

# The Ironworkers District Council of the Pacific Northwest Field Ironworkers Annuity Trust Fund

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Administered by  
Welfare & Pension Administration Service, Inc.

March 24, 2011

**TO: All Participants**  
**The Ironworkers District Council of the Pacific Northwest Field Ironworkers Annuity Trust Fund**

**RE: Summary of Material Modifications**

The Board of Trustees of the Ironworkers District Council of the Pacific Northwest Field Ironworkers Annuity Plan (“Annuity Plan”) recently approved a Plan amendment to allow a participant a **limited time period** to qualify for a partial distribution of his or her Account Balance. As further described below, a participant may only qualify for a partial distribution following a termination of employment which lasts a minimum of two-consecutive months between **February 1, 2011 and December 31, 2011**.

## **Entitlement to Benefit - Current Rules**

Currently, a participant who terminates Covered Employment and Continuous Non-Covered Employment may apply for benefits and qualify for a distribution as follows:

- Upon qualification for and approval of benefits from the Northwest Ironworkers Retirement Plan or Alaska Ironworkers Pension Plan; or
- When a participant has not had contributions made or required to be made to the Plan (including money-follows-the-man contributions) in the preceding six-month period (or more) regardless of age, and the participant has not previously received a distribution under this six-month rule; or
- When a participant has less than 250 hours reported for which contributions are made or required to be made to the Plan (including money-follows-the-man contributions) in the preceding 18-month period (or more) regardless of age; or
- When the participant becomes entitled to a Social Security Disability Benefit under Title II of the Social Security Act; or commences a Disability Retirement from either the Northwest Ironworkers Retirement Plan or the Alaska Ironworkers Pension Plan; or
- Upon attainment of Normal Retirement Age (65) with no contributions for 60 days.

## **New Partial Distribution Option Available through December 31, 2011 Only**

A participant may continue to qualify for a distribution under the current rules, listed above. However, under the temporary change adopted by the Trustees, a participant may also qualify for a partial distribution until December 31, 2011 if the following requirements are satisfied:

- The participant has a termination of all employment (covered and non-covered) with all employers contributing to the Annuity Plan for at least a two-consecutive month period from February 1, 2011 through December 31, 2011, and has no contributions made to the Annuity Plan (including money-follows-the-man contributions) during that two-month period. A participant does not qualify for a partial distribution if there is a return to work with a contributing employer prior to payment of the partial distribution.
- The participant has not previously received a distribution under this two-month rule.

- The distribution will be in an amount elected by the participant, but may not exceed the *lesser* of: (1) 50% of the participant's Account Balance as of the Plan's last completed Valuation Date; and (2) \$30,000.
- The participant submits a written application for a partial distribution which is received by the Administration Office on or before February 1, 2012.
- The participant's account will be assessed a \$75 charge to offset the administrative expenses for processing this distribution option. Effective August 1, 2011 the fee was increased to \$200.

After a partial distribution, a participant may apply for the balance remaining in his or her account when he satisfies one of the requirements for a distribution described, above, under "**Entitlement to Benefit - Current Rules.**"

### **Election of Form of Payment for Partial Distribution**

If the participant's *total* Account Balance prior to the partial distribution is over \$5,000, the participant may elect any form of payment available under the Annuity Plan: a lump sum with or without a rollover to another qualified plan or IRA; a joint and survivor option; or ten annual payments.

If the participant's *total* Account Balance prior to the partial distribution is \$5,000 or less, the partial distribution will be paid as a lump sum.

A partial distribution paid as a lump sum will be subject to Federal income tax withholding of 20%, unless the participant elects a direct rollover to another plan or IRA.

### **Example:**

John has a total Account Balance of \$75,000.

- John has a termination of all employment with all contributing employers in February 2011 and March 2011 and has not resumed employment with a contributing employer at the time of the payout.
- John and his spouse (if applicable) complete all the necessary forms to request a partial distribution.
- The Annuity Plan permits a partial distribution of the *lesser* of 50% of John's Account Balance or \$30,000. Therefore, the maximum that John can request is \$30,000.
- John requests a partial distribution of \$30,000 payable as a lump sum with no rollover. He receives a check for \$24,000 (\$30,000 less 20% that is withheld for Federal income tax). The amount of \$75 is deducted from his remaining account balance to cover processing of the partial distribution. John's check will be issued within 2-6 weeks of receipt of his completed forms.
- John can receive a distribution of the balance remaining in his account when he satisfies one of the requirements for a distribution listed above, under "**Entitlement to Benefit - Current Rules.**"

### **Applications**

You may download the forms to begin the application process from the Trust Fund website: [www.ironworkerstrust.com](http://www.ironworkerstrust.com)

- Click on the "**Forms**" Tab
- Click on the "**Annuity Forms**" Tab
- Click on the link "**Temporary Partial Distribution Forms**"

You may also request the necessary forms by calling or writing the Administration Office or the Local Union office.

If you have any questions concerning the benefits described in this notice, or Plan benefits in general, please write or call Cindy Ray at the Administration Office at 866-986-1515 or 206-441-7226, extension 3208.

Sincerely,

### **Board of Trustees**

### **The Ironworkers District Council of the Pacific Northwest Field Ironworkers Annuity Trust**

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This notice constitutes a summary of material modification to the 2009 Edition of the Summary Plan Description. Please keep this notice with your booklet.