

# Northwest Ironworkers Retirement Trust

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Administered by  
Welfare & Pension Administration Service, Inc.

**June 6, 2014**

**TO: All Participants**  
**Northwest Ironworkers Retirement Plan**

**RE: Summary of Material Modification—**  
**Amendment of Suspension of Benefits Rules Effective July 1, 2014**

This notice describes a recent amendment to the suspension of benefit rules (sometimes called the “return to work” rules) of the Northwest Ironworkers Retirement Plan. The amendment only affects participants *under* age 65 who work in Covered Employment\* *on or after* July 1, 2014.

## **Pre-Amendment Suspension Rule**

**General Rule.** Under the current suspension rules, a retiree’s benefits are suspended for any month in which he works 40 hours or more during the month, or 40 hours or more during a four-or-five week payroll period ending in the month:

- in the geographic jurisdiction covered by the Plan, which consists of Oregon, Washington, Western Montana, and Northern Idaho;
- in an industry in which Employees covered by the Plan were employed and accrued benefits under the Plan at the time of the Participant’s Annuity Starting Date; and
- in work which requires directly or indirectly the use of the same skills employed by the Participant at any time under the Plan.

**Special Rule For Retirees Under Age 65 with Covered Employment Before July 1, 1992.** A special rule applies to retirees under age 65 who worked in Covered Employment\* before July 1, 1992. Under the special rule,

- Benefits accrued before July 1, 1992 are suspended only if: (1) benefits would be suspended under the “*General Rule*,” stated above; and (2) the return to work is in Covered Employment, or in employment for wages or profit as a craftsman in the Building and Construction Industry.

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\* Covered Employment means employment for which an employer contribution is required to the Retirement Plan pursuant to a Collective Bargaining Agreement or other contribution agreement.

## No Change in Suspension Rule for Retirees Age 65 or Older

The “General Rule,” stated above, continues to apply to all retirees who are age 65 or older and return to work.

Upon attaining Normal Retirement Age a vested participant is entitled to begin receiving monthly Regular Pension payments. Regardless of whether a participant retires, benefits are not payable and will be permanently withheld and forfeited for each month the participant works 40 or more hours in suspendable employment as described under the General Rule.

No benefits are suspended upon attainment of the “required beginning date,” which is April 1<sup>st</sup> of the calendar year following attainment of age 70½, or if later and elected by a retiree who is not a 5% owner, the date of retirement.

### New Suspension Rule Effective July 1, 2014 for Retirees Under Age 65

For retirees *under* age 65, the following new rule applies until attainment of age 65:

- Benefits accrued prior to July 1, 2014 will be suspended under the “Pre-Amendment Suspension Rule,” stated above.
- Benefits accrued on or after July 1, 2014 will be suspended if the retiree performs *any employment in any geographic area during a calendar month, or in a four-or-five week payroll period ending in a calendar month, regardless of the number of hours worked in such employment.*

This means that for retirees who have not attained age 65, the Plan will apply three different suspension rules, one to the portion of the benefits accrued *before* July 1, 1992, a second to the portion of the benefits accrued from July 1, 1992 through June 30, 2014, and a third to the portion of the benefits accrued *on or after* July 1, 2014.

### Examples

Here are some examples of how the new rule may affect a retiree under age 65 who retires after accruing the following benefit in the Plan:

| Plan Years       | Years of Service | Monthly Accrued Benefit Amount |
|------------------|------------------|--------------------------------|
| 7/1/85 - 6/30/92 | 7 years          | \$500                          |
| 7/1/92 - 6/30/14 | 22 years         | \$2,240                        |
| 7/1/14 - 6/30/16 | 2 years          | \$60                           |
| <b>Total</b>     | <b>31 years</b>  | <b>\$2,800</b>                 |

**Example 1—Return To Work as Ironworker Inside Plan’s Geographic Area:** The retiree returns to work in Washington State as a full-time ironworker. In this example, the entire monthly benefit is suspended until the post-retirement employment terminates. The \$2,740 earned before July 1, 2014 is suspended because the retiree is working in the geographic area of

the Plan, using the same skills used in Covered Employment, working as a craftsman, and working in an industry in which Plan participants accrue benefits. The remaining \$60 is suspended because benefits earned on and after July 1, 2014 are suspended while a retiree is working in any type of post-retirement employment in any geographic area.

If this retiree is working in Covered Employment for at least 250 hours in the Plan Year, he earns additional benefit accrual and possibly a one-time early retirement age adjustment.

**Example 2—Return To Work as Ironworker Outside Plan’s Geographic Area:** The retiree returns to work in California as a full-time ironworker. In this example, the retiree continues to receive a monthly benefit of \$2,740 while the amount of \$60 is suspended until the post-retirement employment terminates. This is because benefits earned before July 1, 2014 are not suspended if the retiree works outside the geographic area of the Plan. The benefits earned on and after July 1, 2014 are suspended while a retiree is working in any type of post-retirement employment in any geographic area.

**Example 3—Return to Work in Different Industry or Using New Skills:** The retiree starts working in a paint department at a hardware store located in Oregon. In this example, the retiree continues to receive a monthly benefit of \$2,740 while the amount of \$60 is suspended until the post-retirement employment terminates. The benefits earned before July 1, 2014 are not suspended because the retiree is not using the same skills used while working in Covered Employment, is not working as a craftsman, and is not working in an industry in which Plan participants accrue benefits. The benefits earned on and after July 1, 2014 are suspended while a retiree is working in any type of post-retirement employment in any geographic area.

### **Requirement to Notify the Administration Office**

All retirees are responsible for notifying the Administration Office within 31 days after starting any work which may be subject to the suspension rules, regardless of the number of hours worked. If a retiree fails to give notice, there is a presumption that he worked at least 40 hours during the month.

### **Questions**

If you have questions, you may call Megan Lewand at the Administration Office at (206) 441-7226 or toll free at (866) 986-1515, extension 3208.

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This notice is provided in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended, and Section 4980F of the Internal Revenue Code of 1986, as amended. This notice also constitutes a summary of material modification to the 2012 Edition of the Summary Plan Description and Retirement Plan booklet. Please keep this notice with you Booklet.