



Eighth District Electrical Fringe Benefit Funds

TO: Plan Participants
FROM: Board of Trustees of the Eighth District Electrical Pension Fund
RE: Summary of Material Modifications – Clarifications and Changes to the Pension Plan
DATE: July 2021

The purpose of this Summary of Material Modification (“SMM”) is to summarize recent changes and clarifications that the Board of Trustees made to the Eighth District Electrical Pension Plan (“Plan”) as restated and effective April 1, 2014. You should keep this notice with your current Summary Plan Description for the Plan. If you have any questions regarding the SMM, please contact the Administrative Office at (844) 989-2321. You may also visit the Plan’s website at <http://www.8thDistrictBenefits.org>

The SMM describes the items discussed in Amendments No. 10 and 11 to the Plan, including clarifications to certain Plan definitions, a temporary modification to the suspension of benefits rules for those Retirees that return to work prior to Normal Retirement Age, and an amendment to the Plan’s rules on the recovery of overpayments. Also enclosed with the SMM is a chart that summarizes some frequently asked questions from participants about what it means to be retired for the purposes of starting a benefit and provides a broad overview of the Plan’s Prohibited Employment and Suspension of Benefits rules.

For more information regarding the Plan’s suspension of benefits rules that are not described in this SMM or enclosed document, please review the applicable provisions in the Plan Document or contact the Fund Office.

I. Clarifying the Definition of “Retired or Retirement”

Effective July 1, 2021, the Plan’s definition of “Retired or Retirement” was clarified to clearly explain that retirement benefits cannot start for anyone prior to Normal Retirement Age who does not have the present intent to retire, which requires a severance from employment.

To be eligible for a retirement benefit from the Plan, an individual must be “Retired” as explained below. If the Plan determines that you were not Retired on the date your pension benefit began, you were not entitled to any benefits you received, and you may have to return those benefits to the Plan.

To be “Retired” Before Normal Retirement Age:

To be “Retired” for the purposes of receiving an Early, Service, or Deferred Retirement Benefit prior to Normal Retirement Age, a Participant:

1. Must terminate his or her employment relationship with any and all Contributing Employers, and have a present intent to refrain from returning to work for any Contributing Employers; and
2. Must not be engaged in work in Prohibited Employment that leads to a Suspension of Benefits

In other words, to be considered Retired, a Participant who is not yet Normal Retirement Age must:

- Completely withdraw from employment with a Contributing Employer (even work that is not with the tools and would not be covered by a Collective Bargaining Agreement); and
- Cannot be working for a non-Contributing Employer in employment (or self-employment) for wages or profit in the electrical industry, or in the industry the Participant was employed in while he was an Active Employee in the Plan

After Normal Retirement Age:

To be considered Retired after Normal Retirement Age, the Participant must not be employed in Prohibited Employment that results in a suspension of benefits. Generally, Prohibited Employment after Normal Retirement Age that leads to a suspension of benefits means working 40 or more hours in a month for a Non-Contributing Employer:

- In an **industry** in which Employees covered by the Plan were employed and accrued benefits under the Plan as a result of such employment when the payment of pension benefits to the Participant commenced, or would have commenced had the Participant not remained in or returned to employment;
- In **work which requires, directly or indirectly, the same skills** used by the Participant at any time while he was employed under the Plan; and
- In the **Geographic Area** covered by the Plan when payment of pension benefits to the Participant commenced or would have commenced had the Participant not remained in or returned to employment.

In other words, a participant who has reached Normal Retirement Age **does not** have to terminate employment with a Contributing Employer to be eligible for a retirement benefit.

Once any Participant reaches his Required Beginning Date as defined in the Plan, the Plan may commence his benefits without regard to these rules.

II. Clarifying the Definition of Prohibited Employment Prior to Normal Retirement Age

Effective July 1, 2021, the Plan's Definition of Prohibited Employment Prior to Normal Retirement Age was clarified to further explain how the Prohibited Employment rules apply to Retirees that worked in a non-electrical industry as an Active Employee. If the Retiree was employed in the non-electrical industry as an Active Employee, and such employment required contributions to the Plan on his or her behalf, it is considered Prohibited Employment Prior to Normal Retirement Age for the Retiree to return to work in the same non-electrical industry.

Accordingly, effective July 1, 2021, the definition of Prohibited Employment Prior to Normal Retirement Age is clarified as follows:

- Prohibited Employment Prior to Normal Retirement Age means employment in Covered Employment or any employment (or self-employment) anywhere for wages or profit in the electrical industry, or in the industry the Retiree was employed in while he was an Active Employee in the Plan

However, it's not considered Prohibited Employment to:

- Work as an instructor in an IBEW/NECA apprenticeship program or IBEW sponsored training trust
- Work as an electrical inspector

As a reminder, if a Retiree returns to work before Normal Retirement Age, and such employment (or self-employment) is not Prohibited Employment as defined above, the employment will not subject the Retiree to the Plan's Suspension of Benefits rules.

III. Temporary Return to Work Allowance for all Retirees that Return to Work for a Contributing Employer Prior to Normal Retirement Age

Effective July 1, 2021 through March 31, 2022, the Trustees implemented a temporary rule to allow all Retirees that have not yet reached Normal Retirement Age to return to work for a Contributing Employer, and earn a certain amount of income through such employment, before the Plan will suspend his or her benefits.

Specifically, under this temporary rule, if a Retiree returns to work for a Contributing Employer before (s)he reaches Normal Retirement Age, the Retiree may earn up to the maximum amount which the Social Security Administration allows Social Security recipients, who are not yet full retirement age, to earn without loss of Social Security benefits ("the Social Security Maximum") from such work with a Contributing Employer on a calendar year basis before the Plan will suspend the Retiree's benefits. Once the Retiree earns the Social Security Maximum through such work with a Contributing Employer, the Retiree's benefit will be suspended for each remaining month in the calendar year in which the Retiree continues to work any hours in Prohibited Employment, so long as the proper notice was given to the Plan.

In summary, from July 1, 2021 through March 31, 2022, all Retirees that have not yet reached Normal Retirement Age may return to work for a Contributing Employer and earn up to the Social Security Maximum in a calendar year before their monthly benefits are subject to suspension by the Plan.

Prior to this temporary amendment, only Retirees performing Covered Work for a Contributing Employer were covered by this rule.

As a reminder, if you decide to go back to any kind of work after you retire, you must notify the Fund Office, in writing, within twenty-one (21) days after starting work of a type that is or may be Prohibited Employment that leads to a Suspension of Benefits. If you return to work in Prohibited Employment prior to Normal Retirement Age and do not provide such timely written notice, your pension benefits may be suspended for an additional period of six (6) months.

The Suspension of Benefit rules that apply to returning to work for a non-Contributing Employer (both Prior to and After Normal Retirement Age) remain the same.

IV. Recovery of Overpayment Language

Effective April 1, 2021, the general Plan language regarding how the Plan may recover an overpayment made to anyone that was not entitled to such payment has been updated. The specific rules that apply to recover an overpayment when the overpayment occurs because a Participant works in Prohibited Employment have not changed.

Previously, the Plan Document included a specific order of priority the Plan would utilize to recover overpayments. Effective April 1, 2021, that language has been amended to remove the specific order of preference and was replaced with more general language that provides the Plan more flexibility in recovering overpayments. As a reminder, the Plan has the right to recover by all legal and equitable means any amounts, including interest, that were paid in error or to which the recipient was not rightfully entitled to under the terms of the Plan.

If you have any further questions about these Plan changes or the enclosed summary chart, please contact the Administrative Office.