



**Local Union No. 164 of the
International Brotherhood of Electrical Workers
of Hudson, Bergen and Essex Counties, New Jersey**

FORMS OF BENEFIT PAYMENT

Retirement Benefits

Married Participants

If you are married at the time your benefits are scheduled to begin, your benefits will automatically be distributed in the form of a 50% Husband and Wife Annuity.

A 50% Husband and Wife Annuity is an annuity which provides you with equal monthly benefits during your lifetime, and upon your death, continues to provide 50% of your monthly benefit to your surviving spouse. The monthly payment which will be provided under the 50% Husband and Wife Annuity is calculated on the basis of the value of your Account, your (and your spouse's) life expectancy, the prevailing interest rate for annuities and the date on which you retire. The Fund Office will inform you of the amount of this benefit before you begin receiving benefits.

If you are not legally married or you have rejected a 50% Husband and Wife Annuity with your spouse's consent, you may elect an optional form of benefit. This choice may be made no less than 30 days and no more than 90 days before benefit payments are to begin. This is called the 50% Husband and Wife Annuity election period.

If you want to reject the 50% Husband and Wife Annuity and elect an optional form of benefit under the Plan, you must first obtain your spouse's consent. The consent must acknowledge a specific beneficiary and form of benefits. This must be done during the 50% Husband and Wife Annuity election period. The consent must be in writing and it must be notarized. You can revoke an election to waive the 50% Husband and Wife Annuity at any time during your election period. Revocation must also be in writing. However, any subsequent election to waive the 50% Husband and Wife Annuity will again require your spouse's consent. You may not change your beneficiary or the optional form of benefit chosen without your spouse's consent. Any consent by a spouse is effective only with respect to that particular spouse.

Single Participants

If you are not married at the time your benefits are scheduled to begin, your benefits will automatically be distributed in the form of a Single Life Annuity unless you notify the Trustees of your choice of an optional form of benefit payment within the 90-day period before the date your Plan distribution is scheduled to begin. A Single Life Annuity provides you with equal monthly payments during your lifetime. The monthly payment which will be provided is calculated on the basis of the value of your Account, your life expectancy, prevailing interest rates for annuities, and the date you retire. The Fund Office will inform you of the amount of this benefit before you begin receiving benefits.

Optional Forms of Benefit Payment

In lieu of the automatic form of benefits described above, you may elect one of the following optional forms of benefit payments (subject to certain limitations); provided that if you are married at the time your benefits are scheduled to begin, your spouse must consent to your election as described above:

1. A lump sum;
2. Substantially equal monthly installments over a period not in excess of twenty years until your entire Account is paid; or
3. A combination of (1) and (2).

If you elect to receive installment payments of your Account balance and die before receiving all such payments, any remaining payments will be payable to your designated beneficiary. In addition, if you choose installment payments, the amount of your Account balance which remains in the Plan will continue to be adjusted for investment gains and losses and administrative expenses at each valuation date.

Please note that, if your Account balance is \$3500 or less at the time of payment, the Trustees will automatically pay it to you in one lump sum.

Pre-Retirement Survivor's Benefits

If you die before you begin receiving any benefits from the Plan, your beneficiary will be entitled to a survivor benefit. The type of benefit he or she may receive depends on whether you are married or single.

Married Participants

If your spouse is your beneficiary: If you are married and die before your benefits under the Plan commence, your benefits will automatically be paid to your surviving spouse in the form of a Pre-Retirement Survivor Annuity, unless you elect, with your spouse's consent, to waive the Pre-Retirement Survivor Annuity within the applicable election period. The applicable election period begins on the first day of the Plan Year in which you reach age 35 and ends on the date you die. If you stop working for the Employer before you reach age 35, the applicable election period begins on the date you separate from the service of the Employer.

A Pre-Retirement Survivor Annuity is an annuity, calculated on the basis of at least half of the value of your Account, which provides your spouse with equal monthly benefits upon your death over his or her lifetime. The monthly payment which will be provided under the Pre-Retirement Survivor Annuity is calculated on the basis of your spouse's life expectancy, prevailing interest rates for annuities and your spouse's age at the time of your death.

The Pre-Retirement Survivor Annuity will begin for your spouse as soon as possible after your death, provided, however that your surviving spouse may elect to postpone payment of this benefit to any time on or before the later of the December 31st of the calendar year in which you would have reached age 70 1/2, or December 31st of the calendar year following the year of your death.

Your spouse may reject this payment form and elect to have his or her portion of your Account balance paid in:

1. A lump sum
2. Substantially equal monthly installments over a period not in excess of twenty years until your entire Account is paid; or
3. A combination of (1) and (2).

Notwithstanding the foregoing, if the value of your vested Account balance is not over \$3,500, then your entire Account balance will be immediately distributed to your spouse upon your death as a lump sum.

If your spouse is not your beneficiary. If you do not want your spouse to receive the Pre-Retirement Survivor Annuity (either as a life annuity or in any of the optional forms discussed above), you must first obtain your spouse's consent, in accordance with the provisions specified above with respect to waive the 50% Husband and Wife Annuity.

You may designate a beneficiary to receive any portion of the Pre-Retirement Survivor Annuity which your spouse does not receive. The named beneficiary may elect to have his or her portion of the Account paid in:

1. A lump sum
2. Substantially equal monthly installments over a period not in excess of twenty years until your entire Account is paid; or
3. A combination of (1) and (2).

Single Participants

If you are not married (or if you are married, but have waived the Pre-Retirement Survivor Annuity, with your spouse's consent) and die before your benefits under the Plan commence, your benefits will be paid to your named beneficiary in either:

1. A lump sum
2. Substantially equal monthly installments over a period not in excess of twenty years until your Account is paid; or
3. A combination of (1) and (2).

If the value of your vested Account balance is less than \$3,500 payment will be made in a single lump sum. Payment will commence as soon as practicable after your death.

Financial Hardship Distributions

If you have been a participant under the Plan (Local 164 or 52) for at least five years, you may apply for a financial hardship distribution. All Financial Hardship distributions will be limited. No more than one Financial Hardship Distribution is permitted within a twelve (12) month period except for educational purposes. You may withdraw up to 50% of your post-1997 contributions for the hardship reasons listed below. Your pre-1998 contributions are not available for withdrawal. Hardship withdrawals will be subject to current income taxes and, if made before age 59 1/2 may be subject to an additional 10% tax.

The minimum hardship withdrawal amount is \$1,000. To determine the amount of money available under the hardship withdrawal program you must contact Putnam Investments at 1-800-685-6401.

- Medical Expenses of at least \$1,000 incurred by you or your spouse, dependent child. This benefit is limited to the amount not covered by insurance. You must supply the Fund office with the necessary documents.
- Purchase of a home, cooperative or condominium apartment for your principal residence for which you have incurred down payment, contract, or title expenses. You may withdrawal up to 50% of your account balance from the previous month. Limited to a one-time distribution. You must supply the Fund office with the necessary documents.
- To prevent foreclosure or evictions from your principal residence. You may withdraw up to 50% of your account balance from the previous month. You must supply the Fund office with the necessary document validating the foreclosure.
- Funeral Expenses incurred due to the death of your spouse, dependent child, or parent. You must supply the Fund office with the necessary documents.
- Tuition Expenses for you, your spouse or dependent child to attend an educational institution above the high school level or a school for handicapped children as a full time student. You will be entitled to the cost of the tuition or 50% of your account balance whichever is less. You must supply the Fund office with the necessary documents. This benefit is not subject to the 12-month provision.

Forms of Payment & Taxes

- Lump Sum Distributions
- Mandatory 20% withholdings applies to all Hardship Distribution.

Termination Benefit

You will be eligible for a Termination Benefit at any time after a period of 3 consecutive calendar months during which no Employer contributions are made or obligated to be made on your behalf and you are not working for an employer who is contributing to any other I.B.E.W. Local Welfare, Pension, Annuity or Profit Sharing Fund with a reciprocal agreement with the Union.

If your Account balance is less than \$3,500, regardless of whether you are married or single, your Termination Benefit will be paid in a single lump sum.

If you are married, and your Account balance is at least \$3,500, your Termination Benefit will automatically be paid as a 50% Husband and Wife Annuity, unless you and your spouse choose to have the benefit paid in one of the special forms described below:

With your spouse's consent, you may choose to have your Termination Benefit paid in:

1. Monthly payments of \$3,500 (with the final payment being the residual fraction) until the earlier of the time your Account is paid in full or you return to covered employment; or
2. Annual payments of the lesser of \$25,000 or 25% of your Account until the earlier of the time your Account is paid in full or you return to covered employment.

If you are single, and your Account balance is at least \$3,500, your Termination Benefit will be paid as a Single Life Annuity unless you choose one of the two special options described above.

Disability Benefit

If you become disabled, you are eligible to receive benefits from the Plan. You are considered to be disabled if the Trustees find, on the basis of medical evidence, that you will be permanently prevented from engaging in any further employment as an electrical worker.

If you are married, your Disability Benefit will be paid as a 50% Husband and Wife Annuity, unless you and your spouse reject this form in favor of one of the optional payment forms available to retirees. Similarly, if you are single, your Disability Benefit will automatically be paid as a Single Life Annuity unless you choose one of the optional forms available to single retirees.

Reciprocal Pension

If you were a member of another I.B.E.W. Local, employed in the Union's jurisdiction on or after January 1, 1993, you may be eligible for a pension payable under the terms of the Reciprocal Agreements for the Electrical Industry. If this is your situation, please contact the Fund Office for further information.

Beneficiary Designation

You must notify the Fund Office, in writing of the person you would like to designate as your beneficiary. You may change your beneficiary designation at any time before you retire and begin receiving benefit payments. If you are married, your spouse's written notarized consent must be provided if you designate a beneficiary other than your spouse, as explained above. If you are single, you may designate any one you wish as your beneficiary. If no beneficiary is designated, or if your beneficiary dies before you, your Account balance will be payable to your estate.

If no contributions have been made to your Account for a period of sixty consecutive months, no application has been made for benefits, and the Trustees have either been unable to locate you or believe that you have died without naming a beneficiary or if your estate makes no claim for your benefit, your Account will be forfeited. If however, you or your beneficiary or estate eventually apply for a benefit, benefits will be made as described in this section.