

Southern California
IBEW - NECA
Trust Funds



BENEFITS SEMINAR

Your dedicated website:
www.scibew-neca.org

IMPORTANT INFORMATION

This presentation was used at the District 4 meeting on May 4, 2010. The presentation contains only highlights of certain features of the Southern California IBEW-NECA Pension and Health Plans. The full details are contained in the documents that establish the Plans provisions. If there is a discrepancy between the wording here and the documents that establish the Plans, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plans at any time.

Rehabilitation Plan



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Status

- The SC IBEW-NECA Pension Plan is in **critical status** for the plan year beginning July 1, 2009.
 - The Plan is considered to be in critical status because it has funding or liquidity problems, or both.

July 1, 2009-June 30, 2010 Zone Certification

Critical

Endangered

July 1, 2008-June 30, 2009 Zone Certification

Neither
endangered nor
critical

Rehabilitation Plan Schedules at a Glance

Plan Feature	Current Plan Through June 30, 2010	Alternative Schedule 2 Effective July 1, 2010
Percentage of Contributions Benefit Accrual Formula – excludes contributions dedicated solely for funding purposes	1.45% of Contributions up to 42,500 hours and 1.90% thereafter	Same as current plan except excluding \$1.30 per hour in current “off-benefit contributions” and any additional “off-benefit contributions”
Early Retirement Pension prior to age 55	Accrued benefit (no reduction for age).	Actuarially reduced from age 65
Early Retirement	Age 55 minimum age, no reduction	Same as current plan
Disability Pension	Accrued benefit (no reduction for age)	Same as current plan
60-Payment Pre-Retirement Death Benefit	60 payments of Participant’s accrued benefit (no reduction for age).	Same as current plan
Single Life Annuity with Five-Year Guarantee or Certain Feature	Pension benefits payable for Participant’s lifetime with a maximum guarantee of sixty-months of payments	Same as current plan
Social Security Level Income Option	Higher monthly payments prior to age 62/65 with lower benefit after age 62/65 with Social Security benefit expected to commence	Not available
100% and 66 2/3% Joint-and-Survivor Pension	Eligible surviving spouse receives lifetime 100% continuation of Participant’s monthly benefit	Same as current plan
50% and 75% Husband-and-Wife Pension	Eligible surviving spouse receives lifetime 50% or 75% continuation of Participant’s monthly benefit	Same as current plan

Rehabilitation Plan - Reciprocity

Plan Feature	Current Plan	Default Schedule
Percentage of Contributions Benefit Accrual Formula – excludes contributions dedicated solely for funding purposes	1.45% of Contributions up to 42,500 hours and 1.90% thereafter	1.00% of <u>all</u> Contributions but excluding any additional “off-benefit contributions” under the schedule
Early Retirement Pension prior to age 55	Accrued benefit (no reduction for age).	Actuarially reduced from age 65
Early Retirement	Age 55 minimum age, no reduction	Same as current plan
Disability Pension	Accrued benefit (no reduction for age)	Not available
60-Payment Pre-Retirement Death Benefit	60 payments of Participant’s accrued benefit (no reduction for age).	Not available
Single Life Annuity with Five-Year Guarantee or Certain Feature	Pension benefits payable for Participant’s lifetime with a maximum guarantee of sixty-months of payments	Lifetime only with no sixty-month guarantee of payments
Social Security Level Income Option	Higher monthly payments prior to age 62/65 with lower benefit after age 62/65 with Social Security benefit expected to commence	Not available
100% and 66 2/3% Joint-and-Survivor Pension	Eligible surviving spouse receives lifetime 100% continuation of Participant’s monthly benefit	Not available
50% and 75% Husband-and-Wife Pension	Eligible surviving spouse receives lifetime 50% or 75% continuation of Participant’s monthly benefit	Current factor is further reduced to account for removal of 60 guaranteed payments

For an **unreduced and un-deferred**
pension benefit, you **MUST** have
42,500 hours.



Example of Rehabilitation Plan

	Benefits earned prior to July 1, 1996	Benefits earned after June 30, 1996, and prior to the first retirement date	Benefits earned after 1st retirement date
Pension	Payable immediately	Deferred to the earlier of age 55 or the date the participant reaches 42,500 hours.	Deferred to the earlier of age 55 or the date the participant reaches 42,500 hours.
Affected by Rehabilitation Plan	No	Yes	Yes
Why?	This portion of the benefit is protected upon <u>recommencement</u> of benefits. The elimination of the actuarial subsidy are only applicable to benefits which first commence after June 30, 2010	This portion of the benefit is treated as a separate pension with a new annuity starting date. Since benefits under this portion began after July 1, 2010, the provisions of the Rehabilitation Plan will apply. This portion of the pension will be actuarially reduced if commence prior to age 55.	The provisions of the Rehabilitation plan again apply. This portion of the benefit is deferred to age 55 on an unreduced basis or is payable prior to age 55 on an actuarially reduced basis.

Early Retirement Pension Benefits

Participant's Age	Alternative Schedule 2	Default Schedule
54	31.9%	31.4%
53	29.0%	28.6%
52	26.5%	26.0%
51	24.1%	23.7%
50	22.0%	21.6%
49	20.1%	19.8%
48	18.4%	18.1%
47	16.8%	16.5%
46	15.4%	15.1%
45	14.2%	13.9%
44	13.0%	12.7%
43	11.9%	11.7%
42	11.0%	10.7%
41	10.1%	9.9%
40	9.2%	9.1%

Early Retirement Pension Benefits

Participant's Age	Alternative Schedule 2	Default Schedule
54	\$319.00	\$314.00
53	\$290.00	\$286.00
52	\$265.00	\$260.00
51	\$241.00	\$237.00
50	\$220.00	\$216.00
49	\$201.00	\$198.00
48	\$184.00	\$181.00
47	\$168.00	\$165.00
46	\$154.00	\$151.00
45	\$142.00	\$139.00
44	\$130.00	\$127.00
43	\$119.00	\$117.00
42	\$110.00	\$107.00
41	\$101.00	\$99.00
40	\$92.00	\$91.00

Retiree Health Plan



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You **must** complete an application to determine eligibility for the Retiree Health Plan **and** enroll to participate.



RHP Eligibility

- To become eligible you must meet the following requirements:
 - Age & Years of Credited Pension Service
 - Health Plan Hours
 - Enrollment & Payment



Prorated Eligibility Example

Other Agreement per hour contribution rate	IW's Agreement per hour contribution rate	Total Hours worked	Eligibility hours
\$5.00	\$10.00	100	50

Formula

$$5/10 \times 100 = 50 \text{ eligibility hours}$$

RHP Eligibility

	TOTAL Disability	PARTIAL Disability Retirement	EARLY Retirement (Age 55-61)	NORMAL Retirement (Age 62 and older)	MAINTENANCE Agreement Retirement (Option)
Pension Requirement	<p>You must be receiving a monthly pension benefit payment from the SC IBEW-NECA Pension Plan AND You must meet the requirements below as of the <u>original pension effective date</u>.</p>				
RHP Requirement	No age requirement	Age 50 or older	At least age 55, but must retire before reaching age 65; AND must have at least 25 years of credited service under the SC IBEW-NECA Pension Plan	Age 62 and older	Age 50 when you retired and must have continuity of employment under the Maintenance Agreement to maintain eligibility for the RHP with no lapse of hours greater than consecutive 24
Age & Credited Service Requirement under the SC IBEW-NECA Pension Plan	May retire at any age prior to 65 AND must have 10 vesting service years or 15,000 pension hours	See requirements under "Total Disability Retirement"	You must be at least age 55 and must retire before reaching age 65; AND must have 10 vesting service years or 15,000 pension hours	Must be at least age 65 AND must have accumulated 5 vesting service years.	See requirements under "Early Retirement"
Contributed Hours Requirement	<p>30,000 Health Hours under a CBA requiring a RHP contributions OR 10,500 hours in 7 of the 10 years immediately preceding the date of your retirement under a CBA requiring RHP contributions.</p>				
Payment Requirement	You must make monthly payments or authorize the Trust Fund to deduct the required payment from your monthly pension benefit payment.				

Must do's of RHP

You must...

- Receive a monthly pension benefit payment from the Southern California IBEW-NECA Pension Plan
- Meet all the Health Plan requirements as of your original pension effective date.
- Make monthly payments or you authorize the Trust Fund to deduct the required payment from your monthly pension benefit payment.

REMINDER – Check the Rules

- RHP eligibility may change. Check with the Fund Office BEFORE you retire.
 - Normal Retirement
 - Early Retirement
 - Total Disability
 - Partial Disability

RHP Options

- Kaiser Permanente Senior Advantage
- PacifiCare Secure Horizon
- Medicare Supplement Plan
- Premium Reimbursement



Current RHP Monthly Rates

	Retiree 55-65	Retiree 55-65 Spouse <65	Retiree 65+ (Medicare A & B)	Retiree 65+ Spouse 65+ (Medicare A & B)	Retiree 65+ (Medicare A & B) Spouse <65
Kaiser Permanente	\$21.00	\$42.00	\$12.00	\$24.00	\$33.00
PacifiCare	\$26.00	\$54.00	\$15.00	\$29.00	\$36.00
Premium Reimbursement*	\$26.00	\$54.00	\$26.00	\$54.00	\$54.00
Medicare Supplement*	N/A	N/A	\$22.00	\$44.00	N/A

* Prescription drug coverage is provided through Prescription Solutions

NOTES:

- Maximum monthly dollar reimbursement: 1-party \$279.08 2-party \$585.21
- Medicare Supplement annual maximum benefit: \$2,500 per person per year

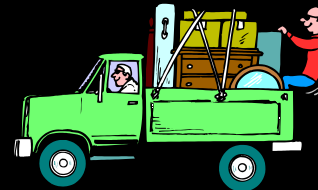
Rates effective: 10/1/09-9/30/10

Reminder

- Keep the Administrative Trust Funds Office informed of changes:

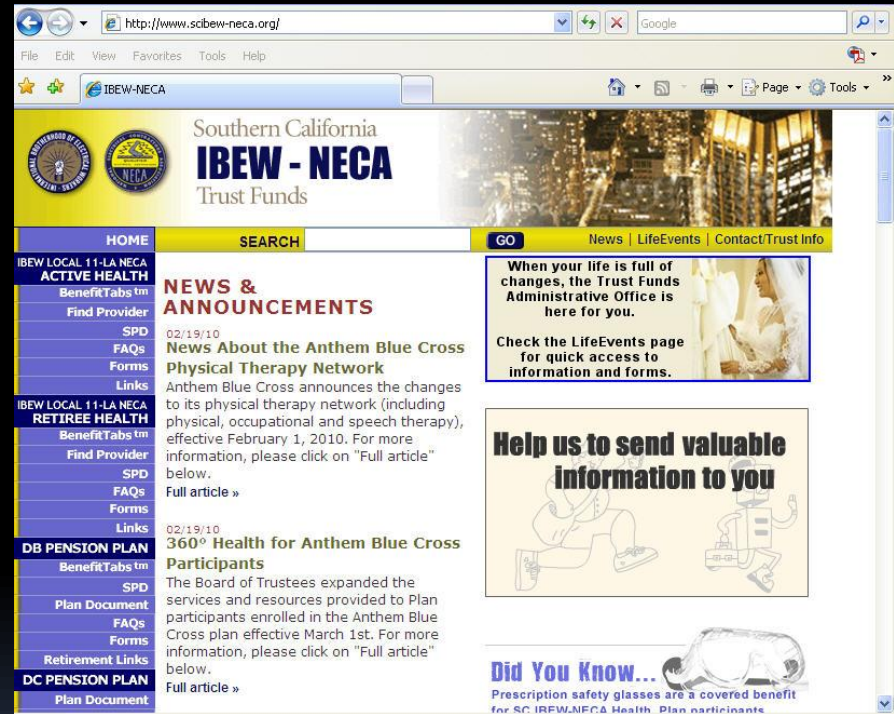


- Address
- Birth/Adoption of Children
- Death of a spouse or dependent child
- Marriage
- Divorce
- Beneficiary Designations



Website Announcement

- Website has been enhanced.
 - 24/7 Information Access
 - Green and Paperless
 - Update your contact information



Register TODAY!

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Thank you!

Don't forget to visit your dedicated website at www.scibew-neca.org

The website contains current:

- News and announcements
- *Summary Plan Descriptions (SPDs)* with Amendments
- Forms
- Quick access to other links
- and much more...

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