

LOCAL 86 ANNUITY PLAN



ANNUITY PLAN

(DEFINED CONTRIBUTION)

Contributions are made by the employer on behalf of each member and are placed in each member's individual account.



Contribution Rates

- A-Rate
 - \$3.50 per hour from contractor for
 - Journeyman
 - 3rd Period Apprentices and higher
- B-Rate (Election)
 - \$3.50 per hour from contractor
 - \$1.50 per hour from member (hourly rate is reduced by \$1.50)
 - Journeyman
 - Election made upon 'topping out' of apprenticeship program
 - Election can be changed once a year
 - Forms due by April 30 of the year you want it changed
 - Change takes affect with June Hours
- Small Works
 - \$0.50 per hour from contractor



MERCER

You have worked your first month and now have contributions...what happens next?

- Your contributions will automatically be sent to Mercer and an account will be set up in your name.
- Your investments will be placed in a retirement ready account based on your age.
- Mercer will send you a 'Welcome Package' that will include username and password for your account, as well as other pertinent account information.



Accessing MERCER

www.ibenefitcenter.com

Must have username and password that was mailed to you by MERCER.

Upon Login you will be asked to update your information and to create security questions.



User Name and Password

Upon initial setup please keep your user name and password in a safe place, as we do not have it on file in the Fund Office.


If you lose and/or forget your username and password, you can call MERCER at 1-877-UNION44 (1-877-864-6644) to request a new password be mailed to you. This process can take 4-5 business days.



Changing the way my money is invested...

- Call MERCER at 1-877-UNION44 (1-877-864-6644) and they can assist you.
- Log into the MERCER website (www.ibenefitcenter.com) and follow the steps to change your investments.
- Call and setup an appointment with the Fund Office to have assistance in changing your investments. **

Note: The Fund Office can not make the changes with out you present and having your **user name and password to log into your MERCER account.



Can I invest my monies as I see fit
(i.e. Pepsi, Exxon, etc.)?

NO!

There is a wide range of accounts that you can choose from to invest in. Anything from small cap investments to stable value funds.

Investment Options

Risk Based Funds

M&N Pro-Mix Collect Trst Cnsv
M&N Pro-Mix Collect Trst Maxim
M&N Pro-Mix Collect Tst Extend
M&N Pro-Mix Collective Tst Mod

Age-Based Funds

SSgA Target Retirement NL Income Fund
SSgA Target Retirement NL 2015 Fund
SSgA Target Retirement NL 2020 Fund
SSgA Target Retirement NL 2025 Fund
SSgA Target Retirement NL 2030 Fund
SSgA Target Retirement NL 2035 Fund
SSgA Target Retirement NL 2040 Fund
SSgA Target Retirement NL 2045 Fund
SSgA Target Retirement NL 2050 Fund
SSgA Target Retirement NL 2055 Fund

Mutual Funds

- Morgan Stanley Mid Cap Growth Fund
- Alliance Bernstein Small Cap
- American Funds The Growth Fund of America
- Thornburg International
- Dreyfus Small Cap Stock Index Fund
- SSgA S&P 500 Index NL Series Fund
- Victor Institutional Diversified Stock Fund
- American Beacon Small Cap Value Fund
- Goldman Sachs Mid Cap Value Fund
- Oakmark Equity & Income Fund
- Van Kampen Growth & Income Fund
- PIMCO Total Return Fund
- Vanguard Inflation-Protected Securities Fund
- Wells Fargo Galliard Stable Return Fund

The Fund Office does **NOT** give investment advice, we can only assist you in moving the funds to the investments of your choosing.

The Big Question.....

How do I draw money out
of my Annuity Account???

Conditions

Allowable

- Unemployed
- Illness/Injury preventing work for more than 7 days

**As well as the above criteria, you must be a member in good standing.

Not Allowable

- Brakes for Car
- New Car
- Student Loan
- Mortgage Payment
- Flat Screen TV



Procedures

1. Fill out Application for Early Termination Benefit Payment or Monthly Certification for Early Termination Benefit Payout if this is your second consecutive month request.
2. Get signature from Dispatchers Office verifying the reason you are requesting the payout.
3. If you are married have your spouse sign the back of the form and have their signature notarized.
4. If you are unmarried, sign your name under Unmarried Status and have your signature notarized.
5. Return form to Fund Office appropriately filled out by the 20th of the month (no exceptions!).



Application for Early Termination Benefit Payment

Use this form if it is your initial request and you did not request a draw in the month immediately prior.

1. Member Information
2. Reason for Request
3. Withdrawal Amount (\$300, \$600, \$900, \$1200)
4. Distribution Election
 1. Option A – Check Payout
 2. Option B – Combination Check and Rollover
 3. Option C – Rollover (be sure to give us the rollover info)
5. Signature
6. Spousal Consent/Unmarried Status



Monthly Certification for Termination Benefit Payment

Use this form if this is a **consecutive** monthly request.

1. Member Information
2. Reason for Request
3. The Withdrawal Amount will be the same as the prior month
4. Distribution Election
 1. Option A – Check Payout
 2. Option B – Combination Check and Rollover
 3. Option C – Rollover (be sure to give us the rollover info)
5. Signature



Deadlines and Receiving your Distribution

Whether this is your first draw or your 5th, the request is due to the Fund Office by the **20th** of the month. No exceptions! *If the 20th falls on the weekend, the forms are due the Friday before.*

You should expect to receive your distribution sometime the **1st week** of the following month.

*Forms Due February 20th, Receive Check **the first week** of March.*

Note: This can vary due to holidays and the Post Office being closed!!



Dispatcher Approval

- Verify you meet the conditions for the distribution
 - Unemployed due to Local Economic Conditions
 - Injury/Illness for more than 1 week
- Verify that you are a member in good standing

****YOUR DUES MUST BE PAID AND UP TO DATE TO QUALIFY FOR A DISTRIBUTION****



Why is my check for less than I requested???

- 20% Federal Tax
- Insufficient Funds in the account

**I requested a payout and
have not received it yet....**



Forms Filled Out Improperly

The Fund Office will contact you via Mail if your forms are incorrect. If you have filled out the wrong form or you have failed to get the proper signatures notarized, the form will be returned.

The Fund Office will hold your check until the proper documentation is received.



Dues **NOT** Paid

The Dispatchers office will contact you to pay your dues.

The Fund Office will hold your check until your dues are paid.



Other Reasons

- You did not get the request in before the deadline.
- Insufficient Funds in the account to make a payout.



Can I take a Loan on my Annuity??

YES!

Please Contact Mercer

1-877-864-6644



Quick Overview of Loan Program

- 50% of Account up to \$50,000
- Interest Rate equals Prime + 1% fixed
- If you default on your loan you will **NOT** be able to take another one.
- Spousal Consent Required / signature notarized
- \$1,000 minimum borrow amount



Consequences of a Defaulted Loan

- You will receive a 1099 at the end of the year for the amount of the defaulted loan plus interest owed.
- You will be responsible to pay at least 20% Federal Taxes when you file, as no amounts were withheld when the loan was taken.
- You will be responsible for the early withdrawal penalty to the Federal Government of approximately 10%, if you are not 59 ½.
- You will be responsible for any State Taxes when you file.
- You will not be able to take another loan until the defaulted loan is paid back in full plus interest.