

# QUINTE ST. LAWRENCE ELECTRICAL WORKERS TRUST FUNDS

November 2008

Issue 65

## DID YOU KNOW?

Quinte St. Lawrence Electrical Workers Trust Funds TOLL FREE PHONE: 1-800-631-3207  
40 Binnington Ct.; Kingston, ON K7M 8S3 Phone: 613-547-4115 ext. #2; Fax: 613-547-1678  
Email: [mcotman@kos.net](mailto:mcotman@kos.net); WEBSITE: [www.ibew115.on.ca](http://www.ibew115.on.ca) Hours: Monday - Thursday 9:00 to 4:00; Friday 9:00 to 1:00

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### **HEALTH & WELFARE EMPLOYEE BOOKLETS**

The booklets will be here around the end of November. You should be able to pick up your new booklet at the office or at your local Union Meetings. The booklet will also be uploaded to the website at some point in the next few months. We are currently in between website programmers but will be able to do updates in the new year.

Booklets **will not** be mailed out due to their size and the cost factor. In the meantime, feel free to call if you have any questions about your coverage.

### **ORTHODONTICS**

Just a reminder – Orthodontic coverage is for dependant children only. There is no Orthodontic coverage for members and spouses.

### **PENSION RETIREMENT OPTIONS**

As previously advised, in a separate mailing, the normal retirement options available at age 60 have changed effective October 16, 2008.

The option to transfer funds out of the plan at age 60 (normal retirement) is no longer available. If a member does not retire until he reaches age 65, he will be entitled to the transfer option at that time only. If the member retires between the ages of 60 and 64, he is entitled to a monthly pension based on the annuity of his choice. The 12 different annuity options are outlined on the next page. There is no change to early or disability retirement pensions between the ages of 50 and 60, as the transfer option was never available for these 2 types of retirement in the first place.

Portability options for members who are deemed “inactive” or who have transferred to another local, have not changed either. Any member, under age 60, who has not had contributions made on their behalf for a consecutive 24 month period is entitled to his portability options. Inactive members under age 60, may transfer his funds to another pension plan or to a locked-in vehicle. If you are 60 or over when you are deemed inactive you are entitled to normal retirement options and can select a monthly annuity through the plan. Transfers are only available to inactive members under normal retirement age.

Effective immediately, any one wishing to receive pension options and/or portability options must complete the request authorization that can be obtained by calling 613-547-4115 Ext. 2. Once the completed authorization is returned with the required documentation, the Administrator will provide the detailed options.

### **MINI-VALUATION – PENSION PLAN**

The Trustees have asked our Actuaries to perform a mini-valuation on the plan’s solvency status and financial position at October 31, 2008 to determine the impact of the declining economic situation in previous months. Once available, the Trustees will be able to clearly evaluate what if any further changes need to be implemented to ensure the plan remains intact and continues to benefit all members.

### **AIL INSURANCE**

It has come to our attention that once again First District Office has sent out a mass mailing for insurance offered by AIL. This is not sponsored by our Local and we have no information on this policy. Please do not contact our office with questions or concerns regarding AIL insurance. There is a number for AIL on the brochure each member received. If you don’ wish to call AIL directly, then you should contact First District directly at 1-905-564-5441.

### **PAY DIRECTS & SUBSIDIES**

Just a reminder – If you have not worked through the Local for the 365 days your Health & Welfare Coverage will terminate, unless you are a retiree or on disability. The policy does not allow members who are working elsewhere or refusing work to be subsidized for coverage. Subsidies are meant to help those who are unable to get employment through the Union when the work situation is bad, not to help those who already have another income and can choose to not work through the Union.

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## WHAT HAPPENS IF I TAKE A MONTHLY ANNUITY FROM THE PLAN AT RETIREMENT?

There is obviously still a lot of confusion about the types of monthly annuities offered by the Plan and how they work. Here are some examples based on a married member electing an annuity at retirement. For this purpose we will call the Member Jim and his wife Jane and will assume that Jim's monthly pension amount is \$985.36 based on the normal form which is a Joint & Survivor Pension reducing to 60% with a 5 year guarantee. This is the sample in the employee booklet and all amounts are for illustrative purposes only. I will outline exactly what happens if he takes each of the annuities offered. There are 12 monthly pensions to choose from. Only the first 4 options apply to single members.

1. Jim is 60. He has elected a **Single Life Annuity with no guarantee** effective January 1, 2000. In order to elect this option his wife, Jane, has to have waived her entitlement and shown proof that she obtained legal advice before waiving entitlement.  
Jim will receive \$1,092.68 per month until he dies. If Jim dies 2 years after his retirement date, the monthly payments stop immediately. If Jim lives forever he will get payments forever.
2. Jim is 60. He has elected a **Single Life Annuity with a 5 year guarantee**. In order to elect this option his wife, Jane, has to have waived her entitlement and shown proof that she obtained legal advice before waiving entitlement.  
Jim will receive \$1,085.99 per month until he dies. If Jim dies 2 years after his retirement date. The monthly payments (\$1,085.99) will continue to Jane until the 5 year guarantee period is up (another 3 years). Then all monthly payments will stop.  
Regardless of Jane's status, if Jim lives forever he will get payments forever.
3. Jim is 60. He has elected a **Single Life Annuity with a 10 year guarantee**. In order to elect this option his wife, Jane, has to have waived her entitlement and shown proof that she obtained legal advice before waiving entitlement.  
Jim will receive \$1,065.83 per month until he dies. If Jim dies 2 years after his retirement date. The monthly payments (\$1,065.83) will continue to Jane until the 10 year guarantee period is up (another 8 years). Then all monthly payments will stop.  
Regardless of Jane's status, if Jim lives forever he will get payments forever.
4. Jim is 60. He has elected a **Single Life Annuity with a 15 year guarantee**. In order to elect this option his wife, Jane, has to have waived her entitlement and shown proof that she obtained legal advice before waiving entitlement.  
Jim will receive \$1,035.45 per month until he dies. If Jim dies 2 years after his retirement date. The monthly payments (\$1,035.45) will continue to Jane until the 15 year guarantee period is up (another 13 years). Then all monthly payments will stop.  
Regardless of Jane's status, if Jim lives forever he will get payments forever.
5. Jim is 60. He has elected a **Joint & Survivor Annuity with no Guarantee Reducing to 60%**. Jim will receive \$987.53 per month until he dies. If Jim dies 4 years after retirement, the payment will automatically reduce to 60% (\$592.52) and be paid to Jane for the rest of her life. As long as Jim is still living 100% of the payment is paid. If Jim is gone and Jane is still alive 60% of the payment is paid for her lifetime. If both Jim and Jane are deceased the payments will stop upon the death of the 2<sup>nd</sup> person.
6. Jim is 60. He has elected a **Joint & Survivor Annuity with a 5 year Guarantee Reducing to 60%**. Jim will receive \$985.36 per month until he dies. If Jim dies 4 years after retirement, 100% of the payment (\$985.36) will continue to Jane until the guarantee period is up. (another year), then the payment will automatically reduce to 60% (\$591.22) and be paid to Jane for the rest of her life. As long as Jim is still living 100% of the payment is paid regardless of the guarantee period. If Jim is gone and Jane is still alive, she receives the full payment until the guarantee period ends and then 60% of the payment is paid for her lifetime. If both Jim and Jane are deceased the payments will stop upon the death of the 2<sup>nd</sup> person, or, if the guarantee period is not yet up, the last named beneficiary will receive monthly payments (\$985.36) for the remainder of the guarantee period only.
7. Jim is 60. He has elected a **Joint & Survivor Annuity with a 10 year Guarantee Reducing to 60%**. Jim will receive \$978.31 per month until he dies. If Jim dies 4 years after retirement, 100% of the payment (\$978.31) will continue to Jane until the guarantee period is up. (another 6 years), then the payment will automatically reduce to 60% (\$586.99) and be paid to Jane for the rest of her life. As long as Jim is still living 100% of the payment is paid regardless of the guarantee period. If Jim is gone and Jane is still alive, she receives the full payment until the guarantee period ends and then 60% of the payment is paid for her lifetime. If both Jim and Jane are deceased the payments will stop upon the death of the 2<sup>nd</sup> person, or, if the guarantee period is not yet

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up, the last named beneficiary will receive monthly payments (\$978.31) for the remainder of the guarantee period only.

8. Jim is 60. He has elected a ***Joint & Survivor Annuity with a 15 year Guarantee Reducing to 60%***. Jim will receive \$966.63 per month until he dies. If Jim dies 4 years after retirement, 100% of the payment (\$966.63) will continue to Jane until the guarantee period is up, (another 11 years), then the payment will automatically reduce to 60% (\$579.98) and be paid to Jane for the rest of her life. As long as Jim is still living 100% of the payment is paid regardless of the guarantee period. If Jim is gone and Jane is still alive, she receives the full payment until the guarantee period ends and then 60% of the payment is paid for her lifetime. If both Jim and Jane are deceased the payments will stop upon the death of the 2<sup>nd</sup> person, or, if the guarantee period is not yet up, the last named beneficiary will receive monthly payments (\$966.63) for the remainder of the guarantee period only.
9. Jim is 60. He has elected a ***Joint & Survivor Annuity with no Guarantee Non-Reducing***. Jim will receive \$927.99 per month until he dies. 100 % Monthly payments (\$927.99) will continue as long as either Jim or Jane is still living. Once they are both dead payments will stop.
10. Jim is 60. He has elected a ***Joint & Survivor Annuity with a 5 year Guarantee Non-Reducing***. Jim will receive \$928.03 per month until he dies. 100% Monthly payments (\$928.03) will continue as long as either Jim or Jane is still living. If both Jim and Jane die before the guarantee period is up, the named beneficiary or Estate will receive monthly payments (\$928.03) for the remainder of the guarantee period only.
11. Jim is 60. He has elected a ***Joint & Survivor Annuity with a 10 year Guarantee Non-Reducing***. Jim will receive \$927.54 per month until he dies. 100 % Monthly payments (\$927.54) will continue as long as either Jim or Jane is still living. If both Jim and Jane die before the guarantee period is up, the named beneficiary or Estate will receive monthly payments (\$927.54) for the remainder of the guarantee period only.
12. Jim is 60. He has elected a ***Joint & Survivor Annuity with a 15 year Guarantee Non-Reducing***. Jim will receive \$925.61 per month until he dies. 100 % Monthly payments (\$925.61) will continue as long as either Jim or Jane is still living. If both Jim and Jane die before the guarantee period is up, the named beneficiary or Estate will receive monthly payments (\$925.61) for the remainder of the guarantee only.

## **DEFINITIONS:**

Annuity –	A monthly payment payable at retirement for the retiree’s lifetime
Joint & Survivor-	Means payment is based on both the retiree and his/her spouse’s birthdates and life expectancy
Guarantee Period –	The minimum amount of time payments would be made regardless of whether or not the retiree and/or spouse is still living
Age 60-	Normal Retirement Age for All IBEW 115 Members
Non-Reducing-	Means the payment will never reduce
Single Annuity-	Members who have spouses must have the spouse waive his/her entitlement to take one of these annuities; a spouse is entitled to 50% of all pension credits earned during marriage or cohabitation by law. No funds are ever released until marital status and entitlement is determined

If you have questions about your pension please call the office directly. Please do not take advice from someone who doesn’t have first hand knowledge or is unsure of the answers. If someone tells you something that you don’t understand or think is incorrect, call us for clarification. You should also confirm with us even if you believe the information you received from someone else is accurate.

Pension Booklets are available in the office if you still have not picked one up.

Some members still think that if they take a pension and die their spouse and/or beneficiary will not see a dime. This is one option and will be the highest quote when you receive your options but you don’t have to choose it. The other options all provide protection of payments for your spouse and/or a beneficiary ranging from a minimum 5 year guarantee to a 15 year guarantee to your spouse’s lifetime. The higher the guarantee the lower the payment, however, were only talking a few dollars to ensure you have the guarantee.

Other members seem to think that the payments will stop when the guarantee period stops if they’re still living. This is not true. Payments will never stop while the retiree is still living regardless of the option he chooses.

You have twelve options to choose from to ensure you receive the appropriate benefit for your lifestyle. Please make sure you understand each option before you choose.