



IBEW LOCAL 595 TRUST FUNDS



November 2021

IBEW LOCAL 595 PENSION PLAN NOTICE TO ALL PARTICIPANTS

The following is a summary of an upcoming change to the Pension Enhancement provisions of the IBEW Local 595 Pension Plan.

Effective for all retirements effective on or after January 1, 2022 the interest rate utilized for pension enhancement benefits will be based on an interest rate equal to the greater of 6.5% or the applicable interest rate, as defined in Section 1.01(C) (1) (b) of the Plan document. The change is being made to reflect an interest rate more consistent with the Plan's current actuarial assumption of 7%. This will result in a different calculation of any pension enhancement you may apply for utilizing a portion of your account balance in the IBEW Local 595 Money Purchase Pension Plan. This is illustrated by the following example:

EXAMPLE A (Current Rules)

You apply for a retirement effective on December 1, 2021 at age 65 for a pension enhancement based upon a transfer of \$100,000 from your account with the IBEW Local 595 Money Purchase Pension Plan. A factor based upon the current interest rate and 2021 mortality table will result in an additional monthly benefit from the Pension Plan in the amount of **\$752.67**.

EXAMPLE B (Rule Effective January 1, 2022)

You apply for a retirement effective on January 1, 2022 at age 65 for a pension enhancement based upon a transfer of \$100,000 from your account with the IBEW Local 595 Money Purchase Pension Plan. A factor based upon the new interest rate and 2022 mortality table will result in an additional monthly benefit from the Pension Plan in the amount of **\$719.99**.

If you wish to obtain a pension enhancement utilizing the Plan's current interest rate rules you must submit a completed application to the Plan office so that it is received by no later than November 30, 2021.

This Notice shall serve as a Summary of Material Modifications to your Plan and should be kept with your current Summary Plan Descriptions for future reference.

If you have any questions, please feel free to contact the Administrative Manager at (925) 208-9996.