

# Plumbers & Pipefitters Local #354

## PENSION FUNDS

c/o BEACON ADMINISTRATORS &  
CONSULTANTS, INC.  
6500 Brooktree Road, Ste 205  
Wexford, PA 15090

Phone: (412) 481-1641 or (844) 746-9876  
Fax: (724) 799-2284

### PLUMBERS & PIPE FITTERS

#### LU #354 PENSION PLAN

#### **NOTICE TO PARTICIPANT OF DISTRIBUTION ELECTION**

This Notice explains the various elections you are entitled to make under the Plan with respect to the distribution.

For at least 30 days after you receive this Notice, you have the right to consider your decision whether to consent to a distribution of your account balance, whether to waive the Qualified Annuity Benefit (**see paragraph 3**) and to consent to another benefit payment option (**see paragraph 2**), or whether to elect a direct rollover of any portion of your distribution eligible for a rollover. If you sign and return the attached Benefit Application to the Fund Office less than 30 days after you receive this Notice, the Fund will treat that action as an affirmative waiver on your part of any unexpired portion of the minimum 30 day period and as an affirmative election on your part of a distribution or a direct rollover. If you affirmatively elect a benefit payment option rather than the Qualified Annuity Benefit, you have the right to revoke that election until you receive funds from the Fund, or if later, until 7 days have elapsed from when you received this Notice.

#### 1. **OTHER FORMS INCLUDED WITH THIS NOTICE:**

We have provided you with the following forms:

##### **BENEFIT APPLICATION**

Use this form to elect payment of your benefits. See the explanation of your benefit options in paragraph 2 of this Notice. **If you are married, your spouse must consent to your election unless you elect the Qualified Annuity Benefit.**

##### **SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS**

This Notice explains your right to elect a direct rollover of your distribution to another plan or IRA. This Notice also explains the income tax withholding rules if you elect to receive all or a portion of the distribution directly from the Fund.

##### **BENEFICIARY DESIGNATION**

**If, on the Benefit Application, you elect installment payments, you must complete a Beneficiary Designation Form.** If you are married, your spouse must consent to the Beneficiary Designation unless he or she is the only designated beneficiary. If you already have a Beneficiary Designation on file with the Fund Office, you may use that designation only if your spouse signs (or signed) consent to that designation within the 90 day period ending on the date you receive your first distribution.

#### 2. **BENEFIT PAYMENT OPTIONS**

Unless you elect another form of payment, the Plan requires that the payment to you be made in the form of a Qualified Annuity Benefit. Paragraph 3 of this Notice contains an explanation of the Qualified Annuity Benefit. Instead of a Qualified Benefit, you may elect distribution in the following forms:

- (a) Direct rollover
- (b) Lump sum payment
- (c) Fixed monthly installments

You also may elect one form of payment for part of your distribution and another form of payment for another part of your distribution. **For example**, you may elect a direct rollover for part of your distribution and a lump sum payment for the other part. See the Special Tax Notice Regarding Plan Payments for rules on splitting your distribution and see the Benefit Application for the various distribution options and combinations of options available.

#### 3. **QUALIFIED ANNUITY BENEFIT**

If you are married, the Qualified Annuity Benefit is a Joint and Survivor Annuity. A Joint and Survivor Annuity is a level, monthly payment for your life and if your spouse survives you, a level, monthly payment for him/her equal to 50% of the monthly amount payable during your joint lives. If you are not married, the Qualified Annuity Benefit is a life annuity. A life annuity is a level, monthly payment for your lifetime, with no payment continuing after your death to your beneficiary. These payments are guaranteed for your lifetime and if you are married, your spouse's lifetime.

The Trustees of the Fund will provide the Qualified Annuity Benefit by using your account balance to purchase an annuity contract from an insurance company. The Trustees will then distribute the contract to you as evidence of your right to receive the annuity payments from the insurance company. The actual level, monthly payment made under the annuity contract will depend on the annuity purchase rates used by the insurance company, the age of you and your spouse at the time the distribution begins, and the value of your account balance at the time the Trustees purchase the annuity contract. The Trustees will charge your account for the costs incurred incident to the purchase of the annuity contract.

To determine the approximate level, monthly payments you will receive under the Qualified Annuity Benefit as of the distribution date; divide your account balance by the annuity factor from the following Table which most closely approximates your situation. Determine your age and, if you are married, your spouse's age as of the birth date nearest the proposed distribution date. If none of the examples closely approximates your situation, you may obtain a more accurate factor from the Fund Office.

#### ANNUITY FACTOR TABLE

Married Participant's Age	Spouse's Age	Annuity Factor	Unmarried Participant's Age	Annuity Factor
50	45	165.14	50	153.16
50	50	162.90	52	148.45
50	55	160.77	54	143.49
55	50	154.65	55	140.93
55	55	151.88	57	135.59
55	60	149.29	59	130.02
60	55	142.40	60	127.15
60	60	139.06	61	124.23
60	65	136.00	62	121.26
65	60	128.50	63	118.25
65	65	124.59	64	115.21
65	70	121.16	65	112.14
70	65	113.43	66	109.07
70	70	109.09	68	102.91
70	75	105.32	70	96.69

Please note that we have based these annuity factors on the UP - 1984 mortality tables, assuming a 6% interest rate. The insurance company from which the Trustees purchase the annuity contract may use different factors. Different factors will produce a different monthly payment.

The number you arrive at by dividing the annuity factor into your account balance represents the approximate monthly payment you will receive during your lifetime if you elect to commence distribution on the proposed distribution date. If you are married, one-half of that resulting number represents the approximate monthly payment your spouse will receive after your death if he/she survives you. For example, if you and your spouse are both age 65 and your account balance is \$10,000, your approximate monthly payment is \$80.26 (\$10,000 divided by 124.59) and, if your spouse survives you, the approximate monthly payment to your surviving spouse is \$40.13. If you are unmarried, age 65, and your account balance is \$10,000, your approximate lifetime monthly payment is \$89.17 (\$10,000 divided by 112.14).

#### 4. FINANCIAL EFFECT OF DISTRIBUTION OPTIONS

**Under a Qualified Annuity Benefit you will receive lifetime income.** If you are married and your spouse predeceases you, the annuity payments will continue until your death. If you are married and your spouse

survives you, the Qualified Annuity Benefit will make the joint life payments until your death and continue 50% of the joint life payments until your spouse's death. **The Qualified Annuity Benefit will not pay any death benefits to other beneficiaries.** If you waive the Qualified Annuity Benefit, you may receive your account balance in any form described in Paragraph 2 of this Notice.

A direct rollover means the Fund pays the distribution amount directly to another plan or to an IRA on your behalf. See the Special Tax Notice Regarding Your Plan Payments included with this Notice. A lump sum payment means you receive a single payment of the distribution amount. Under an installment distribution, the Fund makes fixed periodic payments to you of your account balance. If you elect to receive installment payments from the Fund, your account balance will be subject to gain or loss in the same manner as other Trust Fund assets. Because of the investment performance of the Trust Fund, the total amount the Trustees ultimately pay you under the installment option could be more or less than the value of your account balance as of the proposed distribution date. After commencing an installment distribution, you may accelerate the payment of all or any portion of your unpaid account balance at any time. If you elect an installment distribution, you must also complete a Beneficiary Designation Form. See the explanation of the Beneficiary Designation form contained in Paragraph 1 of this Notice.

5. **FURTHER INFORMATION**

If you have any questions regarding the information provided in this Notice or any form included with this Notice, please contact the Fund Office at the following:

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Phone: (412) 481-1641 or (844) 746-9676  
Fax: (724) 799-2284

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Last Day Worked: \_\_\_\_\_ Birthdate: \_\_\_\_\_

Spouse's Name: \_\_\_\_\_ Spouse's Birthdate: \_\_\_\_\_

### Reason For Benefit Application

1. \_\_\_\_\_ I am 58 or older and am retiring/have retired from active employment within the Plumbing and Pipefitting Industry.
2. \_\_\_\_\_ I am Total Disabled. (Attach a copy of your Social Security Disability Award Notice)
3. \_\_\_\_\_ I am no longer working in covered employment and (A) at least 6 months ago I submitted the required notarized Termination Notice to both the Trustees of the Fund and to the Union. (B) No Contributions have been paid on my behalf into the Fund since the date my Termination Notice was received in the Fund Office, and (C) I have not revoked by Termination Notice
4. \_\_\_\_\_ I am no longer working in employment for which a contribution is required to be paid to the Pension Fund and (A) at least 6 months ago I submitted the required notarized Termination Notice to the Trustees of the Fund, (B) no contributions have been paid on my behalf into the Fund since the date my Termination Notice was received in the Fund Office, (C) I have not revoked my Termination Notice and (D) I am requesting a rollover to my Home Local Defined Contribution Plan.

### Type of Benefit Desired

1. **ELECTION:** I, the undersigned Participant, have read this "Benefit Application", the "Notice to Participant of Distribution Election" and the "Special Tax Notice Regarding Plan Payments" and make the following distribution election: (Choose (A) or (B))
  - A. **QUALIFIED ANNUITY BENEFIT:** I elect to receive the Qualified Annuity Benefit. (note If you elect (A), skip to #3.)
  - B. **WAIVER OF QUALIFIED ANNUITY BENEFIT:** I waive the Qualified Annuity benefit and instead elect: (Choose (1), (2), (3), (4), (5), or (6)). **A Terminated participant can only elect (B) 1, 2 or 3.**
    1. \_\_\_\_\_ A direct rollover of my entire account balance to the IRA or plan designated in Section 2

2. \_\_\_\_\_ A direct rollover of the following portion of my account balance to a traditional Roth IRA or eligible employee benefit plan designated in Section 2: \_\_\_\_\_ (not less than \$500.00), with the balance paid in a lump sum (less any applicable income tax withholding).

3. \_\_\_\_\_ A lump sum payment of my entire account balance (less any applicable income tax withholding) **valued as of the date of disbursement**.

4. \_\_\_\_\_ Fixed monthly installment payments of \$\_\_\_\_\_ per month (not less than \$100.00 per month, less any applicable income tax withholding).

5. \_\_\_\_\_ A lump sum payment of \$\_\_\_\_\_ (less any applicable income tax withholding) and the balance paid in fixed monthly installment payments of \$\_\_\_\_\_ per month (no less than \$100.00 per month, less any applicable income tax withholding). **Note: This form of payment is available only if the value of your account balance remaining after the initial lump sum equals or exceeds \$5,000.00.**

6. \_\_\_\_\_ A single payment of \$\_\_\_\_\_ (less any applicable income tax withholding). I understand that each additional distribution I request will require the completion of a Benefit Application.

7. \_\_\_\_\_ A distribution required by law due to reaching age 70 ½ (less any applicable income tax withholding). **Please complete the enclosed W-4P.**

## 2. INFORMATION FOR DIRECT ROLLOVER

**(Do not complete this Section unless you check (B)(1) or (B)(2) in Section 1).**

I represent that the IRA or plan designated below is a proper recipient for a direct rollover:

Name of IRA or Plan: \_\_\_\_\_

**(check payable to)**

If an IRA, name of trustee, custodian or insurer \_\_\_\_\_

Address to send direct rollover: \_\_\_\_\_

Account #: \_\_\_\_\_

Telephone # of IRA Plan representative: \_\_\_\_\_

3. **MARITAL STATUS:** I am: (check one)  married  not married

### 4. EXECUTION BY PARTICIPANT:

I consent to the distribution elected above and affirmatively waive any unexpired portion of the minimum 30-day notice period during which I may consent to a distribution from the Fund. I certify the above information is true and correct to the best of my knowledge. I hereby authorize all actions necessary to implement the elections made above.

Signature of Participant \_\_\_\_\_

Date Signed \_\_\_\_\_

Signature of Witness: \_\_\_\_\_

**NOTE: If you are married and you have elected to waive the qualified annuity benefit by executing Section 1(B), your spouse must complete Section 5 and a Notary Public must notarize your spouse's signature in Section 6.**

**5. CONSENT OF SPOUSE:**

I, \_\_\_\_\_, spouse of the Participant, hereby consent to the waiver of the Qualified Annuity Benefit and to the timing and form of distribution elected on this form. I have received a written explanation of: (A) the Qualified Annuity Benefit, (B) my right not to consent to this waiver election, (C) my right to consider my decision for at least 30 days from the receipt of the written explanation, (D) the waiver election period, and (E) the financial effect of the election not to receive benefits in the Qualified Annuity Benefit form. I understand my consent is irrevocable unless my spouse revokes the waiver election. I understand and change in this form of benefit election is subject to my consent, unless my spouse elects to receive the Qualified Annuity Benefit.

I have executed this election this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
**(Signature of Participant's Spouse)**

**NOTE: If your spouse completes Section 5, a Notary Public must complete Section 6.**

**6. WITNESS OF SPOUSE'S SIGNATURE BY NOTARY:**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned, a Notary Public, personally appeared \_\_\_\_\_ who stated that he/she executed the above Consent of Spouse as a free and voluntary act.

IN WITNESS WHEREOF, I have signed my name and affixed my official notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**IF YOU ARE MARRIED AND YOU HAVE ELECTED TO WAIVE THE QUALIFIED ANNUITY BENEFIT, YOUR SPOUSE MUST SIGN THE ABOVE CONSENT AND HIS OR HER SIGNATURE MUCH BE NOTARIZED OR YOUR WAIVER WILL BE INVALID!**

**FEDERAL INCOME TAX  
WITHHOLDING ELECTION FORM**

Participant's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

**LUMP SUM PAYMENTS**

I want the mandatory 20% withheld from my lump sum pension benefit.

**MONTHLY PAYMENTS ONLY:**

I do not want to have income tax withheld from my monthly pension benefit.

I want income tax withheld from my monthly pension benefit according to my status:

Single

Married

Married, by withhold at higher single rate.

Indicate number of dependents, if any: \_\_\_\_\_

**PLEASE NOTE: Depending on the amount of your monthly benefit and the number of dependents, withholding of federal taxes may not be required. You should check with a tax advisor, legal or financial advisor regarding any tax questions.**

**Participant's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_