

# NATIONAL ELEVATOR INDUSTRY PENSION PLAN

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July 2022 / July 2023

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: 2022 and 2023

The Trustees of the National Elevator Industry Pension Plan adopted benefit improvements to the Plan with respect to the 2022 and 2023 Plan Years. The Benefit Improvements are summarized below.

### BENEFIT IMPROVEMENTS: JULY 1, 2022

#### Active Participant Increases

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

Your **Applicable Benefit Rate** will increase from \$110.00 to \$112.00. 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 on and after July 1, 2022.**

Effective July 1, 2022, your **Periodic Benefit Rate for years of Benefit Service earned on or after July 1, 2022** will increase from \$125.00 to \$130.00.

- **Extend the payment of the Temporary Supplemental Pension Benefit (TSP) to age 65, for all future retirees eligible for the TSP and for current retirees in receipt of the TSP as of July 1, 2022.**

#### Retiree Increase

Effective July 1, 2022, Normal Retirement, Early Retirement and Disability Retirement retirees' benefits are increased as follows:

- The pension benefits for participants who retired on or before July 1, 2019 are increased by 1.0%.

This retiree increase also applies 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 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.

### BENEFIT IMPROVEMENT: JULY 1, 2023

- **Effective July 1, 2023, your Periodic Benefit Rate for years of Benefit Service earned on or after July 1, 2023 will increase from \$130.00 to \$135.00.**

**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:

- The chart on pages 17-18 of the SPD listing historical Applicable Benefit Rates (“ABR”) is amended as follows:

<b>HISTORICAL APPLICABLE BENEFIT RATE TABLE</b>	
<b>DATE OF APPLICABLE BENEFIT RATE INCREASES*</b>	<b>APPLICABLE BENEFIT RATE PER YEAR OF BENEFIT SERVICE (1,700 HOURS) EARNED PRIOR TO JUNE 30, 2015</b>
<b>Applicable Benefit Rate as of 7/1/2022</b>	<b>\$112.00</b>
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.	

- The chart included in the Plan’s July 2021 SMM listing historical Periodic Benefit Rates (“PBR”) and the subsequent example are amended as follows:

HISTORICAL PERIODIC BENEFIT RATE TABLE	
WORK PERIOD	PERIODIC BENEFIT RATE PER YEAR OF BENEFIT SERVICE (1,700 HOURS)
Hours worked on and after 7/1/2023	\$135.00
Hours worked beginning 7/1/2022 through 6/30/2023	\$130.00
Hours worked beginning 7/1/2021 through 6/30/2022	\$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 don’t: (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, your Periodic Benefit Rate for hours worked from 7/1/2015 through 6/30/2018 will be \$110.00.	

- Amend the Normal Retirement Pension example on page 19 of the SPD as follows:

EXAMPLE: NORMAL RETIREMENT PENSION CALCULATION
<p>Joe retires in December 2023 at the age of 65.</p> <p>Between July 1, 2023 and his last day of work, Joe worked 850 hours; during this period, the Periodic Benefit Rate is \$135.00.</p> <p>Between July 1, 2022 and June 30, 2023, Joe worked 2,040 hours; during this period, the Periodic Benefit Rate was \$130.00.</p> <p>Between July 1, 2021 and June 30, 2022, Joe worked 1,870 hours; during this period, the Periodic Benefit Rate was \$125.00.</p> <p>Between July 1, 2019 and June 30, 2021, Joe worked 4,250 hours; during this period, the Periodic Benefit Rate was \$120.00.</p> <p>Between July 1, 2015 and June 30, 2019, Joe worked 6,800 hours; during this period, the Periodic Benefit Rate was \$115.00.</p> <p>Prior to July 1, 2015, Joe worked 39,100 hours. He has not had a break-in-service so his Applicable Benefit Rate is \$112.00.</p> <p style="text-align: center;">           Joe’s Years of Benefit Service prior to 7/1/2015: <math>39,100 \text{ hours} / 1,700 = 23.000 \text{ years} \times \\$112.00 = \\$2,576.00</math>            Joe’s Years of Benefit Service from 7/1/2015 through 6/30/2019: <math>6,800 \text{ hours} / 1,700 \text{ hours} = 4.000 \text{ years} \times \\$115.00 = \\$ 460.00</math>            Joe’s Years of Benefit Service from 7/1/2019 through 6/30/2021: <math>4,250 \text{ hours} / 1,700 = 2.500 \text{ years} \times \\$120.00 = \\$ 300.00</math>            Joe’s Years of Benefit Service from 7/1/2021 through 6/30/2022: <math>1,870 \text{ hours} / 1,700 = 1.100 \text{ years} \times \\$125.00 = \\$ 137.50</math>            Joe’s Years of Benefit Service from 7/1/2022 through 6/30/2023: <math>2,040 / 1,700 = 1.200 \text{ years} \times \\$130.00 = \\$ 156.00</math>            Joe’s Years of Benefit Service on and after 7/1/2023: <math>850 \text{ hours} / 1,700 = 0.500 \text{ years} \times \\$135 = \\$ 67.50</math>  <b>Total Normal Monthly Pension = \$3,697.00</b> </p> <p>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.</p>

- Amend the Early Retirement Pension example on page 20 of the SPD as follows:

EXAMPLE: EARLY RETIREMENT PENSION CALCULATION
<p>Frank leaves Covered Employment May 2024 at the age of 55 and has no break-in-service. Frank worked:</p> <ul style="list-style-type: none"> <li>– 41,225 hours in Covered Employment prior to July 1, 2015,</li> <li>– 7,225 hours between July 1, 2015 and June 30, 2019,</li> <li>– 3,740 hours between July 1, 2019 and June 30, 2021,</li> <li>– 2,210 hours between July 1, 2021 and June 30, 2022,</li> <li>– 2,040 hours between July 1, 2022 and June 30, 2023, and</li> <li>– 1,870 hours on and after July 1, 2023.</li> </ul> <p>The amount of Frank’s monthly Early Retirement Pension benefit will be:</p> <p style="text-align: center;">           Frank’s Years of Benefit Service before 7/1/2015: <math>41,225 / 1,700 = 24.250 \text{ years} \times \\$112.00 = \\$2,716.00</math>            Frank’s Years of Benefit Service from 7/1/2015 to 6/30/2019: <math>7,225 / 1,700 = 4.250 \text{ years} \times \\$115.00 = \\$ 488.75</math>            Frank’s Years of Benefit Service from 7/1/2019 to 6/30/2021: <math>3,740 / 1,700 = 2.200 \text{ years} \times \\$120.00 = \\$ 264.00</math>            Frank’s Years of Benefit Service from 7/1/2021 to 6/30/2022: <math>2,210 / 1,700 = 1.300 \text{ years} \times \\$125.00 = \\$ 162.50</math>            Frank’s Years of Benefits Service from 7/1/2022 to 6/30/2023: <math>2,040 / 1,700 = 1.200 \text{ years} \times \\$130.00 = \\$ 156.00</math>            Frank’s Years of Benefit Service on and after 7/1/2023: <math>1,870 / 1,700 = 1.100 \text{ years} \times \\$135.00 = \\$ 148.50</math> </p>

Total Normal Monthly Pension: **\$3,935.75**

Since Frank is only 55, 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:  $\frac{1}{4}\% \times 36 \text{ months} = 9\%$  reduction. Accordingly, he will receive a monthly Early Retirement Pension that is 91% of his normal monthly pension:  $\$3,935.75 \times 91.0\% = \mathbf{\$3,581.53}$

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.

■ Amend the Disability Retirement Pension example on page 22 of the SPD as follows:

**EXAMPLE: DISABILITY RETIREMENT PENSION CALCULATION**

The Social Security Administration determines that George became Totally and Permanently Disabled on May 1, 2024 at age 46. 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,
- 2,040 hours between July 1, 2021 and June 30, 2022,
- 2,125 hours between July 1, 2022 and June 30, 2023, and
- 1,870 hours on and after July 1, 2023.

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

George's Years of Benefit Service before 7/1/2015:  $26,775/1,700 = 15.750 \text{ years} \times \$112.00 = \$1,764.00$

George's Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,905/1,700 = 4.650 \text{ years} \times \$115.00 = \$ 534.75$

George's Years of Benefit Service from 7/1/2019 to 6/30/2021:  $3,740/1,700 = 2.200 \text{ years} \times \$120.00 = \$ 264.00$

George's Years of Benefit Service from 7/1/2021 to 6/30/2022:  $2,040/1,700 = 1.200 \text{ years} \times \$125.00 = \$ 150.00$

George's Years of Benefit Service from 7/1/2022 to 6/30/2023:  $2,125/1,700 = 1.250 \text{ years} \times \$130.00 = \$ 162.50$

George's Years of Benefit Service on and after July 1, 2023:  $1,870/1,700 = 1.100 \text{ years} \times \$135.00 = \underline{\$ 148.50}$

Total Normal Monthly Pension: **\$3,023.75**

Because an Employee's Disability Retirement Pension is calculated like a Normal Retirement Pension, George's monthly Disability Retirement Pension is **\$3,023.75**, 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.

■ Amend the Multiple Benefit Rates example on page 23 of the SPD as follows:

**EXAMPLE: MULTIPLE APPLICABLE BENEFIT RATE CALCULATION**

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 2023, she again returned to Covered Employment until she subsequently retired on April 1, 2024 at age 59.

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

In August 2014, Sarah 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 2023, she again returned to Covered Employment and worked:

- 340 hours between April 2023 and June 30, 2023 (she did not earn a year of Vesting Service), and
- 1,870 hours between July 1, 2023 and March 31, 2024 (she earned 1 year of Vesting Service during this period).

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

Sarah's Years of Benefit Service through September 2009:  $16,660/1,700 = 9.800 \text{ years} \times \$ 98.00 = \$ 960.40$

Sarah's Years of Benefit Service between 8/1/2014 and 6/30/2015:  $1,870/1,700 = 1.100 \text{ years} \times \$112.00 = \$ 123.20$

Sarah's Years of Benefit Service between 7/1/2015 through May 2017:  $2,380/1,700 = 1.400 \text{ years} \times \$115.00 = \$ 161.00$

Sarah's Years of Benefit Service between 4/1/2023 and 6/30/2023:  $340/1,700 = 0.200 \text{ years} \times \$130.00 = \$ 26.00$

Sarah's Years of Benefit Service on and after 7/1/2023:  $1,870/1,700 = 1.100 \text{ years} \times \$135.00 = \underline{\$ 148.50}$

Total Early Retirement Pension: **\$1,419.10**

Temporary Supplemental Pension Benefit:

Sarah will also receive a Temporary Supplemental Pension Benefit:  $\$10 \times 13.6 \text{ years of Benefit Service} = \$136.00$  through age 65

While Sarah will receive a monthly Early Retirement Pension benefit of \$1,419.10, 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 \$112.00.

■ The example at the top of Page 27 of the SPD is updated as follows:

**EXAMPLE: 50% SURVIVING SPOUSE PENSION REDUCTION**

Brian, a married employee, retires in June 2024 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,
- 2,380 hours between July 1, 2021 and June 30, 2022,
- 2,125 hours between July 1, 2022 and June 30, 2023, and
- 1,870 hours on and after July 1, 2023.

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:

Brian's Years of Benefit Service before 7/1/2015:  $41,480/1,700 = 24.400$  years x \$112.00 = \$2,732.80  
 Brian's Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,310/1,700 = 4.300$  years x \$115.00 = \$ 494.50  
 Brian's Years of Benefit Service from 7/1/2019 to 6/30/2021:  $2,295/1,700 = 1.350$  years x \$120.00 = \$ 162.00  
 Brian's Years of Benefit Service from 7/1/2021 to 6/30/2022:  $2,380/1,700 = 1.400$  years x \$125.00 = \$ 175.00  
 Brian's Years of Benefit Service from 7/1/2022 to 6/30/2023:  $2,125/1,700 = 1.250$  years x \$130.00 = \$ 162.50  
 Brian's Years of Benefit Service on and after 7/1/2023:  $1,870/1,700 = 1.100$  years x \$135.00 = \$ 148.50  
**Total Normal Monthly Pension: \$3,875.30**

Percentage Payable under 50% Surviving Spouse Pension x .916  
**Total Monthly Pension Benefit: \$3,549.78**

Brian will receive \$3,549.78 per month. Upon Brian's death, his spouse will receive one-half of his reduced benefit. In other words, she will receive \$1,774.89 per month for her life.

■ The example on Page 39 of the SPD is updated as follows:

**Example:**

Ella, a married employee, terminates Covered Employment in February 2024 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,
- 2,040 hours between July 1, 2021 and June 30, 2022,
- 1,870 hours between July 1, 2022 and June 30, 2023, and
- 1,530 hours on and after July 1, 2023.

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

Ella's Years of Benefit Service before 7/1/2015:  $30,940/1,700 = 18.200$  years x \$112.00 = \$2,038.40  
 Ella's Years of Benefit Service from 7/1/2015 to 6/30/2019:  $7,055/1,700 = 4.150$  years x \$115.00 = \$ 477.25  
 Ella's Years of Benefit Service from 7/1/2019 to 6/30/2021:  $3,740/1,700 = 2.200$  years x \$120.00 = \$ 264.00  
 Ella's Years of Benefit Service from 7/1/2021 to 6/30/2022:  $2,040/1,700 = 1.200$  years x \$125.00 = \$ 150.00  
 Ella's Years of Benefit Service from 7/1/2022 to 6/30/2023:  $1,870/1,700 = 1.100$  years x \$130.00 = \$ 143.00  
 Ella's Years of Benefit Service on and after 7/1/2023:  $1,530/1,700 = 0.900$  years x \$135.00 = \$ 121.50  
**Total Normal Monthly Pension: \$3,194.15**

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: \$3,194.15  
 Percentage Payable for Early Vested Pension x .40 = \$1,277.66  
 Percentage Payable for 50% Surviving Spouse Pension x .916 = \$1,170.34  
**Percentage Payable to Spouse x .50 = \$ 585.17**

Ella's Spouse would receive a benefit of \$585.17 per month beginning in February 2031.