

Eligibility Rules for Coverage under the Retiree Health Plan

- 1) You must be receiving an Early, Regular or Disability Pension from the Local 701 Pension Plan.
- 2) You must have been eligible for benefits from the Welfare Plan for a minimum of ten years
- 3) You must have been eligible for benefits from the Welfare Plan for at least three years out of the last five years immediately preceding your retirement.

The Retiree Health Care Premium

There are 3 pieces to the Retiree Health Care premium:

1) Health Care Pension & Supplement

Health Care Pension (HCP) credits accumulated in the Pension Fund until June 1, 1998. A Member receives credit of \$10 for each year of HCP credit (maximum 30 years) towards his retiree health care premium.

Married participants whose spouses are covered under the Welfare Plan receive the HCP Supplement which is equal to the HCP and is payable until the Participant or spouse turns age 65.

2) 45,000 Hour Rule

For service after June 1, 1998, the health care premium is determined based on hours of service in the Welfare Plan. If a member has 45,000 hours, there is \$0 premium due. If his hours are less than 45,000, he pays a pro-rata share of a \$300 premium.

$$\begin{aligned}\text{Retiree Only} &= \$300 \times (1 - (\text{lifetime hrs} / 45,000)) \\ \text{Retiree + Spouse} &= \$600 \times (1 - (\text{lifetime hrs} / 45,000))\end{aligned}$$

3) Age Based Additional Premium: NEW RATES EFFECTIVE 6/1/2018

Beginning on June 1, 2005, all retirees participating in the retiree health care program pay an additional premium based on the retiree's age. These rates are subject to future change at the discretion of the Board of Trustees. The premium rate changes the month in which the retiree's birthday occurs:

Retiree's Current Age	Retiree Only	Retiree & Spouse
55	\$285	\$570
56	\$258	\$516
57	\$232	\$464
58	\$205	\$410
59	\$178	\$356
60	\$152	\$304
61	\$141	\$282
62	\$130	\$260
63	\$119	\$238
64	\$109	\$218
65	\$24	\$48
Disability	0	0
Widow/er	0	0

The components determined in #1, 2 & 3 are combined to determine the total premium payable.

Dependent children are an additional \$200 / dependent / month

This is a summary of provisions of the Plan Document which sets forth the Plan of Benefits adopted by the Trustees. If there is any discrepancy between the information in this summary and the provisions of the Plan Document, the provisions of the Plan Document will take precedence.

Future Proposed Age Based Premiums

NOTE: Future rates are subject to change at the discretion of the Board of Trustees

Retiree's Current Age	Proposed future rates effective June 1, 2019			Proposed future rates effective June 1, 2020	
	Retiree Only	Retiree & Spouse		Retiree Only	Retiree & Spouse
55	\$370	\$740		\$455	\$910
56	\$336	\$672		\$414	\$828
57	\$304	\$608		\$376	\$752
58	\$270	\$540		\$335	\$670
59	\$236	\$472		\$294	\$588
60	\$204	\$408		\$256	\$512
61	\$182	\$364		\$223	\$446
62	\$160	\$320		\$190	\$380
63	\$138	\$276		\$157	\$314
64	\$118	\$236		\$127	\$254
65	\$28	\$56		\$32	\$64
Disability	0	0		0	0
Widow/er	0	0		0	0

Retiree's Current Age	Proposed future rates effective June 1, 2021			Proposed future rates effective June 1, 2022	
	Retiree Only	Retiree & Spouse		Retiree Only	Retiree & Spouse
55	\$540	\$1080		\$625	\$1250
56	\$492	\$984		\$573	\$1146
57	\$448	\$896		\$520	\$1040
58	\$400	\$800		\$464	\$928
59	\$352	\$704		\$411	\$822
60	\$308	\$616		\$358	\$716
61	\$264	\$528		\$304	\$608
62	\$220	\$440		\$250	\$500
63	\$176	\$352		\$197	\$394
64	\$136	\$272		\$143	\$286
65	\$36	\$72		\$40	\$80
Disability	0	0		0	0
Widow/er	0	0		0	0

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I.B.E.W. Local 701 Electrical Workers General Pension Fund

Changes to Early Retirement Factors (ERFs) Effective June 1, 2018

- Changes only apply to future benefit accruals earned after June 1, 2018.
- Currently, early retirement is reduced by 4% for each year of age less than 60 (no reduction between age 60 and 65), 80% of accrued benefit at age 55.
- Beginning June 1st, early retirement is reduced by 5% per year from age 55 to age 57 and 4% per year from age 57 to age 62 (70% of accrued benefit at age 55).
- The following tables show the current versus the proposed ERFs:

Current (Benefits Accrued on or Before May 31, 2018) ERFs

<u>Age</u>	<u>Reduction</u>
62	100%
61	100%
60	100%
59	96%
58	92%
57	88%
56	84%
55	80%

Note: Reduction is 4% per year from age 55 to age 60.

New (Benefits Accrued on or After June 1, 2018) ERFs

<u>Age</u>	<u>Reduction</u>
62	100%
61	96%
60	92%
59	88%
58	84%
57	80%
56	75%
55	70%

Note: Reduction is 5% per year from age 55 to age 57 and 4% per year from age 57 to age 62.