

TERMINATING EMPLOYMENT BEFORE AGE 55

(NOTE: THIS SECTION ALSO APPLIES TO NON-VESTED PARTICIPANTS WHO TERMINATE EMPLOYMENT AFTER AGE 55.)

The Plan is designed to provide you a lifetime monthly income when you reach retirement age. But what happens if you don't remain employed by a Participating Employer until retirement age? Do you still receive benefits?

Yes, you will receive a benefit. How much you receive, however, depends in part on whether you are vested.

- If you are not vested when you terminate your employment, you will receive a refund of the contributions you have made to the Plan, plus interest. Because you are not vested, this is the only payment that will be made to you from the Plan. All other potential benefits will be forfeited.
- If you are vested when you terminate your employment and you are otherwise eligible for Early, Normal, or Deferred Retirement, you are entitled to receive your benefit as described in the applicable section of this booklet.
- If you are vested when you terminate your employment and not eligible to retire, you are still entitled to receive your full Accrued Benefit at your Normal Retirement Date or a reduced benefit at any time between age 55 and your Normal Retirement Date. Additionally, you have the opportunity to receive a portion of your benefits even earlier. For example, if you terminate employment before age 55 you have the option of withdrawing your personal contributions and interest at the time you leave employment or at any later time prior to age 55. Here are explanations of the options available to a vested, terminated participant:

Option A – If you choose this option, you will leave your personal contributions and interest in

the Plan, and you will then be entitled to receive your full benefit when you reach your Normal Retirement Date. Or, you may choose to commence your benefit as early as age 55 in a reduced amount. (See the section below entitled “Early Receipt of a Termination Annuity.”) In order to start receiving your benefit, you will have to submit an application.

IMPORTANT NOTE – If you do not elect **Option A** or **Option B** within 90 days of your termination of employment, you will be deemed to have chosen **Option A**. Even if you originally select **Option A** or were deemed to elect **Option A**, you may switch your election to **Option B** at any time prior to age 55. Once you reach age 55, you may no longer withdraw your personal contributions and interest.

Option B – If you select this option, you will receive a refund of your personal contributions plus interest. (This refund can either be in the form of a lump sum payment or a lifetime annuity that starts immediately.)

Then, the portion of your Accrued Benefit that your contributions and interest are deemed to have purchased (that is, the “employee-provided portion”) will be subtracted from your Accrued Benefit, which will leave you with a Termination Annuity that is attributable only to employers’ contributions. Your Termination Annuity may start in full at your Normal Retirement Date, or it may start being paid in reduced monthly amounts at any time between age 55 and your Normal Retirement Date. (See the section below entitled “Early Receipt of a Termination Annuity.”) If the present lump sum value of your Termination Annuity is \$5,000 or less, you may elect to receive your entire Termination Annuity in one lump sum at any time.

In order to start your Termination Annuity or to receive that lump sum, you must submit an application. Your benefit will begin on the first day of a month following the Plan's receipt of your application. If your benefit starts after your Normal Retirement Date, it will be adjusted so that it is the actuarial equivalent of a benefit starting at your Normal Retirement Date.

EXAMPLE: Mary is 35 years old when she terminates her employment. She has 10 years of Creditable Service in the Plan (5.75 of which were accrued with a 1.25% annual accrual rate and 4.25 at a 1.75% rate), and her Final Average Wage Base is \$2,400, resulting in an Accrued Benefit of \$351 per month, beginning at age 65. She has contributed \$3,200 to the Plan. Her contributions have earned \$1,500 of interest to date. Here are her options:

- Under Option A: Mary would leave her contributions in the Plan and receive a benefit of \$351 per month beginning at age 65, or a lesser monthly amount beginning as early as age 55.
 - Under Option B: Mary would receive a refund of her contributions plus interest, a total of \$4,700. Now, since Mary has withdrawn her contributions, her benefit at her Normal Retirement Date will be reduced by approximately \$103 per month. This is the monthly benefit at age 65 that would have been attributable to her contributions and interest had they been left in the Plan to grow. Therefore, instead of receiving \$351 per month at age 65, Mary will now receive \$248 per month at age 65, or a lesser monthly amount beginning as early as age 55.
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EARLY RECEIPT OF A TERMINATION ANNUITY

The Termination Annuity that you are entitled to receive at your Normal Retirement Date under Option A or B (see the previous page) may start as early as age 55 – but in a reduced amount due to the fact that payments will be made for a longer period of time. Please note, however, that the reduction is not calculated in the same method as that described in the section entitled “Early Retirement.” A different reduction table (shown below) is used to calculate early Termination Annuities.

The following is a sample of the early Termination Annuity reduction table. Percentages are prorated between birthdays.

If you begin receiving benefits at age you will receive this percentage of your age-65 benefits
65	100.0%
64	89.8%
63	80.9%
62	73.0%
61	66.1%
60	60.0%
59	54.5%
58	49.7%
57	45.3%
56	41.4%
55	37.9%

EXAMPLE: If Mary terminated at age 35 and selected Option A, she qualifies for a benefit of \$351 per month at age 65. If she elects to begin receiving her benefit at age 61, she could receive 66.1% of her age-65 benefit, or **\$232.01 per month.**
