



PENSION PLAN IBEW LOCAL No 2 & No 309



The Pension Plan is a valuable Metro benefit which provides you with a monthly payment when you retire to supplement your Social Security and personal savings.

ELIGIBILITY / PARTICIPATION / ENROLLMENT

Participation is automatic for full-time employees of Metro who are represented by the Memorandum of Agreement between Local No. 2 and No. 309 of the International Brotherhood of Electrical Workers and Metro. You do not need to enroll to be eligible.

VESTING

You become 100% vested in the Pension Plan after 10 years of Credited Service with Metro. This means that you will be eligible for a monthly pension benefit following your employment with Metro.

COST / CONTRIBUTIONS

You and Metro share in the cost of this valuable benefit plan.

Metro contribution: 70% of the total required weekly contribution.

Employee contribution: 30% of the total required weekly contribution.



BENEFICIARY

As an active employee, you can name any person as your beneficiary. You must complete a *Beneficiary Designation Form*. You can change your beneficiary at any time before your retirement benefit begins.

FULL PENSION BENEFITS



When you meet one of the age and/or service requirements below, you will be entitled to receive a monthly pension benefit without a reduction for early commencement. The monthly benefit will be payable for your lifetime beginning on the first day of the month following your retirement date.

➤ **Age 65 with at least 12 years of service:** If you have at least 12 years of Credited Service, you can retire at age 65 and receive a lifetime monthly pension of \$60 for each full year of Credited Service.

Example: Assume that you have 18 years of Credited Service, you can retire at age 65.

Your monthly pension benefit will be: 18 yrs. X \$60 = \$1,080.00 /month

➤ **At any age with at least 25 years of service:** If you have 25 or more years of Credited Service, you can retire at any age and receive a lifetime monthly pension of \$60 for each full year of Credited Service.

Example: Assume that you have 28 years of Credited Service, you can retire at any age.

Your monthly pension benefit will be: 28 yrs. X \$60 = \$1,680.00 /month



BENEFITS FOR DISABILITY IN ACTIVE SERVICE



An employee who has at least 10 years of Credited Service and who meets the disability requirements will be eligible for pension benefits. To qualify, an employee:

- Must be off work due to the disabling condition for a period of six (6) months and apply for a disability pension; and
- Must be determined by a Metro appointed physician to be either physically or mentally incapable of performing the duties of the last position held with Metro; or
- Must be approved for Federal Social Security Disability Benefits.

The disability pension benefit is based on the years of Credited Service as of the date determined to be disabled.

DEATH IN ACTIVE SERVICE

In the event of the death of an employee in active employment with at least 10 years of Credited Service, the plan provides a monthly pension benefit payable to the participant's spouse or other named beneficiary based on the years of the participant's Credited Service at the date of death.

The benefit payable to the beneficiary is the benefit that the employee would have been entitled to receive if he/she had retired on the first day of the month of the date of death and had elected a payment option for which the spouse or beneficiary is eligible.

If the beneficiary is a surviving spouse, the surviving spouse may elect a benefit payable for his/her lifetime or the survivor portion of the 10 Year Certain Option. If the beneficiary is not the employee's spouse, the beneficiary is eligible for the survivor portion of the 10 Year Certain Option only. Payments under the survivor portion of the 10 Year Certain Option ceases after 10 years.

TERMINATED VESTED BENEFIT

An employee who terminates employment prior to meeting the requirements for a pension benefit outlined above and who has at least 10 years of Credited Service, may elect to receive (1) a refund of the participant contributions plus an interest factor or (2) a monthly vested pension benefit at age 65.

BENEFIT OPTIONS



Which option is best for me?

Things to consider

1. The income that you need for retirement.
2. Social Security.
3. The income that your spouse will need if you die first.
4. Any pension benefit that your spouse has.
5. Any life insurance that you have.
6. Other assets and/or savings that you have.
7. Your health and the health of your spouse.

At retirement, you elect an option on how you want your retirement benefit paid. Regardless of which form of payment you elect, your retirement benefit will be payable to you for your lifetime. *Remember*, once you elect an option and begin receiving benefit payments, you cannot change your benefit payment option.



The available forms of payment are:

Straight Life Option: This is the normal form and provides a monthly retirement benefit that will be payable for your lifetime. This option offers you the highest monthly benefit; however, there is no benefit payable to anyone after your death.

Ten (10) Year Certain Option: This option provides a monthly benefit that will be payable for your lifetime. However, if you should die before receiving 120 monthly payments (10 years), your designated beneficiary (or your estate) will receive the same amount for the remainder of the 120 monthly payments. If you should die after the 10 year period, no additional benefit will be paid to your designated beneficiary. Since this option provides a minimum of 120 monthly payments, your monthly benefit is reduced from the Normal Form.

Contingent Annuitant Options: These options provide a monthly benefit that will be payable for your lifetime or the lifetime of your spouse, whoever lives longer. With these options, your spouse at the date that you make your election continues to receive either 50% or 100% of your benefit for his/her lifetime if you should die first. If you elect this option, the amount of your monthly benefit will be less than under the Straight Life Option since it provides a benefit for whoever lives longer between you or your spouse. The amount of your monthly retirement benefit will be determined by (1) your age, (2) the age of your spouse and (3) the percentage (50% or 100%) that you elect. If your spouse dies before you, monthly benefit payments will be discontinued upon your death.

Upon retirement, the value of your accumulated sick leave hours will be converted to a Supplemental Pension Benefit which can be paid in either a single lump sum or monthly payments.

SUPPLEMENTAL PENSION BENEFIT

Lump Sum Option: If you elect to receive your Supplemental Pension Benefit in a lump sum payment, your benefit will be equal to your hourly rate of pay at retirement multiplied by 85% of the lesser of your accumulated sick leave hours or 1,248 hours.

Monthly Payments: If you elect to receive your Supplemental Pension Benefit in monthly payments, your monthly benefit will be equal to your hourly rate of pay at retirement multiplied by your total accumulated sick leave hours, and then multiplied by a conversion factor based on the number of years that you elect to receive payments. You can elect to receive your monthly payments over 3, 5, 10, 15, or 20 years. The longer that you elect to receive your payments, the lower the monthly benefit; however, your total payments will be larger.

Example: Assume your accumulated sick leave at retirement equals the maximum number of hours (1248 hours), plus "excess" sick leave of 500 hours for a total accumulated sick leave of 1748 hours. Also assume that your hourly rate at retirement is \$26.31.

Lump Sum Option: If you elect the Lump Sum Option, your Supplemental Pension will be calculated as follows:

$$\$26.31 \times 1,248 \text{ hours (max.)} \times .85 = \underline{\$27,909.65 \text{ total payout}^*}$$

*IRS regulations require 20% withholding for taxes.

Monthly Payments: If you elect the Monthly Payments Option, your Supplemental Pension will be calculated as follows:

$$\$26.31 \times 1,748 \text{ hours} = \$45,989.88 \text{ (accumulated sick leave value at retirement)}$$

Then, if you elect to receive your payments over 10* years,

you would receive \$447.02/month for a total payout of \$53,642.40.

If you die before the 10 years of monthly payments, your beneficiary would receive the remaining payments.

* The conversion factor for a 10 year payout is \$9.72 / \$1,000.

APPLYING FOR RETIREMENT



Applications for retirement benefits must be made in writing and received by the Human Resources Department no later than the first day of the month immediately preceding your retirement commencement date. However, to ensure that your first retirement payment begins in a timely manner, it is recommended that your written request be received at least 60 days in advance.

This summary offers a brief overview of the Metro IBEW Local No. 2 and Local No. 309 Pension Plan provisions. If this summary differs from the information in the Metro IBEW Local No. 2 and Local No. 309 Pension Plan document, the provisions of the Pension Plan document will govern.