



# INTERMOUNTAIN IRONWORKERS PENSION TRUST FUND

**To: Eligible Covered Employees and Beneficiaries, Contributing Employers and Bargaining Parties in the Intermountain Ironworkers Pension Plan**

**Re: Additional Information regarding the Pension Enhancement Option**

**Date: November 2024**

## Pension Enhancement Option (PEO)

In May 2022 and November 2022, you received a mailing describing a new benefit feature called the **Pension Enhancement Option (“PEO”)**.

The PEO benefit is available to retiring participants in the Intermountain Ironworkers Pension Plan (“Pension Plan”) including certain surviving spouses and alternate payees.

### Eligibility

You may be eligible for the PEO benefit if you have a balance in the **Tax Deferral Plan** eligible for withdrawal, retire from the Pension Plan and apply for the PEO benefit when you retire (or within 12 months after your Pension benefits begin).

The PEO benefit is also available to certain surviving spouses of participants who deceased pre-retirement and certain alternate payees with rights to benefits in both the Pension Plan and Tax Deferral Plan. If you are a surviving spouse or an alternate payee interested in the PEO benefit, please contact the Administrative Office to verify eligibility requirements and application deadlines.

### What is the PEO benefit?

- The PEO benefit is a feature that allows you to transfer a portion of your balance from the Tax Deferral Plan to the Pension Plan and receive an additional monthly benefit payable over your lifetime (and, if applicable, your spouse’s lifetime after you die).
- Your PEO benefit is paid in addition to your regular monthly pension benefit. Thus, you receive two monthly benefits from the Pension Plan.
- You can elect any form of annuity payment available under the Pension Plan for your PEO benefit (subject to spousal consent). If you wish, you may elect a different form of payment for your PEO benefit than your regular monthly pension benefit.
- The minimum transfer amount from the Tax Deferral Plan to the Pension Plan is **\$10,000** and the maximum transfer amount is **90%** of your Tax Deferral Plan balance.

- The PEO benefit is paid by the Pension Plan, so is not subject to the additional fees and expenses typically charged by outside insurance companies for lifetime annuities.
- The funds you transfer from the Tax Deferral Plan to the Pension Plan are converted into your PEO monthly annuity. The calculation is based on IRS interest rates and mortality tables. The interest rate is determined by the Plan's Actuary and updated annually. The interest rate in effect for the 2024/2025 Plan Year (June 1, 2024 - May 31, 2025) is 5.5%.
- As with all payment options available under the Pension Plan, once your PEO benefit begins, you cannot outlive your money. Your payments will stay the same every month for the rest of your life. (The exception is if your PEO benefit is being paid as a Participant-and-Spouse Pension with Pop-Up Option, and your spouse dies before you. In that case, your monthly payments would increase, or "pop up." See your Summary Plan Description for more information.)

#### **Example of the PEO Benefit (2024/2025 Plan Year, 5.5% interest rate)**

- Suppose John is retiring from the Pension Plan on January 1, 2025 and has a \$50,000 balance in the Tax Deferral Plan. He is interested in applying for a PEO benefit that begins at the same time.
- The table below shows how much John could receive each month for his PEO benefit, depending on which payment form he chooses and how much he transfers to the Pension Plan. These calculations assume that John is married and that he and his spouse are both age 65. Note that John's spouse must consent in order for him to elect a payment form other than the 50% or 75% Participant-and-Spouse Pension. Figures below are rounded for illustration purposes.

<i>Form of Payment</i>	<i>If John transfers \$20,000 to the Pension Plan, his monthly PEO benefit payment would be...</i>	<i>If John transfers \$30,000 to the Pension Plan, his monthly PEO benefit payment would be...</i>
Single Life Annuity with a 5-Year Certain Feature	\$138	\$207
50% Participant-and-Spouse Pension	\$128	\$191
75% Participant-and-Spouse Pension	\$123	\$184
50% Participant-and-Spouse Pension with Pop-Up Option*	\$127	\$190
75% Participant-and-Spouse Pension with Pop-Up Option*	\$121	\$181

*\*If John's spouse dies before him, his monthly payments would "pop up" to the monthly amount payable under the Single Life Annuity with 5-Year Certain Feature.*

## **Additional Examples of the PEO Benefit**

- The tables below show examples of the PEO benefit if Peter elected to retire from the Pension Plan in a future Plan Year (after the 2024/2025 Plan Year) and is interested in applying for a PEO benefit at the same time.
- Similar to the previous example, assume Peter has a \$50,000 balance in the Tax Deferral Plan and is married and he and his spouse are both age 65.
- The tables below show the PEO benefit under both a 4.5% and 6.5% interest rate with no change in the IRS mortality tables. Figures below are rounded for illustration purposes.

### **4.5% Interest Rate**

<i>Form of Payment</i>	<i>If Peter transfers \$20,000 to the Pension Plan, his monthly PEO benefit payment would be...</i>	<i>If Peter transfers \$30,000 to the Pension Plan, his monthly PEO benefit payment would be...</i>
Single Life Annuity with a 5-Year Certain Feature	\$126	\$189
50% Participant-and-Spouse Pension	\$117	\$175
75% Participant-and-Spouse Pension	\$112	\$168
50% Participant-and-Spouse Pension with Pop-Up Option*	\$116	\$173
75% Participant-and-Spouse Pension with Pop-Up Option*	\$110	\$165

### **6.5% Interest Rate**

<i>Form of Payment</i>	<i>If Peter transfers \$20,000 to the Pension Plan, his monthly PEO benefit payment would be...</i>	<i>If Peter transfers \$30,000 to the Pension Plan, his monthly PEO benefit payment would be...</i>
Single Life Annuity with a 5-Year Certain Feature	\$150	\$225
50% Participant-and-Spouse Pension	\$139	\$208
75% Participant-and-Spouse Pension	\$134	\$201
50% Participant-and-Spouse Pension with Pop-Up Option*	\$138	\$206
75% Participant-and-Spouse Pension with Pop-Up Option*	\$131	\$197

*\*If Peter's spouse dies before him, his monthly payments would "pop up" to the monthly amount payable under the Single Life Annuity with 5-Year Certain Feature.*

### **More information**

- If you are interested in seeing an estimate of your PEO benefit before making a decision, please contact the Administrative Office. You may request an estimate of your PEO benefit at no charge.
- To request application forms for the PEO benefit, contact the Administrative Office at the address or phone number listed above.

**This is a high-level summary. For additional details, please see the previous SMM from May 2022 (which controls in the event of any conflict with this document). You may also contact the Administrative Office for any additional questions.**