligible for the Temporary Supplemental Pension Benefit.
- For a participant whose Effective Date of Early Retirement Pension is on or after February 1, 2018, the amount of the Temporary Supplemental Pension Benefit is equal to \$10 multiplied by the participant's total years of Benefit Service, but in no event greater than his or her Social Security benefits.
- The Temporary Supplemental Pension Benefit does not commence until the first of the month following the month the retiree turns age 58.
- The Temporary Supplemental Pension Benefit will cease when you are eligible to receive 80% of your Social Security benefit, but not beyond your death.

Your Social Security benefit is reduced for age based on your full benefit age, which changes with your year of birth. The table below shows the ages you would be eligible to receive 80% of your Social Security benefit, based on your year of birth:

YEAR OF BIRTH	AGE FOR 80% BENEFIT
1943 – 1954	63 years
1955	63 years and 2 months
1956	63 years and 4 months
1957	63 years and 6 months
1958	63 years and 8 months
1959	63 years and 10 months
1960 or later	64 years

The Temporary Supplemental Pension Benefit is not payable to a Disability Retirement Pensioner, including one that has been converted from an Early Retirement Pension. The Temporary Supplemental Pension Benefit is also not payable to a spouse or beneficiary upon your death.

### ▪ The example at the top of Page 27 is updated as follows:

**Example:**

Brian, a married employee, retires in July 2020 at age 65 with no break-in-service and receives a Normal Retirement Pension. He has 44,880 hours of Benefit Service prior to July 1, 2015, 5,610 hours of Benefit Service between July 1, 2015 and June 30, 2018, 1,700 hours of Benefit Service between July 1, 2018 and June 30, 2019, and 2,295 hours of Benefit Service on and after July 1, 2019. Brian has no breaks-in-service. Brian is married and is 3 years older than his spouse. Under the 50% Surviving Spouse Pension, he will receive 91.6% of his monthly benefit. His monthly benefit would be:

Years of Benefit Service prior to 7/1/2015:  $44,880/1,700 = 26.400$  years x \$108.00 = \$2,851.20  
Years of Benefit Service between 7/1/2015 and 6/30/2018:  $5,610/1,700 = 3.300$  years x \$110.00 = \$ 363.00  
Years of Benefit Service between 7/1/2018 and 6/30/2019:  $1,700/1,700 = 1.000$  years x \$115.00 = \$ 115.00  
Years of Benefit Service on and after 7/1/2019:  $2,295/1,700 = 1.350$  years x \$120.00 = \$ 162.00  
Total Monthly Benefit: \$3,491.20

Percentage Payable under 50% Surviving Spouse Pension  $\times .916$   
Total Monthly Pension Benefit: \$3,197.94

Brian will receive \$3,197.94 per month. Upon Brian's death, his spouse will receive one-half of his reduced benefit. In other words, she will receive \$1,598.97 per month for her life.

▪ **The example on Page 39 is updated as follows:**

**Example:**

*Jim, a married employee, terminates Covered Employment in October 2019 at age 48 and has no break-in-service. He has 36,975 hours of Benefit Service prior to July 1, 2015, 5,015 hours of Benefit Service between July 1, 2015 and June 30, 2018, 1,700 hours Benefit Service between July 1, 2018 and June 30, 2019, and 544 hours of Future Benefit Service on and after July 1, 2019. His monthly benefit at age 65 would be:*

*Years of Benefit Service prior to 7/1/2015:  $36,975/1,700 = 21.750$  years x \$108.00 = \$2,349.00*  
*Years of Benefit Service between 7/1/2015 and 6/30/2018:  $5,015/1,700 = 2.950$  years x \$110.00 = \$ 324.50*  
*Years of Benefit Service between 7/1/2015 and 6/30/2019:  $1,700/1,700 = 1.000$  years x \$115.00 = \$ 115.00*  
*Years of Benefit Service on and after 7/1/2019:  $544/1,700 = 0.320$  years x \$120.00 = \$ 38.40*  
*Vested Pension at Age 65: \$2,826.90*

*Jim dies two years later at age 50 and has a surviving spouse, age 46. His spouse would be eligible for a monthly benefit, payable when Jim would have been age 55. The benefit would be:*

*Deferred Vested Benefit: \$2,826.90*  
*Percentage Payable for Early Vested Pension x .40 = \$1,130.76*  
*Percentage Payable for 50% Husband and Wife Pension x .916 = \$1,035.78*  
*Percentage Payable to Spouse x .50 = \$517.89*

*Jim's wife would receive a benefit of \$517.89 per month beginning in October 2026.*

▪ **Effective April 1, 2018, Page 36, “Pre-Retirement Death-in-Service Benefit” is amended as follows:**

**Pre-Retirement Death-in-Service Benefit**

If you are single, vested, and die while in Covered Employment, your designated beneficiary (or beneficiaries) will receive monthly payments equal to 50% of your accrued benefit for a period of 10 years or until the death of your last beneficiary, whichever comes first. Your accrued benefit is calculated as a Normal Retirement Benefit in the Straight Life Benefit form of payment as of the date of your death.

▪ **Effective April 1, 2018, Pages 39-40, “Pre-Retirement Death-in-Service Benefit,” are amended as follows:**

**PRE-RETIREMENT DEATH-IN-SERVICE BENEFITS  
(UNMARRIED EMPLOYEE)**

If an unmarried, vested Participant dies while working in Covered Employment or is absent from Covered Employment on his or her date of death due to Total Disability or to a layoff not exceeding 24 months, the Participant’s designated beneficiary(ies) will receive a Pre-Retirement Death-in-Service Benefit. The Pre-Retirement Death-in-Service Benefit will be paid monthly for a period of ten years or until the death of the Participant’s last beneficiary, whichever occurs first.

The amount of the Pre-Retirement Death-in-Service Benefit is equal to one-half of a Participant’s pension benefit that he or she accrued as of his or her date of death and calculated as if the Participant had retired on a Normal Retirement Pension in the Straight Life Benefit form on the first day of the month in which he or she died.

Special beneficiary designation rules apply to the Plan’s Pre-Retirement Death-in-Service Benefit:

- A Participant must designate his or her Pre-Retirement Death-in-Service beneficiary(ies) by submitting to the Benefits Office a Designation Form for Pre-Retirement Death-in-Service Benefit (or such other form prescribed by the Trustees). A Participant may change his or her designated beneficiary(ies) at any time.
- Only individuals may be Pre-Retirement Death-in-Service beneficiaries; an estate or trust may not be a beneficiary.
- In the event a Participant’s primary designated beneficiary or beneficiary(ies) predecease him or her, or in the event the beneficiary designation was revoked, amounts otherwise payable to the Participant’s primary designated beneficiary(ies) will be paid first, to any then surviving primary designated beneficiaries or, if none, to the Participant’s alternate designated beneficiary(ies) on file with the Benefits Office.
- If there is/are no such alternate designated beneficiary(ies), the Pre-Retirement Death-in-Service Benefit will be paid:

**Be Sure to Designate Your Beneficiary!**

The Designation Form for the Pre-Retirement Death-in-Service Benefit is available online at [neibenefits.org/members/pension-plan/](http://neibenefits.org/members/pension-plan/).

- to the primary beneficiary(ies) listed on the Participant’s designated beneficiary form for life insurance benefits from the Health Benefit Plan who is/are eligible for the life insurance benefits under that plan; or, if none,
- to the Participant’s designated beneficiary(ies) on his or her Beneficiary Form for the Elevator Constructors Annuity and 401(k) Retirement Plan who is/are eligible for the death benefit payable under that plan; or, if none,
- to the Participant’s children; or, if none,
- to the Participant’s parents.

If the Participant has no children, or if the Participant’s children and parents predecease the Participant, there shall be no Pre-Retirement Death-in Service Benefit payable.

- If more than one beneficiary is entitled to receive the Pre-Retirement Death-in-Service Benefit, the amount of the monthly benefit will be divided equally among the beneficiaries unless a different split of the aggregate death benefit is elected by the Participant on the Participant’s Designation Form for Pre-Retirement Death-in-Service Benefit.
- If the designated beneficiary files an application for his or her benefit within nine months after your death, payments will be retroactive to the date of death; otherwise, payments will begin after the Benefits Office receives the beneficiary’s application.

**The example at the top of Page 40 is updated as follows**

**Example:**

*Sam, an unmarried, vested Participant, dies while in Covered Employment on January 25, 2020. Sam designated his two children, Lisa and Paul, as his beneficiaries for purposes of the Pre-Retirement Death-in-Service Benefit. At the time his death, Sam’s monthly Normal Retirement Benefit was \$3,044.75.*

*Calculate the Pre-Retirement Death-in-Service Benefit:*

$$\$3,044.75 \times 50\% = \$ 1,522.38$$

*Lisa and Paul will each receive a monthly Pre-Retirement Death-in-Service Benefit of \$761.19 (50% of \$1,522.38) for 10 years.*

- **On page 41, for purposes of clarification, the first paragraph of the section “Designated Beneficiary” is amended as follows:**

You may name a beneficiary or beneficiaries to receive benefits by completing and filing a beneficiary designation form with the Benefits Office. A designation or change of beneficiary will be effective upon its receipt by the Benefits Office prior to your death. Please note that there are special beneficiary designation rules and a special beneficiary designation form for the Plan’s Pre-Retirement Death-in-Service Benefit (see page 39).