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ANNUAL NOTICE REGARDING SUSPENSION OF BENEFITS

EXPIRATION OF TEMPORARY WAIVER DECEMBER 31, 2024

December 2024

The Pipefitters Local 636 Defined Benefit Pension Plan (Plan), like most pension plans, contains suspension of benefit provisions. These provisions permit Plan Trustees to suspend monthly pension benefits when an individual engages in Plan Related Employment after retirement or continues in Plan Related Employment past normal retirement age. In other words, if a pensioner returns to work, his/her pension benefit may be stopped for the period of employment.

A temporary waiver of these rules was issued in July 2017. This temporary waiver has allowed Pensioners who have been retired for at least six months to engage in bargaining unit work under the 636 CBA for a contributing employer and still receive their pension benefit. This temporary waiver has been in place due to manpower shortages in the jurisdiction. The Trustees have repeatedly cautioned participants not to rely on the temporary waiver in deciding whether to retire or commence pension benefits as it could be revoked at any time.

As previously notified, this temporary waiver is set to expire (“sunset”) and will no longer be in effect as of December 31, 2024. As a result, pensioners will no longer be able to work under this temporary waiver and receive wages and a pension benefit at the same time.

EXCEPTION: To avoid disruption of ongoing work, until further notice any pensioner who has been continuously working for the same contributing employer since December 2024 can continue such work under the temporary waiver until this work is completed.

The Trustees retain discretion, based on industry needs, to implement a waiver of the suspension rules in the future. However, for now, there is no such waiver in effect and the suspension of benefit rules outlined on the following pages are in full effect. Please read this information carefully and keep for future reference.

ANNUAL NOTICE

The Pipefitters Local 636 Defined Benefit Pension Plan (Plan), like most pension plans, contains suspension of benefit provisions. These provisions permit Plan Trustees to suspend monthly pension benefits when an individual engages in Plan Related Employment after retirement or continues in Plan Related Employment past normal retirement age.

This is an annual notice explaining the suspension of benefit rules in the Plan.

PLAN PROVISIONS RELATED TO SUSPENSION OF BENEFITS

Plan Related Employment: As noted above, suspension of benefit provisions under the Plan permit the Trustees to suspend monthly pension benefits when an individual engages in Plan Related Employment after retirement or continues in Plan Related Employment past normal retirement age. In summary, Plan Related Employment is:

For pension benefits accrued on or before November 9, 2001: 40 or more Hours of Service in a month following the completion of 400 Hours of Service in a Plan Year.

For pension benefits accrued between November 9, 2001, and January 1, 2006:

- If a Participant retired and did not return to work for at least six months following his/her retirement, 40 hours of work in a month for an Employer in the same Industry in which Employees covered by the Plan were employed, in the same Trade in which the Participant was employed, within the geographic area of the Plan;¹ or
- If a Participant retired and did return to work within six months following his/her retirement, 40 hours of work in a month for an Employer or non-contributing employer in the same Industry in which Employees covered by the Plan were employed, in the same Trade in which the Participant was employed, within the geographic area of the Plan.

For pension benefits accrued on or after January 1, 2006:

- For Participants age 65 or over: 40 or more hours of work per month in the same industry and same trade or craft within the geographical area covered by the Plan for a contributing or noncontributing employer.
- For Participants under age 65: Any employment (of any duration) in the construction industry in any geographic area.

Reporting and Verification Requirements: Every Pensioner must promptly notify the Trustees of any employment, and provide the Trustees with information to verify such employment. A Pensioner must provide information requested by the Trustees, in their sole discretion, to confirm whether he/she is employed or the nature of any employment. The Trustees may withhold benefit payments until such information is provided.

Presumptions: Whenever the Trustees become aware that a Pensioner is engaged in Plan Related Employment and the Pensioner has not complied with the reporting requirements, the Trustees may, unless it is unreasonable to do so, act on the basis of the rebuttable presumption that the Pensioner has engaged in Plan Related Employment and suspend his/her benefits. Further, where the Plan Related Employment at issue is at a construction site, the Trustees may, unless it is unreasonable to do so, act on the basis of the rebuttable presumption that the Pensioner engaged in such employment for the same employer for as long as that employer performed work at that construction site.

Notice of Suspension: A Pensioner shall receive a written notice during the first calendar month in which the Trustees suspend his benefit. The notice shall include a description of the reasons his benefit is being suspended, a general description of the suspension provisions, a copy of the Plan provisions related to suspension of benefits, an explanation of review procedures, and information required by 29 CFR 2530.203-3(b)(4).

¹The terms industry, trade or craft, and geographical area covered by the Plan have the meanings set forth in 29 CFR 2530-203-3, and include any supervisory or managerial activity which is reasonably related to the underlying skills associated with the trade or craft for which the individual was trained or in which he acquired his work experience.

Resumption of Payments: A Pensioner must notify the Fund Office when he is no longer engaged in Plan Related Employment. Once this is verified, the Pensioner's monthly retirement benefit shall become payable on the next regularly scheduled date for the payment of benefits. If a Participant received a benefit for a month in which his benefit should have been suspended, upon resumption of payments the Trustees shall withhold 100% of the initial monthly payment and up to 25% of subsequent monthly benefit payments until the Plan has been repaid all benefits which should have been suspended.

Employment Beneficial to the Industry

- (A) **Retiree Return to Non-Covered Employment:** A Retiree may return to employment in a position that is not covered by a collective bargaining agreement (CBA) or is not Covered Employment and not have his benefit be suspended or delayed if such employment is deemed by the Trustees as employment beneficial to the Plan, Participants and the unionized segment of the pipefitting industry. The criteria used in making such a determination includes:
- (1) Such employment does not fill a position covered by a CBA;
 - (2) The position does not result in the impingement upon the jurisdictional claims of Pipefitters and their Unions;
 - (3) The position results in or provides an opportunity for the promotion, retention, or expansion of employment opportunities in Covered Employment for current or future Participants of the Plan;
 - (4) The position is authorized or approved by the Union and is for an employer approved by the Board of Trustees; and
 - (5) The Retiree was not employed in the same or similar position prior to his retirement date.
- (B) **Retiree Return to Covered Employment:** A Retiree may return to employment in a position that is Covered Employment or covered by a CBA and not have his benefit be suspended or delayed if such employment is deemed by the Trustees as employment beneficial to the Plan, Participants and the unionized segment of the pipefitting industry. The criteria used in making such a determination includes:
- (1) The Employer pays one of following fringe benefit fund packages:
 - the package required by the CBA for the position, or
 - if higher, the package corresponding to the classification for which contributions were paid on behalf of the Retiree for the same or similar position prior to retirement, or
 - other package agreed upon in writing by the Trustees;
 - (2) The position does not result in the impingement upon the jurisdictional claims of Pipefitters and their Unions;
 - (3) The position results in or provides an opportunity for the promotion, retention, or expansion of employment opportunities in Covered Employment for current or future Participants of the Plan; and
 - (4) The position is authorized or approved by the Union and is for an employer approved by the Board of Trustees.

Waiver: From time to time, the Trustees in their sole discretion may lift in whole or in part the suspension rules for a period of time for Pensioners who have returned to Plan Related Employment, provided such waiver is applied to similarly situated Pensioners.

Regulations: These rules are interpreted according to the applicable Department of Labor regulations, which may be found in §2530.203-3 of the Code of Federal Regulations.

The above is a general summary of Plan provisions. Nothing in this summary is meant to change the Plan provisions in any way. Please see the Plan document for further details and contact the Fund Office with any questions.

