

MICHIGAN ELECTRICAL EMPLOYEES' PENSION FUND

November 10, 2017

IMPORTANT NOTICE TO ALL RETIREES

RE: Return to Work by Normal or Early Retirees

Dear Retiree:

The Trustees of the Michigan Electrical Employees' Pension Fund ("Fund") have decided to provide for a **limited** waiver of the Pension Plan's suspension of benefit rule from November 1, 2017 through October 31, 2018.

From November 1, 2017 through October 31, 2018, a Retiree, **who has been retired for one month prior to returning to work**, may return to work **as an electrician** for a contributing Employer for up to 600 hours without incurring a suspension of benefits then in pay status. So, for the period from November 1, 2017 through October 31, 2018, there is a 600 hour limit on the number of hours a Retiree can work as an electrician for a contractor that is obligated to contribute to this Fund.

This means that, if you are working **in the geographic jurisdiction of the Michigan Fund as an electrician for a union contractor**, you will receive your monthly pension benefits from the Fund no matter how many hours you work in any one month up until you perform 600 hours of work during the period of November 1, 2017 through October 31, 2018.

The Fund will continue to pay the monthly benefit in lieu of any additional benefit accruals that a Retiree returning to work for a contributing Employer may earn. Any additional monthly benefits that would have been payable shall be determined effective January 1, 2019 based on the Future Service Benefit Credit accrued from Credited Employer Contributions made or required to be made on behalf of the Retiree during his return to work but subsequent to his date of retirement subject to a reduction based on the value of benefits paid that would have otherwise been suspended. Each such net additional benefit payable under this paragraph shall be calculated in the same form of benefit in which the Retiree's monthly benefit is being paid and, where applicable, calculated using the ages of the retiree and his spouse upon his subsequent cessation of work in the same form which he elected when he first retired.

If the present value of Future Benefit Credit accrued by the Retiree during any month that he returned to work is lower than the actuarial value of the Retiree's benefit paid to the Retiree for that month, the Fund will not seek to recoup the difference; meaning, that the Retiree's monthly benefit would not be reduced if the Retiree returns to work during this period.

Example 1: Assume you retired in April 2017 and are receiving a monthly benefit of \$1,300 a month. Your retirement plans did not go as expected and you decide to return to work as an Electrician. You complete a return to work form and submit it to the Fund Office reporting you will work less than 40 hours per month beginning in December 2017. If you work 35 hours in December, you will still receive your monthly benefit and you will also accrue additional benefits based on the 35 hours of work. That additional benefit will be calculated and added to your monthly benefit in early 2018.

Example 2: Assume the same facts above, but you work 135 hours in December 2017. As a result of contributions remitted to the Fund on your behalf, your monthly benefit would have been suspended and you would have accrued an additional benefit of \$9.15. The present value of that benefit is \$1,166.63. Under the limited waiver, you will receive a benefit equal to your typical monthly benefit, \$1,300, but you will not accrue the additional benefit of \$9.15 to be added to future monthly benefits based on those 135 hours.

Please note that, except for the limited waiver explained above, the Plan's suspension of benefits rule generally applies to Retirees under age 70 ½ who work for a contractor or are self-employed doing work anywhere in Michigan. Such employment or self-employment will result in the suspension of your monthly pension benefit if it is in excess of the limitations in the Plan.

Every Retiree is required to immediately notify the Pension Department at the Fund Office if he or she returns to work in any capacity regardless of whether the Retiree returns to work for a non-contributing employer (e.g., non-union) or in a self-employed, supervisory, or managerial capacity. ***Failure to notify the Pension Department in a timely manner of a return to work may subject the Retiree to possible suspension of current and/or future Pension Benefits.***

Even where returning to work shortly after your effective date of retirement does not result in a suspension of your monthly Retirement benefit, it could, depending on the circumstances, be evidence that you did not intend to Retire and could result in a determination that you were not eligible to begin receiving Retirement Benefits.

If you have questions about the limited waiver or the suspension of benefits provision of the Pension Plan, call the Fund Office.

Sincerely,

Board of Trustees
Michigan Electrical Employees' Pension Fund

cc: Local Unions