



PLUMBERS AND PIPEFITTERS LOCAL 501

NORTHERN ILLINOIS BENEFIT FUNDS

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NOTICE TO ALL PARTICIPANTS IN THE NORTHERN ILLINOIS PENSION FUND REGARDING INDUSTRY EMPLOYMENT AFTER RETIREMENT

February 2001

To All Pension Fund Participants:

This notice is being provided to you as a reminder of the rules under the Northern Illinois Pension Fund (the NIPF) regarding any re-employment in covered employment after you retire and begin to receive retirement benefits, whether you elected to receive a lump sum payment or a monthly benefit.

INDUSTRY EMPLOYMENT AFTER RETIREMENT

The NIPF allows retired employees to return to work in covered employment. It also provides that retired employees will earn additional benefits at the same rate as any other eligible employee for the hours they work after their return. However, there are some restrictions that apply to benefit payments and to the accrual of additional amounts during certain periods of re-employment after an initial retirement date. The restrictions are:

1. No benefit is payable for any month in which you work 40 or more hours in covered employment. Therefore, if you plan to work at least 40 hours in any month, you should notify the Fund and your benefit payments will be stopped. Payments will be restarted when you notify the Fund that you will no longer be working 40 or more hours.
2. Any additional benefit you earn after your return to work will be reduced by the actuarial value of any benefit that was paid (i.e., not withheld) for any month in which you worked 40 or more hours.

Here is an example to illustrate these plan provisions:

Joe Smith retires effective April 1, 2000 with an accrued monthly benefit of \$2,800.00, payable as a 5-year certain and life annuity. He returns to work in July 2000 for the number of hours shown on the following page:

<u>Month</u>	<u>Hours</u>	<u>Contributions</u>
Jul. 2000	37.00	127.65
Aug. 2000	39.00	134.55
Oct. 2000	39.00	134.55
Jan. 2001	63.00	217.35
Mar. 2001	15.00	<u>51.75</u>
		\$665.85
Benefit rate		<u>x 4.25%</u>
New accrual		\$ 28.30

The plan provides for the calculation of new accruals each July 1. Based on his new hours, Joe earned an additional benefit of \$28.30 per month. However, because Joe did not notify the Fund that he would work at least 40 hours in January, his January check was not withheld, so his new benefit must be reduced by the actuarial value of that one monthly payment. The calculation is made as follows:

1. Actuarial value of January payment	\$2,896.34
2. Actuarial value of new accrual	\$3,606.83
3. Offset percent (Item 1./Item 2.)	80.30%
4. New accrual before offset	\$ 28.30
5. Offset amount (\$28.30 x 80.30%)	\$ <u>22.72</u>
6. New accrual after offset	\$ 5.58
7. Total benefit at July 1, 2001	\$2,805.58

Note: Under the NIPF, these benefit offset provisions apply whenever a retired employee returns to work for 40 or more hours in a month, regardless of the form of payment elected on his original retirement date (including lump sum payments). Different rules apply to those receiving disability benefits.

If you have any questions, please contact the Fund Office.

Sincerely,
Board of Trustees of the Northern Illinois Pension Fund