

International Brotherhood of Electrical Workers District No. 9 Pension Plan



A Money Purchase Defined Contribution Pension Plan

Participant Directed Investment Accounts

PRE-RETIREMENT SEMINAR

Members of I.B.E.W. Local Unions No. 48 and 280

APRIL 29, 2021

I.B.E.W. District No. 9 Pension Plan

Third-Party Contract Administration Services By:

Joseph H. Herrle & Associates, Inc.
Portland, Oregon

Investment Platform and Recordkeeping Services By:



Plan Overview and History

- Plan Started March 1, 1968
- Plan Fiscal Year – April 1 to March 31
- I.B.E.W. Ninth District geographic area: Oregon, Washington, California, Nevada, Idaho, Alaska and Hawaii
- Currently 22 I.B.E.W. Local Unions within the Ninth District of the I.B.E.W. participate in the Plan
- 25,912 Active Participants (as of March 31, 2021)
- Plan Type: Money Purchase Defined Contribution Pension Plan with 21 participant-directed investment account options and 13 Target Date balanced asset allocation investment account options
- Total Plan assets are in excess of \$1.9 billion (as of March 31, 2021)

Plan Overview and History

- I.B.E.W. Local 48 began participation in the Plan January 1, 1989.
- I.B.E.W. Local 280 began participation in the Plan January 1, 2002.
- Contributions are immediately 100% vested.
- The I.B.E.W. District No. 9 Pension Plan is signatory to the International Reciprocity Agreement and the Electronic Reciprocity Transfer System (ERTS).
- The Plan is administered by a joint Labor-Management Board of Trustees (3 Union Trustees and 3 Management Trustees). The States of Oregon, Washington and California are represented on the Board of Trustees for the Pension Plan.

Retirement Planning

Because Retirement Planning and the required paperwork require a certain amount of time to complete, when you are getting ready to retire, please remember the following:

- For planning purposes, contact the Administrative Office for the Plan 2 months prior to your retirement date to request the Retirement Benefit Choices Guide booklet; and to
- Request a report which provides the estimated monthly income for each of the Plan's 11 Fixed Income Annuity options available as well as the Full Flexibility Option (FFO).

Retirement Planning

- Meet with a financial advisor (retirement planning coach) of your choice to discuss which retirement benefit option offered by the Plan best meets your retirement goals. It is recommended that you seek out a professional to coach you to and through retirement.
- After determining the distribution option(s) you desire, contact the Plan's Administrative Office for the appropriate distribution application form(s).
- Once your application for Retirement Benefits is approved, it can take 3 to 4 weeks to be processed before benefit payment(s) begin.

Retirement Planning

IMPORTANT:

- Your request for a Retirement Benefit from the Plan cannot be processed until the Plan's Administrative Office has received your employer's final and last report of your hours worked and contributions have been paid and placed in your Account in the Plan.
- Make sure your Beneficiary Designation and your Mailing Address are kept up-to-date and current with the Plan.

Types of Retirement

- Early Retirement – Age 55
- Normal Retirement – Age 62
- Disability Retirement
(Permanent and Total Disability; Social Security Disability Award is required)
- Death Benefit
(Pre- and Post-Retirement)

Retirement Distribution Options

- Leave your Account Balance in the Plan. The IRS does not require you to begin taking a distribution until you reach age 72.
- Cash Distribution – Full or Partial
- One of 11 Fixed Income Annuity options available
- Full Flexibility Option (FFO) which allows you to receive a scheduled series of withdrawals until your Account Balance equals zero
- Direct Rollover to another qualified pension plan or IRA of your choice
- Or a combination of the above

Retirement Distribution Options

Income Tax Withholding

- If you select any form of direct payment instead of rolling over your Account Balance to another qualified pension plan or IRA, a 20% Federal Income Tax is required to be withheld from the payment.
- If you are under age 59½, the IRS may impose an additional 10% early withdrawal penalty. You may elect to have this penalty withheld from your benefit payment. This penalty does not apply if you have “separated from service” during or after the calendar year you turned age 55.

Sample Fixed Income Annuity Proposals

Sample Fixed Income Annuity Proposals
Showing Estimated Monthly Income You Could Receive
From Each of the Plan's 11 Fixed Income Annuity Options

Annuities offered by
Principal Life Insurance Company, Des Moines, Iowa

Your Individual Proposal Will Vary
Based Upon Your Individual Account Balance

Sample Fixed Income Annuity Proposals

These sample annuity benefits assume:

- Participant is male born in 1955 (age 65).
- Co-annuitant is female born in 1965 (age 55). (Applies only to survivorship option(s)).
- Participant's account value is approximately \$313,064.07.
- Rates used to provide these benefit estimates were those in effect March 1, 2021.

Annuity Retirement Income Choices	Estimated Monthly Income
<u>Single Life Annuity (Straight Life Annuity)</u> <ul style="list-style-type: none">• You receive a monthly income for life.• No further benefits are payable after you die.	\$1,454.71
<u>Single Life Annuity with Installment Refund</u> <ul style="list-style-type: none">• You receive a monthly income for life.• If you die before receiving the full purchase price, monthly payments continue to your beneficiary until the purchase price is paid out.	\$1,375.69

Sample Fixed Income Annuity Proposals

- continued -

Annuity Retirement Income Choices – continued	Estimated Monthly Income
<u>100% Joint and Survivor Annuity (Full Survivorship)</u> <ul style="list-style-type: none">• You receive a monthly income for life.• When you die, your co-annuitant receives the same monthly benefit.• When your co-annuitant dies, no further benefits are paid.	\$1,141.53
<u>100% Joint and Survivor Annuity (Full Survivorship) with Installment Refund</u> <ul style="list-style-type: none">• You receive a monthly income for life.• When you die, your co-annuitant receives the same monthly benefit.• If any of the full purchase price remains when your co-annuitant dies, monthly benefits payments continue to the beneficiary until the full purchase price is paid out.	\$1,136.78
<u>75% Joint and Survivor Annuity (Three-Fourths Survivorship)</u> <ul style="list-style-type: none">• You receive a monthly income for life.• When you die, your co-annuitant receives 75% of the amount of your monthly benefit.• When your co-annuitant dies, no further benefits are paid.	\$1,207.59

Sample Fixed Income Annuity Proposals

- continued -

Annuity Retirement Income Choices – continued	Estimated Monthly Income
<p><u>75% Joint and Survivor Annuity with Installment Refund</u></p> <ul style="list-style-type: none">• You receive a monthly income for life.• When you die, your co-annuitant receives 75% of the amount of your monthly benefit.• If any of the full purchase price remains when your co-annuitant dies, monthly benefit payments continue to the beneficiary until the full purchase price is paid out.	\$1,201.83
<p><u>50% Joint and Survivor Annuity (One-Half Survivorship)</u></p> <ul style="list-style-type: none">• You receive a monthly income for life.• When you die, your co-annuitant receives 50% of the amount of your monthly benefit.• When your co-annuitant dies, no further benefits are paid.	\$1,281.76
<p><u>50% Joint and Survivor Annuity with Installment Refund</u></p> <ul style="list-style-type: none">• You receive a monthly income for life.• When you die, your co-annuitant receives 50% of the amount of your monthly benefit.• If your co-annuitant dies before the full purchase is paid out, monthly benefits continue to the beneficiary until the full purchase price is paid out.	\$1,274.61

Sample Fixed Income Annuity Proposals

- continued -

Annuity Retirement Income Choices - continued	Estimated Monthly Income
<u>Life Annuity with 10-Year Certain Period</u> <ul style="list-style-type: none">• You receive a monthly income for life.• If you die before 10 years, your beneficiary continues to receive payments for the remainder of the 10-year period or can receive the remaining benefit in one cash payment.• If you die after 10 years, no further benefits are paid.	\$1,432.76
<u>Life Annuity with 15-Year Certain Period</u> <ul style="list-style-type: none">• You receive a monthly income for life.• If you die before 15 years, your beneficiary continues to receive payments for the remainder of the 15-year period or can receive the remaining benefit in one cash payment.• If you die after 15 years, no further benefits are paid.	\$1,405.64
<u>Life Annuity with 20-Year Certain Period</u> <ul style="list-style-type: none">• You receive a monthly income for life.• If you die before 20 years, your beneficiary continues to receive payments for the remainder of the 20-year period or can receive the remaining benefit in one cash payment.• If you die after 20 years, no further benefits are paid.	\$1,367.16

Full Flexibility Option (FFO)

- The Full Flexibility Option (FFO) allows you to receive a scheduled series of withdrawals until your Account Balance equals zero. You choose the amount of your withdrawal, when it starts, and the frequency of the payments.
- You may change the amount of your withdrawal at any time. Your scheduled payments must equal at least \$1,000 annually. Requests to change your payment amount or payment schedule must be made in writing on Forms provided by the Plan.
- If you die before you receive your entire Account Balance, your beneficiary receives the remaining amount.
- In addition, you may elect to take non-scheduled payments under the FFO option without additional consent from your spouse if they sign the original FFO application form. Requests for non-scheduled distributions must be made in writing on Forms provided by the Plan.

Full Flexibility Option (FFO)

You can choose one of the following scheduled payment amount options:

- Substantially equal payments over your life expectancy, which is determined from IRS life expectancy tables;
- Substantially equal payments over joint life expectancy of you and your co-annuitant, which are determined from IRS life expectancy tables;
- Substantially equal payments over 10 or more years;
- Percent of your Account Balance;
- Fixed amount;
- Required Minimum Distribution – cannot be elected until you reach age 72 or older and have “separated from service / retired.”.

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe

March 1, 2021

Contract Number:	(3)54801	Quote Type:	FFO – Joint
Client Name:	IBEW District 9	Income Type:	Minimum – Monthly
Member Name:	John Doe	Member DOB:	05/04/1955
Member ID Number:	XXXXX9691	Member DOD:	N/A
Co-Annuitant Name:	Mary Doe	Member Age:	65
Co-Annuitant:	Spouse	Co-Annuitant DOB:	10/18/1965
Payment Start Date:	03/01/2021	Co-Annuitant Age:	55
Account Value:	\$313,064.07	Assumed Interest Rate:	4.00%
		Estimated Annual Expense:	\$0.00

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

Calendar Year	Member Age	Co-Annuitant Age	Annual Income	Monthly Income	Year End Balance
2020	65	55	9,981.85	831.82	322,214.20
2021	66	56	10,360.58	863.38	324,742.20
2022	67	57	10,753.05	896.09	326,978.80
2023	68	58	11,197.90	933.16	328,860.10
2024	69	59	11,620.50	968.38	330,394.00
2025	70	60	12,058.18	1,004.85	331,551.60
2026	71	61	12,511.38	1,042.62	332,302.30
2027	72	62	12,980.56	1,081.71	332,613.80
2028	73	63	13,466.15	1,122.18	332,452.20
2029	74	64	13,968.58	1,164.05	331,781.70
2030	75	65	14,488.28	1,207.36	330,564.70
2031	76	66	15,025.67	1,252.14	328,761.60
2032	77	67	15,507.62	1,292.30	326,404.40
2033	78	68	16,079.04	1,339.92	323,381.50
2034	79	69	16,583.67	1,381.97	319,733.10

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

Calendar Year	Member Age	Co-Annuitant Age	Annual Income	Monthly Income	Year End Balance
2035	80	70	17,098.03	1,424.84	315,424.40
2036	81	71	17,621.47	1,468.46	310,419.90
2037	82	72	18,153.21	1,512.77	304,683.50
2038	83	73	18,692.24	1,557.69	298,178.60
2039	84	74	19,237.33	1,603.11	290,868.40
2040	85	75	19,653.27	1,637.77	282,849.90
2041	86	76	20,060.28	1,671.69	274,103.60
2042	87	77	20,455.49	1,704.62	264,612.20
2043	88	78	20,835.61	1,736.30	254,361.10
2044	89	79	21,196.76	1,766.40	243,338.80
2045	90	80	21,634.51	1,802.88	231,726.80
2046	91	81	21,456.18	1,788.02	219,539.70
2047	92	82	21,523.50	1,793.63	206,797.80
2048	93	83	21,541.44	1,795.12	193,528.30
2049	94	84	21,266.85	1,772.24	180,002.60

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

Calendar Year	Member Age	Co-Annuitant Age	Annual Income	Monthly Income	Year End Balance
2050	95	85	20,930.53	1,744.21	166,272.20
2051	96	86	20,527.43	1,710.62	152,395.70
2052	97	87	20,052.07	1,671.01	138,439.50
2053	98	88	19,498.52	1,624.88	124,478.60
2054	99	89	18,578.90	1,548.24	110,878.80
2055	100	90	17,599.81	1,466.65	97,714.14
2056	101	91	16,561.72	1,380.14	85,060.98
2057	102	92	15,465.63	1,288.80	72,997.79
2058	103	93	14,038.04	1,169.84	61,879.66
2059	104	94	12,628.50	1,052.38	51,726.35
2060	105	95	11,494.75	957.90	42,300.66
2061	106	96	10,071.59	839.30	33,921.10
2062	107	97	8,697.72	724.81	26,580.23
2063	108	98	7,183.85	598.65	20,459.59
2064	109	99	6,017.53	501.46	15,260.44

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

Calendar Year	Member Age	Co-Annuitant Age	Annual Income	Monthly Income	Year End Balance
2065	110	100	4,922.72	410.23	10,948.14
2066	111	101	3,775.22	314.60	7,610.85
2067	112	102	2,927.25	243.94	4,988.03

Information regarding your proposal:

- This proposal reflects the minimum distribution payment that is paid to you at the end of each month for maximum tax deferral.
- Minimum distribution amounts shown are based on a joint life expectancy for the ages shown. The IRS requires you to start receiving a minimum distribution by the later of age 72 or the date actually retired.
- These distribution figures assume the investment return on your principal remains unchanged throughout your lifetime. As this is not likely to happen, these figures should be viewed as estimates. Actual distribution amounts will change annually based on the value of your Account and your life expectancy.

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

- Available investments: You will be able to use the same investments offered by the Plan that you did as an Active member. You continue to earn investment return on amounts not yet distributed.
- Full Flexibility Option (FFO) payments will be made from investments on a prorated basis, unless you provide instructions for a different order of withdrawal. If you provide a different order of withdrawal from investments, a \$60 set-up fee will be deducted from your account. In addition, payments from the Guaranteed Interest investments may be subject to a surrender charge.

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

- A spousal beneficiary can continue to receive Full Flexibility Option (FFO) payments based on the value of the account and life expectancy
- A nonspousal beneficiary will only be able to use this option for 5 years or less. IRS Regulations state they must take all the funds out by the end of the fifth year following your death.
- You can elect to receive non-scheduled distributions each year. Non-scheduled distributions are subject to 20% federal income tax withholding, and the additional 10% federal tax may apply unless you are older than 59½, disabled, or older than 55 when you “separated from service.” Non-scheduled distributions may be subject to a surrender charge, and a \$40.00 transaction fee will be charged for each non-scheduled distribution.

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

- A Surrender Charge applies to withdrawals from the Guaranteed Interest Account – 5-Year investment option when the applicable interest rate is higher than the interest rate on any Guaranteed Interest investment being distributed.

Sample Full Flexibility Option (FFO) Proposal

Full Flexibility Option for John Doe - continued

March 1, 2021

Miscellaneous Information:

- You may start or stop payments at any time. You will be required to take a minimum distribution at a specified age (72) or the date actually retired, if later.
- You may request to change the payment amounts.
- You may stop the Full Flexibility Option (FFO) and use the remaining funds to purchase an annuity without being subject to surrender charges.
- Change Requests must be made in writing on Forms provided by the Plan.

Frequently Asked Questions - FAQ's

Q - Am I immediately vested in the Plan?

A - Yes; the Plan provides for 100% immediate vesting of all employer contributions to your individual Account.

Q - Are loans or hardship withdrawals available from the Plan?

A - No, the Plan does not offer loans or hardship withdrawals.

Q - Are the benefits I receive at retirement taxable income?

A - Yes, the employer contributions made on your behalf are taxable as income at distribution.

Frequently Asked Questions - FAQ's

Q - What is the age for early retirement under the Plan?

A - The early retirement date for a participant shall mean the first day of any month following the participant's 55th birthday, if the participant has retired.

Q - What is the normal retirement date under the Plan?

A - The normal retirement date for a participant is the first day of the month coinciding or immediately following the participant's 62nd birthday.

Q - If I die prior to retirement, what happens to my funds?

A - Your designated beneficiary(ies) will be entitled to the full value of your Account.

Frequently Asked Questions - FAQ's

Q - If I am disabled prior to retirement, am I eligible for a distribution of my funds from the Plan?

A - Yes, in the event a participant is permanently and totally disabled, he/she will qualify for a distribution from the Plan. (Social Security Disability Award is required.)

Q - Can I receive a distribution of my funds if I quit my job prior to reaching eligible retirement age?

A - Under Plan rules, you are eligible to receive a distribution of employer contributions if you are no longer working in the Electrical industry (Union or non-Union) within the geographical area of the I.B.E.W. Ninth District (Oregon, Washington, California, Nevada, Idaho, Alaska, Hawaii).

Frequently Asked Questions - FAQ's

Q - What are my retirement distribution options within the Plan?

A - You may leave your Account Balance in the Plan for now or elect one or a combination of several distribution options as follows:

- 1) Receive a single lump sum or a partial cash distribution;
- 2) Select one of 11 Fixed Income Annuity benefit options available;
- 3) Select the Full Flexibility Option (FFO); or
- 4) Select a Direct Rollover to another qualified pension plan or IRA of your choice.

Resource / Information Contacts

Plan Administrative Office

<p>Joseph H. Herrle & Associates, Inc. P.O. Box 1509 Portland, OR 97207-1509</p>	<p>Telephone: (503) 221-1395 Toll Free: 1-800-804-2385 Facsimile: (503) 221-1591</p>
<p>The Plan Administrative Office can assist you with –</p>	
<p>General information about the Plan, including:</p> <ul style="list-style-type: none">➤ Answers to frequently asked questions➤ Current account value➤ Available investment options<ul style="list-style-type: none">• Current investment performance info➤ Employer contribution history reports➤ Reciprocity to or from the plan➤ Eligibility to receive a distribution of funds➤ Effect of a divorce or marriage on benefits<ul style="list-style-type: none">• Qualified Domestic Relations Orders• Model Qualified Domestic Relations Order	<p>Forms and materials needed to facilitate:</p> <ul style="list-style-type: none">➤ Enrollment<ul style="list-style-type: none">• Enrollment forms➤ Address changes➤ Beneficiary designations<ul style="list-style-type: none">• Beneficiary Designation form• Change of Designated Beneficiary➤ Retirement benefit options and estimates<ul style="list-style-type: none">• Request for retirement benefits• Annuity Distribution application forms• Cash Distribution application forms• Direct Rollover application forms➤ Assistance in completing forms➤ Instructions for accessing account and information via Principal Financial Group's website or toll-free phone system

Resource / Information Contacts

Plan Investment Platform Manager / Recordkeeper

Principal Financial Group P.O. Box 9394 Des Moines, IA 50306-9394	Telephone: 1-800-547-7754 Website: www.principal.com Plan Account / Contract #: 354801
<p>The Principal Financial Group can help you:</p> <ul style="list-style-type: none">➤View or listen to daily account values➤Change your investment direction for current account or future contributions➤Investment account options offered by the Plan➤Access your account and information online➤Obtain your on-line account statement➤Obtain investment performance information➤View tips to help find the investment risk that's right for you➤Obtain Fixed Income Annuity Benefit Estimates➤Obtain Benefit Estimates under the Plan's Full Flexibility Option (FFO)➤Obtain general tax information in regard to Distribution of Benefits	

Final Thoughts

- There are 5 important factors to take into consideration when planning for retirement:
 - ⇒ Taxes
 - ⇒ Inflation
 - ⇒ Interest Rates
 - ⇒ Longevity
 - ⇒ Health Care Costs
- To be proactive in planning for retirement, you need a road map to guide you.
- You should seek out the assistance of a qualified, “fee only” financial planner / advisor to coach you to and through retirement, with the goal to design a withdrawal strategy to minimize taxes.
- There are many types of financial planners / advisors. A “Certified Financial Planner” (CFP) is preferable. Individuals with this designation hold themselves to a fiduciary standard. You can locate a CFP in your area by going online to the CFP website: letsmakeaplan.org.