



Pension Fund of Local No. One, I.A.T.S.E.

320 West 46th Street, 6th Floor • New York, NY 10036 • Tel (212)247-5225 • Fax (212)977-9319 • www.fundoneiatse.com

INFORMATION ON BENEFIT PAYMENT OPTIONS

The Pension Fund of Local No. One, I.A.T.S.E. (the “Plan”) requires that payment be provided to you in an annuity form (the “Normal Form”) unless you make a valid election for another form of benefit (an “Optional Form”).

I. Explanation of Benefit Options

Normal Form of Payment

Married Participants

If you are married, the Normal Form in which benefits will be paid is the **50% Joint and Survivor Pension**, unless you waive this form of payment. Under this form of benefit, you will receive monthly payments for your life and, upon your death, your spouse will continue to receive monthly payments for his or her life equal to 50% of the monthly amount you received. Your monthly payment will be reduced since payments will be made over two lifetimes - yours and your spouse's. If you and your spouse die before 120 payments are made, the balance of the 120 payments will be paid to your contingent beneficiary.

If your spouse predeceases you, your monthly benefit will be increased to the amount under the 120-Month Guarantee (described below).

If, before your annuity starting date, you and your spouse divorce or your spouse dies, payments will automatically be made under the **120-Month Benefit Guarantee**, unless you choose an optional form of payment (as described below). However, once payments start, you cannot change the form or amount of your payments.

Single Participants

If you are not married on your annuity starting date, the Normal Form in which benefits will be paid is the **120-Month Benefit Guarantee**. This monthly benefit will be paid for the remainder of your life, except if you die before 120 monthly payments have been made, payments will continue to be made to the beneficiary or beneficiaries you designate until 120 payments have been made to both you and your beneficiary or beneficiaries. In the event that your beneficiary or beneficiaries die(s) before the full 120 month payments have been paid, the remaining monthly payments will be made to the contingent beneficiary or beneficiaries for the remainder of the guaranteed period.

Optional Forms of Payment for Married and Unmarried Participants

In lieu of the Normal Forms of payment outlined above, you may choose one of the following Optional Forms of Payment.

120-Month Benefit Guarantee –This is the normal form of benefit for unmarried participants, and is an option for married participants. This form of payment is an annuity payable monthly for your life. However, if you die before 120 monthly payments have been made, payments will continue to be made to the beneficiary or beneficiaries you designate until 120 payments have been made to both you and your beneficiary or beneficiaries. In the event that your beneficiary or beneficiaries die(s) before the full 120 month payments have been paid, the remaining monthly payments will be made to the contingent beneficiary or beneficiaries for the remainder of the guaranteed period. Your spouse must consent, in writing, to your designated beneficiary.

50% Joint and Survivor Pop-Up Pension – an annuity payable monthly for your life, reduced to reflect the cost of providing a survivor benefit to your designated beneficiary. Upon your death, your designated beneficiary will continue to receive monthly payments for his or her life equal to 50% of the monthly amount you received. Your monthly payment will be reduced since payments will be made over two lifetimes - yours and your designated beneficiary's. If you and your spouse or beneficiary die before 120 payments are made, the balance of the 120 payments will be paid to your contingent beneficiary. If your spouse or designated beneficiary predeceases you, your monthly benefit will increase to the 120-Month Benefit Guarantee (described above). If you are married and designate someone other than your spouse as your beneficiary, your spouse must consent, in writing, to such designation.

75% Joint and Survivor Pop-Up Pension* – an annuity payable monthly for your life, reduced to reflect the cost of providing a survivor benefit to your spouse or designated beneficiary. When you die, your spouse or designated beneficiary will receive a monthly benefit for his/her lifetime equal to 75% of the amount payable during your lifetime. Your monthly payment will be reduced as a result of payments made to both you and your spouse or beneficiary during your respective lifetimes. If you and your spouse or beneficiary die before 120 payments are made, the balance of the 120 payments will be paid to your contingent beneficiary. If your spouse or designated beneficiary predeceases you, your monthly benefit will increase to the 120-Month Benefit Guarantee. If you are married and designate someone other than your spouse as your beneficiary, your spouse must consent, in writing, to such designation.

**Depending on your designated beneficiary's age, you may not be eligible to elect this Optional Form. Please call the Fund Office to determine your eligibility for this Optional Form.*

100% Joint and Survivor Pop-Up Pension* - an annuity payable monthly for your life, reduced to reflect the cost of providing a survivor benefit to your spouse or designated beneficiary. When you die, your spouse or designated beneficiary will receive a monthly benefit for his/her lifetime equal to 100% of the amount payable during your lifetime. Your monthly payment will be reduced as a result of payments made to both you and your spouse or beneficiary during your respective lifetimes. If you and your spouse or beneficiary die before 120 payments are made, the balance of the 120 payments will be paid to your contingent beneficiary. If your spouse or designated beneficiary predeceases you, your monthly benefit will increase to the 120-Month Benefit Guarantee. If you are married and designate someone other than your spouse as your beneficiary, your spouse must consent, in writing, to such designation.

**Depending on your designated beneficiary's age, you may not be eligible to elect this Optional Form. Please call the Fund Office to determine your eligibility for this Optional Form.*

II. Financial Effect of Benefit Options

In order to enable you to understand how much is payable to you under each form of benefit available to you, the Plan is required to provide you with a description of the financial effect of electing each form of benefit available under the Plan. You will find this description in the form of a chart which is attached to this document as "**Exhibit A**". Please note that for purposes of providing this financial effect description, the Plan used reasonable estimates, such as an assumption that your spouse or designated beneficiary is 3 years younger than you.

Upon your request, the Plan will provide a more precise calculation that takes into account your actual benefit and your, and your spouse's, if any, actual age. Please contact the Fund Office at 212-247-5225 if you would like a more precise calculation specific to your benefit entitlement.

III. Financial Effect of Deferring Commencement of Benefit Payments

If you are applying for an Early Retirement Pension, the benefit amount above has been reduced by 2/9 of 1% for each month that you are younger than age 65 on the pension effective date you have chosen. If you defer payment until you reach age 65, your benefit amount will not be reduced. Please refer to page 5 of your summary plan description for an explanation of the determination of the amount of the Early Retirement Pension.

If you decide to delay receiving a pension until you are older than age 65, your monthly benefit will be increased so that it is the actuarial equivalent of the benefit to which you would have been entitled at age 65, provided you are not working in disqualifying employment. If you are working in disqualifying employment, your benefits will be suspended, but you may accrue additional benefits while you are working. In either event, you must begin receiving your pension by the later of (1) April 1 of the calendar year following the year you reach age 70 ½, or (2) the date you retire. Please refer to page 8 of your summary plan description for an explanation of this increase and to page 9 for an explanation of disqualifying employment.

If you have any questions about your pension benefit or the forms of payment, please contact the Fund Office.

IV. Relative Value Disclosure

IRS regulations require plans, such as ours, to give retiring participants a comparison of the relative values of the benefit payment options generally available under the Plan. The goal is to help individuals make informed choices about the forms in which they may choose to receive their retirement benefits. By providing participants with the relative economic value of the optional forms of benefits, participants can make a meaningful comparison as to the value of the benefits in comparison to each other.

What Is Relative Value and What Are The Relative Values Under Our Plan?

The “relative value” of the forms of benefit is an expression of the actuarial value of each optional form of benefit as compared to the 50% Joint and Survivor Annuity.

In general, all of the forms of payment available under our Plan have approximately the same actuarial present value as the 50% Joint and Survivor Annuity, even though the benefits are paid in different manners. This is true for participants retiring between ages 55 and 65 with a spouse up to 5 years younger or older and for disabled participants retiring between ages 40 and 60 with a spouse up to 5 years younger or older.

How Was This Determined?

To determine the relative value, the Plan’s actuaries converted the value of each form of benefit offered by the Plan to a common form and then compared them. The actuarial values of benefits were determined using the following actuarial assumptions:

- Mortality assumptions about the average life expectancy of the Plan participants. Mortality assumptions are based on standardized tables developed by actuarial organizations and life insurance companies. Information is analyzed about large groups of people to project the rates at which groups of individuals at different ages are expected to die.
- Interest assumptions, which estimate the likely investment earnings, over time, of the money put aside to pay benefits. This is important in the determination of actuarial value because investment earnings provide some of the money used to pay benefits.

The valuation and reporting methodologies used were based on IRS regulations, which can be found in Treasury Regulations Section 1.417(a)(3)-1. These methodologies are fairly technical and can be difficult to understand. However, IRS regulations require that we provide this information to you.

What Does This Mean To Me?

As we said earlier, basically, this means that the optional forms of payment provided by the Plan have relatively the same value as the 50% Joint and Survivor Annuity option under our Plan. However, it is important that you realize that this is not a guarantee or even a prediction of what you will actually be eligible to receive when you retire. The actual amount you ultimately receive under a payment option will depend on your and your spouse's (if any) or designated beneficiary's actual longevity.

Upon your written request, you will be provided with the relative values, based on your own age (and, if appropriate, your spouse's actual age) and estimated benefits, between the 50% Joint and Survivor Annuity and on any other forms of payment that you are eligible for. If requested, we will also provide you with the details of the actuarial assumptions used to make the comparison for this notice. You may want to consult a financial advisor when you are nearing retirement to determine what is right for you.

To obtain an individual relative values estimate, please send a written request to:

**Mariann Zappalla
Supervisor Annuity/Pension
Fund Office Local No. One I.A.T.S.E.
320 West 46th Street, 6th Floor
New York, New York, 10036**