

IBEW Local 40 – NECA Variable Annuity Pension Plan  
Quick Reference Guide

**Effective Date:** October 1, 2023

**Benefit Formula:**

Contribution Rate: \$6.00/hr                      Accrual Rate: 1.1%

Monthly Benefit = Hours \* Contribution Rate \* Accrual Rate

Example: 1,800 hours \* \$6.00/hr \* 1.1% = \$118.80

**Hurdle Rate:** 5.0%

Monthly Benefit will adjust annually based on difference between the Plan's actual investment return and the hurdle rate:

Return = 5%: **monthly benefits do not change**  
Return > 5%: **monthly benefits increase by excess**  
Return < 5%: **monthly benefits decrease by shortfall**

**Stabilization Reserve:**

- Built through a 7% cap on annual increases and a portion of the contributions
- Used to shore-up benefit payments in years when benefits would otherwise go down

**Service:**

- Hours worked under the 401(k) plan prior to October 1, 2023 count toward total service
- 0.25 service credits per 300 hours, up to a 1,200 hours per plan year

**Unreduced Retirement:**

- Age 65 with 5 years of service, or
- Age 55 with 80 points (points are the total of age + service)

**Reduced Early Retirement (less than 80 points):**

- Early retirement available at age 55 with 5 years of service

Monthly benefit reduced based on your age at retirement and the factors in the table below:

Age	ERF	Age	ERF
55	0.510	60	0.710
56	0.540	61	0.760
57	0.580	62	0.810
58	0.620	63	0.870
59	0.660	64	0.930

IBEW Local 40 – NECA Variable Annuity Pension Plan  
Quick Reference Guide

**Disability Retirement Benefits:**

- Requires Social Security Disability Insurance award for permanent and total disability
- Participant will be treated as though they were age 55 on their disability retirement date
- Benefits continue as long as the participant remains permanently and totally disabled prior to age 55. At age 55 the benefits continue regardless of whether the Participant remains disabled

**Optional Forms of Payment:**

- Form of payment is elected at time of retirement – may not be changed after elected
- Joint and Survivor options provide reduced monthly benefits that are actuarially equivalent to the Single Life Annuity with 60 months certain.
- Single Life Annuity with 60 months certain
  - Pays a monthly benefit for the lifetime of the Participant
  - If Participant dies prior to receiving 60 payments, monthly benefits will continue to a designated beneficiary until a total of 60 payments have been made
- Joint and Survivor with 100% to Surviving Spouse
  - Default option for married participants – other options require spousal consent
  - Surviving Spouse will receive 100% of the benefit payable while the Participant is alive
- Joint and Survivor with 75% to Surviving Spouse
  - Surviving Spouse will receive 75% of the benefit payable while the Participant is alive
- Joint and Survivor with 50% to Surviving Spouse
  - Surviving Spouse will receive 50% of the benefit payable while the Participant is alive

**Pre-Retirement Death Benefits:**

- Benefits are payable to your beneficiary if you die prior to retirement and have at least 5 years of service.
- Benefits start at your earliest eligible retirement date that you qualified for as of your date of death. If your death is prior to age 55, your beneficiary's payments will start when you would have reached age 55.
- If Single:
  - Designated beneficiary will receive 60 months of payments
- If Married:
  - Surviving Spouse will receive the Joint and Survivor with 100% option
  - Surviving Spouse may elect to receive 60 months of payments instead of the life annuity