

# NATIONAL ELEVATOR INDUSTRY PENSION PLAN

19 Campus Boulevard • Suite 200 • Newtown Square, PA 19073-3288  
800-523-4702 • [www.neibenefits.org](http://www.neibenefits.org)

July 2021

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

## 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 the effective date of the current eligibility rules for the Plan's Pre-Retirement Death-in-Service Benefit.

### Active Participant Increases

- **Increase in the Periodic Benefit Rate for hours worked on and after July 1, 2021.**

Effective July 1, 2021, your **Periodic Benefit Rate for years of Benefit Service earned on or after July 1, 2021** will increase from \$120.00 to \$125.00.

The following increases apply to you if you work in Covered Employment on or after July 1, 2021 and either: (a) complete at least 700 hours of work in Covered Employment in the Plan Year 7/1/2020-6/30/2021 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 on or after July 1, 2021:

- **Increase in the Applicable Benefit Rate.**

Your **Applicable Benefit Rate** will increase from \$108.00 to \$110.00. Your **Applicable Benefit Rate** applies to the years of Benefit Service you earned prior to **July 1, 2015**.

- **Increase in the Periodic Benefit Rate for hours worked between July 1, 2015 and June 30, 2018.**

Your **Periodic Benefit Rate** for years of Benefit Service earned between **July 1, 2015 and June 30, 2018** will increase from \$110.00 to \$115.00.

The \$115.00 Periodic Benefit Rate will continue to apply for hours you worked between July 1, 2018 and June 30, 2019, and the \$120.00 Periodic Benefit Rate will continue to apply for hours you worked between July 1, 2019 and June 30, 2021 (see Periodic Benefit Rate chart below).

PERIODIC BENEFIT RATES (beginning July 1, 2015)	
Work Period	Periodic Benefit Rate
Hours Worked 7/1/2015 - 6/30/2019	\$115.00 per year of Benefit Service*
Hours Worked 7/1/2019 – 6/30/2021	\$120.00 per year of Benefit Service
Hours Worked after July 1, 2021	\$125.00 per year of Benefit Service
<p>*If you neither: (a) complete at least 700 hours of work in Covered Employment in the Plan Year 7/1/2020 – 6/30/2021 or a subsequent Plan Year, nor (b) complete at least 700 hours of work during the 12 months preceding your last day of Covered Employment on or after July 1, 2021, your Periodic Benefit Rate for hours worked from 7/1/2015 through 6/30/2018 will remain \$110.00.</p>	

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

<p>Kevin retires November 1, 2023 at the age of 62. He has 47,175 hours of work prior to 7/1/2015, 5,100 hours of work between 7/1/2015 and 6/30/2018, 1,700 hours of work between 7/1/2018 and 6/30/2019, 3,825 hours of work between 7/1/19 and 6/30/2021 and 4,250 hours of work from 7/1/2021 through 10/31/2023.</p>	
<p><b>Kevin's Monthly Pension without Benefit Improvement</b></p>	<p><b>Kevin's Monthly Pension with Benefit Improvement</b></p>
<p>Kevin's monthly pension benefit would have been based on:</p> <ul style="list-style-type: none"> <li>- An Applicable Benefit Rate for hours prior to 7/1/2015 of \$108.00,</li> <li>- A Periodic Benefit Rate for hours between 7/1/2015 and 6/30/2018 of \$110.00,</li> <li>- A Periodic Benefit Rate for hours between 7/1/2018 and 6/30/2019 of \$115.00, and</li> <li>- A Periodic Benefit Rate for hours beginning 7/1/2019 of \$120.00</li> </ul> <ul style="list-style-type: none"> <li>▪ Years of Benefit Service pre-7/1/2015: 47,175 ÷ 1,700 = 27.750 years</li> <li>▪ Years of Benefit Service between 7/1/2015 and 6/30/18: 5,100 ÷ 1,700 = 3.000 years</li> <li>▪ Years of Benefit Service between 7/1/2018 and 6/30/2019: 1,700 ÷ 1,700 = 1.000 years</li> <li>▪ Years of Benefit Service after 7/1/2019: 8,075 ÷ 1,700 = 4.750 years</li> </ul> <p style="margin-left: 40px;">Pre-7/1/2015 benefit: 27.750 x \$108.00 = \$2,997.00  7/1/2015 – 6/30/2018 benefit: 3.000 x \$110.00 = \$ 330.00  7/1/2018 – 6/30/2019 benefit: 1.000 x \$115.00 = \$ 115.00  7/1/2019 – 10/31/2023 benefit: 4.750 x \$120.00 = \$ 570.00  Total monthly pension benefit (Old): <b>\$4,012.00</b></p>	<p>Kevin's monthly pension benefit will be based on:</p> <ul style="list-style-type: none"> <li>- an Applicable Benefit Rate for hours prior to 7/1/2015 of \$110.00,</li> <li>- A Periodic Benefit Rate for hours between 7/1/2015 and 6/30/2018 of \$115.00,</li> <li>- A Periodic Benefit Rate for hours between 7/1/2018 and 6/30/2019 of \$115.00,</li> <li>- A Periodic Benefit Rate for hours between 7/1/2019 and 6/30/2021 of \$120.00, and</li> <li>- A Periodic Benefit Rate for hours beginning 7/1/2021 of \$125.00.</li> </ul> <ul style="list-style-type: none"> <li>▪ Years of Benefit Service pre-7/1/2015: 47,175 ÷ 1,700 = 27.750 years</li> <li>▪ Years of Benefit Service between 7/1/2015 and 6/30/2018: 5,100 ÷ 1,700 = 3.000 years</li> <li>▪ Years of Benefit Service between 7/1/2018 and 6/30/2019: 1,700 ÷ 1,700 = 1.000 years</li> <li>▪ Years of Benefit Service between 7/1/2019 and 6/30/2021: 3,825 ÷ 1,700 = 2.250 years</li> <li>▪ Years of Benefit Service after 7/1/2021: 4,250 ÷ 1,700 = 2.500 years</li> </ul> <p style="margin-left: 40px;">Pre-7/1/2015 benefit: 27.750 x \$110.00 = \$3,052.50  7/1/2015 – 6/30/2018 benefit: 3.000 x \$115.00 = \$ 345.00  7/1/2018 – 6/30/2019 benefit: 1.000 x \$115.00 = \$ 115.00  7/1/2019 – 6/30/2021 benefit: 2.250 x \$120.00 = \$ 270.00  7/1/2021 – 10/31/2023 benefit: 2.500 x \$125.00 = \$ 312.50  Total Normal Monthly Pension (New): <b>\$4,095.00</b></p>
<p>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.</p>	

### Retiree Increases

Effective July 1, 2021, Normal Retirement, Early Retirement and Disability Retirement Retirees' benefits are increased as follows:

- The pension benefits for participants who retired during the period February 1, 2007 through January 1, 2018 are increased by **1%**.
- The pension benefits for participants who retired before February 1, 2007 are increased by **2%**.

These Retiree increases also apply to the benefits of deceased Normal, Early and Disability Retirees' spouses (Surviving Spouse Pensions and Pre-Retirement Spouse's Benefits) and beneficiaries (Pre-Retirement Death-in-Service Benefits and Certain and Life Benefits). These increases do not apply to retirees receiving Early Vested Pensions or Normal Vested Pensions, nor to their surviving spouses or beneficiaries. These increases do not apply to an Early Retiree's Temporary Supplemental Pension Benefit

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

The Trustees have amended the beneficiary designation rule that applies to the Plan's Pre-Retirement Death-in-Service Benefit.

## **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:<ul style="list-style-type: none"><li>– Your years of Benefit Service prior to July 1, 2015 multiplied by your Applicable Benefit Rate(s), <i>plus</i></li><li>– For work periods on and after July 1, 2015, the years of Benefit Service you earn during a specific work period multiplied by that work period's Periodic Benefit Rate.</li></ul></li></ul>
----------------------------------	--

- **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. To determine the benefit you accrue on and after July 1, 2015, the years of Benefit Service you earn during a specific work period are multiplied by that work period's Periodic Benefit Rate. See "The Amount of Your Pension" below.

- **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. In general, the amount of your Normal Retirement Pension is based on: (1) your years of Benefit Service prior to July 1, 2015 multiplied by your Applicable Benefit Rate(s) and (2) for work periods on and after July 1, 2015, the years of Benefit Service you earn during a specific work period multiplied by that work period's Periodic Benefit Rate. See "The Amount of Your Pension" below.

- **The Section of the SPD "The Amount of Your Pension" (beginning on page 17 and up to the heading "Temporary Supplemental Pension Benefit") is amended 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:**
  - Your years of Benefits Service prior to July 1, 2015 multiplied by your Applicable Benefit Rate(s), *plus*
  - For work periods beginning July 1, 2015, the years of Benefit Service you earn during a specific work period multiplied by that work period's Periodic Benefit Rate.

### **APPLICABLE BENEFIT RATE AND PERIODIC BENEFIT RATE**

#### **In General**

The amount of your pension is the sum of:

- Your years of Benefit Service prior to July 1, 2015 multiplied by one or more Applicable Benefit Rates, *plus*
- for work periods on and after July 1, 2015, the years of Benefit Service you earn during a specific work period multiplied by that work period's Periodic Benefit Rate.

### *Applicable Benefit Rate*

Your Applicable Benefit Rate is the Applicable Benefit Rate in effect 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 years of Benefit Service prior to July 1, 2015 (See “Multiple Applicable Benefit Rates” on page 8).

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 7/1/2021	\$110.00
Applicable Benefit Rate as of 7/1/2019	\$108.00
Applicable Benefit Rate as of 1/1/2018	\$106.00
Applicable Benefit Rate as of 1/1/2015	\$103.00
Applicable Benefit Rate as of 1/1/2008	\$98.00
Applicable Benefit Rate as of 1/1/2007	\$93.00
Applicable Benefit Rate as of 1/1/2001	\$90.00
Applicable Benefit Rate as of 1/1/2000	\$86.00
Applicable Benefit Rate as of 1/1/1999	\$80.00
Applicable Benefit Rate as of 1/1/1998	\$75.00
Applicable Benefit Rate as of 1/1/1997	\$72.00
Applicable Benefit Rate as of 1/1/1996	\$69.00
Applicable Benefit Rate as of 1/1/1995	\$68.00
Applicable Benefit Rate as of 1/1/1994	\$66.00
Applicable Benefit Rate as of 1/1/1993	\$64.00
Applicable Benefit Rate as of 1/1/1992	\$63.00
Applicable Benefit Rate as of 1/1/1991	\$60.00
Applicable Benefit Rate as of 1/1/1990	\$57.00
Applicable Benefit Rate as of 1/1/1989	\$53.00
Applicable Benefit Rate as of 1/1/1988	\$50.00
Applicable Benefit Rate as of 1/1/1987	\$44.00
Applicable Benefit Rate as of 1/1/1986	\$40.00
Applicable Benefit Rate as of 1/1/1985	\$32.00
Applicable Benefit Rate as of 1/1/1984	\$29.00
Applicable Benefit Rate as of 1/1/1983	\$26.00
Applicable Benefit Rate as of 7/1/1981	\$23.00
Applicable Benefit Rate as of 7/1/1980	\$18.00
Applicable Benefit Rate as of 10/1/1979	\$16.00
Applicable Benefit Rate as of 7/1/1978	\$15.00
Applicable Benefit Rate as of 4/1/1976	\$11.00
Applicable Benefit Rate as of 7/1/1973	\$10.00
From 7/1/70 through 6/30/1973	\$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.	

### *Periodic Benefit Rate*

Periodic Benefit Rates apply to Benefit Service you earn on and after July 1, 2015. Years of Benefit Service you earn during a specific work period are multiplied by that work period’s corresponding Periodic Benefit Rate. From time to time and at their sole discretion, the Trustees may increase the Periodic Benefit Rate for a prior work period.

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

WORK PERIOD	PERIODIC BENEFIT RATE PER YEAR OF BENEFIT SERVICE (1,700 HOURS)
Hours worked on and after 7/1/2021	\$125.00
Hours worked beginning 7/1/2019 through 6/30/2021	\$120.00
Hours worked beginning 7/1/2015 through 6/30/2019	\$115.00*
*If you neither: (a) complete at least 700 hours of work in Covered Employment in the Plan Year 7/1/2020 – 6/30/2021 or a subsequent Plan Year, nor (b) complete at least 700 hours of work during the 12 months preceding your last day of Covered Employment on or after July 1, 2021, your Periodic Benefit Rate for hours worked from 7/1/2015 through 6/30/2018 will be \$110.00.	

**Example:**

Joe retires in December 2021 at the age of 65. From July 1, 2021 to Joe’s last day of work, Joe worked 850 hours; during this period, the Periodic Benefit Rate is \$125.00. Between July 1, 2019 and June 30, 2021, Joe worked 4,250 hours; during this period, the Periodic Benefit Rate was \$120.00. Between July 1, 2015 and June 30, 2019, Joe worked 6,800 hours; during this work period, the Periodic Benefit Rate was \$115.00. Prior to July 1, 2015, Joe worked 39,100 hours. He has not had a break-in-service, and his Applicable Benefit Rate is \$110.00.

Years of Benefit Service prior to 7/1/2015: 39,100 hours/1,700 = 23.000 years x \$110.00 = \$2,530.00  
 Years of Benefit Service from 7/1/2015 through 6/30/2019: 6,800 hours/1,700 hours = 4.000 years x \$115.00 = \$ 460.00  
 Years of Benefit Service from 7/1/2019 through 6/30/2021: 4,250 hours/1,700 = 2.500 years x \$120.00 = \$ 300.00  
 Years of Benefit Service on and after 7/1/2021: 850 hours/1,700 = 0.500 years x \$125.00 = \$ 62.50  
**Total Normal Monthly Pension = \$3,352.50**

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 2022 at the age of 65. He has no breaks-in-service. John worked:

- 49,300 hours in Covered Employment prior to July 1, 2015,
- 6,800 hours between July 1, 2015 and June 30, 2019,
- 3,825 hours between July 1, 2019 and June 30, 2021, and
- 1,870 hours on and after July 1, 2021.

The amount of John’s monthly pension will be:

Years of Benefit Service before 7/1/2015: 49,300/1,700 = 29.000 years x \$110.00 = \$3,190.00  
 Years of Benefit Service from 7/1/2015 to 6/30/2019: 6,800/1,700 = 4.000 years x \$115.00 = \$ 460.00  
 Years of Benefit Service from 7/1/2019 to 6/30/2021: 3,825/1,700 = 2.250 years x \$120.00 = \$ 270.00  
 Years of Benefit Service on and after 7/1/2021: 1,870/1,700 = 1.100 years x \$125.00 = \$ 137.50  
**Total Normal Monthly Pension: \$4,057.50**

John will be entitled to a monthly pension of \$4,057.50. 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 ¼ 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 2022 at the age of 55 and has no break-in-service. Frank worked:

- 41,225 hours in Covered Employment prior to July 1, 2015,
- 7,225 hours between July 1, 2015 and June 30, 2019,
- 3,740 hours between July 1, 2019 and June 30, 2021, and
- 2,720 hours on and after July 1, 2021.

The amount of Frank's monthly Early Retirement Pension benefit will be:

Years of Benefit Service before 7/1/2015:  $41,225/1,700 = 24.250$  years x \$110.00 = \$2,667.50  
 Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,225/1,700 = 4.250$  years x \$115.00 = \$ 488.75  
 Years of Benefit Service from 7/1/2019 to 6/30/2021:  $3,740/1,700 = 2.200$  years x \$120.00 = \$ 264.00  
 Years of Benefit Service on and after 7/1/2021:  $2,720/1,700 = 1.600$  years x \$125.00 = \$ 200.00  
**Total Normal Monthly Pension: \$3,620.25**

Since Frank is only 55, his normal monthly pension will be reduced by ¼ of 1% for each full calendar month between his Effective Date of Early Retirement Pension (age 55) and his 58<sup>th</sup> birthday: ¼% x 36 months = 9% reduction. Accordingly, he will receive a monthly Early Retirement Pension that is 91% of his normal monthly pension:  $\$3,620.25 \times 91.0\% = \mathbf{\$3,294.43}$

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 2008 at the age of 52. He is not eligible for an Early Retirement Pension because he left Covered Employment before the age of 55. However, Nick is vested and is eligible for a pension. Nick has 34,000 hours in Covered Employment without a break in service. The Applicable Benefit Rate for an employee who left Covered Employment in August 2008 is \$98.00.

Years of Benefit Service through August 2008:  $34,000/1,700 = 20.000$  years x \$98.00 = \$1,960.00  
**Total normal monthly pension at age 65: \$1,960.00**

In August 2021, at age 65, Nick can begin receiving a monthly Normal Vested Pension benefit of **\$1,960.00**, 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% x 56 months = 28% reduction).

**Example:**

Bob applies for a pension effective September 1, 2022 at age 58. Bob left Covered Employment in September 2016 at age 52. Since he terminated Covered Employment prior to age 55, he is not eligible for an Early Retirement Pension. Bob, however, is vested, having worked a total of 37,400 hours in Covered Employment during his career: 34,850 hours in Covered Employment prior to July 1, 2015 and 2,550 hours from July 1, 2015 through September 2016. When Bob left Covered Employment, the Plan's Applicable Benefit Rate was \$103.00 and the Plan's Periodic Benefit Rate for hours he worked on and after July 1, 2015 was \$110.00.

The amount of Bob's monthly Early Vested Pension benefit will be:

Years of Benefit Service before 7/1/2015:  $34,850/1,700 = 20.500$  years x \$103.00 = \$2,111.50  
Years of Benefit Service from 7/1/2015 through September 2016:  $2,550/1,700 = 1.500$  years x \$110.00 = \$ 165.00  
Bob's total normal monthly pension payable at age 65 = \$2,276.50  
Percentage Payable for Early Vested Pension (age 58 and 0 months): x .58  
Monthly Early Vested Pension: **\$1,320.37**

Bob's monthly Early Vested Pension at age 58 is **\$1,320.37**, which 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:**

The Social Security Administration determines that George became Totally and Permanently Disabled on May 1, 2023 at age 45. George worked over 700 hours in the 12 months preceding his Social Security Disability Date and did not have a break-in-service. George worked:

- 26,775 hours in Covered Employment prior to July 1, 2015,
- 7,905 hours between July 1, 2015 and June 30, 2019,
- 3,740 hours between July 1, 2019 and June 30, 2021, and
- 3,060 hours on and after July 1, 2021.

The amount of George's monthly Disability Retirement Pension benefit will be:

Years of Benefit Service before 7/1/2015:  $26,775/1,700 = 15.750$  years x \$110.00 = \$1,732.50  
Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,905/1,700 = 4.650$  years x \$115.00 = \$ 534.75  
Years of Benefit Service from 7/1/2019 to 6/30/2021:  $3,740/1,700 = 2.200$  years x \$120.00 = \$ 264.00  
Years of Benefit Service on and after 7/1/2021:  $3,060/1,700 = 1.800$  years x \$125.00 = \$ 225.00  
Total Normal Monthly Pension: **\$2,756.25**

Because an Employee's Disability Retirement Pension is calculated like a Normal Retirement Pension, George's monthly Disability Retirement Pension is **\$2,756.25**, which 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.

## MULTIPLE APPLICABLE BENEFIT RATES DUE TO BREAKS-IN-SERVICE

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:**

*Sarah left Covered Employment in Sept. 2009. She was vested with 16,660 hours in Covered Employment. The Applicable Benefit Rate at that time was \$98.00 Sarah returned to Covered Employment in August 2014 and continued to work through May 2017, when she again left Covered Employment. Then, in April 2021, she again returned to Covered Employment until she subsequently retired on October 1, 2022 at age 59.*

*– Sarah worked 16,660 hours in Covered Employment through September 2009.*

*In August 2014, she returned to Covered Employment and worked:*

- 1,870 hours between August 1, 2014 and June 30, 2015 (she earned 1 year of Vesting Service during this period), and*
- 2,380 hours from July 1, 2015 through May, 2017 (she earned 2 years of Vesting Service during this period).*

*In April 2021, she again returned to Covered Employment and worked:*

- 340 hours between April 2021 and June 30, 2021 (she did not earn a year of Vesting Service), and*
- 1,870 hours between July 1, 2021 and September 30, 2022 (she earned 1 year of Vesting Service during this period).*

*The amount of Sarah’s monthly Early Retirement Pension benefit will be:*

*Years of Benefit Service through September 2009:  $16,660/1,700 = 9.800$  years x \$ 98.00 = \$ 960.40*  
*Years of Benefit Service between 8/1/2014 and 6/30/2015:  $1,870/1,700 = 1.100$  years x \$110.00 = \$ 121.00*  
*Years of Benefit Service between 7/1/2015 through May 2017:  $2,380/1,700 = 1.400$  years x \$115.00 = \$ 161.00*  
*Years of Benefit Service between 4/1/2021 and 6/30/2021:  $340/1,700 = 0.200$  years x \$120.00 = \$ 24.00*  
*Years of Benefit Service on and after 7/1/2021:  $1,870/1,700 = 1.100$  years x \$125.00 = \$ 137.50*  
***Total Early Retirement Pension: \$1,403.90***

*Temporary Supplemental Pension Benefit:*

*Sarah will also receive a Temporary Supplemental Pension Benefit: \$10 x 13.6 years of Benefit Service = \$136.00*

*While Sarah will receive a monthly Early Retirement Pension benefit of \$1,403.90, adjusted for any Surviving Spouse Pension if she is married or for a Certain and Life benefit if she is single (plus a Temporary Supplemental Pension Benefit of \$136.00), had Sarah completed 5 years of Vesting Service after she returned to Covered Employment in August 2014, her monthly pension accrued prior to September 2009 would have been calculated on the basis of the subsequent Applicable Benefit Rate of \$110.00.*

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

**Example:**

*Brian, a married employee, retires in June 2023 at age 65 and receives a Normal Retirement Pension. Brian worked:*

- 41,480 hours in Covered Employment prior to July 1, 2015,*
- 7,310 hours between July 1, 2015 and June 30, 2109,*
- 2,295 hours between July 1, 2019 and June 30, 2021, and*
- 2,720 hours on and after July 1, 2021.*

*Brian has no breaks-in-service, 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 Normal Retirement Pension benefit would be determined as follows:*

*Years of Benefit Service before 7/1/2015:  $41,480/1,700 = 24.400$  years x \$110.00 = \$2,684.00*  
*Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,310/1,700 = 4.300$  years x \$115.00 = \$ 494.50*  
*Years of Benefit Service from 7/1/2019 to 6/30/2021:  $2,295/1,700 = 1.350$  years x \$120.00 = \$ 162.00*  
*Years of Benefit Service on and after 7/1/2021:  $2,720/1,700 = 1.600$  years x \$125.00 = \$ 200.00*  
***Total Normal Monthly Pension: \$3,540.50***  
*Percentage Payable under 50% Surviving Spouse Pension x .916*  
***Total Monthly Pension Benefit: \$3,243.10***



Brian will receive \$3,243.10 per month. Upon Brian's death, his spouse will receive one-half of his reduced benefit. In other words, she will receive \$1,621.55 per month for her life.

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

**Example:**

Ella, a married employee, terminates Covered Employment in February 2022 at age 48. She worked:

- 30,940 hours in Covered Employment prior to July 1, 2015,
- 7,055 hours between July 1, 2015 and June 30, 2019,
- 3,740 hours between July 1, 2019 and June 30, 2021, and
- 2,040 hours between July 1, 2021 and February 28, 2022. Her monthly benefit at age 65 would be:

Her monthly Normal Retirement Pension benefit would be determined as follows:

Years of Benefit Service before 7/1/2015:  $30,940/1,700 = 18.2$  years x \$110.00 = \$2,002.00  
Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,055/1,700 = 4.150$  years x \$115.00 = \$ 477.25  
Years of Benefit Service from 7/1/2019 to 6/30/2021:  $3,740/1,700 = 2.200$  years x \$120.00 = \$ 264.00  
Years of Benefit Service on and after 7/1/2021:  $2,040/1,700 = 1.200$  years x \$125.00 = \$ 150.00  
Total Normal Monthly Pension: **\$2,893.25**

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

Deferred Vested Benefit: \$2,893.25  
Percentage Payable for Early Vested Pension x .40 = \$1,157.30  
Percentage Payable for 50% Surviving Spouse Pension x .916 = \$1,060.09  
Percentage Payable to Spouse x .50 = \$ 530.04

Ella's Spouse would receive a benefit of \$530.04 per month beginning in February 2029.

▪ **The Plan's current "Pre-Retirement Death-in-Service Benefit" eligibility rule (See July 2019 Summary of Material Modification pages 9 – 10), previously applicable to Employee deaths occurring on and after April 1, 2018, is now applicable for Employee deaths occurring on and after October 1, 2017.**