

The Ironworkers District Council of the Pacific Northwest Field Ironworkers Annuity Trust Fund

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Administered by
Welfare & Pension Administration Service, Inc.

December 14, 2017

**TO: All Participants
Ironworkers District Council of the Pacific Northwest
Field Ironworkers Annuity Trust Fund**

**RE: Summary of Material Modification—
Amendment to Eligibility Provisions for Receiving an Annuity Plan Distribution**

This notice describes an amendment to the Ironworkers District Council of the Pacific Northwest Field Ironworkers Annuity Plan (“**Annuity Plan**”). The amendment revises the six-month rule for receiving a distribution of benefits earned on hours worked commencing January 1, 2018.

Current Rules for Receiving a Distribution of Your Annuity Account Balance

Currently, you may apply for a distribution of your account balance if you terminate employment with all employers that contribute to the Annuity Plan (even if the employer is not currently contributing on your behalf), and you satisfy one of the following rules:

1. You qualify for benefits from the Northwest Ironworkers Retirement Plan or the Alaska Ironworkers Pension Plan; or
2. You have not had contributions made (or required to be made) to the Annuity Plan (including money-follows-the-man contributions) in the preceding six-months (or more), and you have not previously had a distribution under this **six-month rule**; or
3. You have less than 250 hours reported for which contributions are made (or required to be made) to the Annuity Plan (including money-follows-the-man contributions) in the preceding 18-month period; or
4. You are entitled to Social Security Disability under Title II of the Social Security Act; or you commence a Disability Retirement from the Northwest Ironworkers Retirement Plan or the Alaska Ironworkers Pension Plan; or
5. You attained Normal Retirement Age (65) with no contributions for 60 days.

Amendment of Six-Month Distribution Rule

The six-month rule (described in 2, above) has been amended. Under this change, benefits attributable to hours worked on and after January 1, 2018 will only be distributed under the six-month rule if you have not worked in the “**Industry**” for at least the preceding six-months. **Work**

in the Industry means work for an employer that engages in business activities of the type engaged in by employers that contribute to the Annuity Plan, regardless of whether the employer contributes to the Annuity Plan and regardless of where the work is performed.

No changes have been made to the distribution rules for the portion of the benefits earned on hours worked before January 1, 2018. You may continue to receive a distribution of those benefits if you have not worked for a contributing employer for the preceding six-month period and you have not previously had a distribution under the six-month distribution rule. Note that if you had a distribution prior to January 1, 2018 under the six-month distribution rule, you may not have another distribution under that rule, including a distribution of benefits for hours worked on and after January 1, 2018.

Here are some examples. For purposes of these examples:

XYZ is a construction company doing steel fabrication. XYZ is **not** signatory to a collective bargaining agreement requiring contributions to the Annuity Plan. However, since steel fabrication is a business activity engaged in by employers that contribute to the Annuity Plan, any work for XYZ is considered work in the Industry.

ABC is a retail hardware store. Since contributing employers do not engage in business activities of a retail hardware store, work for ABC is not work in the Industry.

Example 1—All Benefits Accrued on Hours Worked After January 1, 2018: Your Annuity account balance is \$30,000, all of which was earned on hours worked on or after January 1, 2018. On January 1, 2023, you stop working in covered employment and go to work for XYZ. Six months later, you request a distribution of your account balance. Even though you have not worked for a contributing employer during the preceding six months, you do not qualify for a distribution under the six-month rule. This is because all benefits were earned for hours worked on and after January 1, 2018, and you are working for XYZ, which is in the Industry. This is the case, regardless of the type of work you do for XYZ.

Example 2—All Benefits Accrued for Hours Worked Before January 1, 2018: Your Annuity account balance is \$30,000, all of which was earned on hours worked prior to January 1, 2018. On January 1, 2018, you stop working in covered employment and go to work for XYZ. Six months later, you request a distribution of your account balance under the six-month rule. You have not previously had a distribution under the six-month rule. You qualify for a distribution, even though you are working in the Industry. This is because all of your benefits were earned on hours worked before January 1, 2018 and the Plan's previous (pre-2018) distribution rule applies. Under this rule, you qualify for a distribution if you have not worked for a contributing employer during the preceding six-month period (or had money-follows-the-man contributions made on your behalf) and you have not previously received a distribution under the six-month rule.

Example 3—Benefits Accrued for Both Hours Worked Before and After January 1, 2018, Followed by Work in the Industry: Your Annuity account balance is \$30,000, which includes \$20,000 earned on hours worked before January 1, 2018, and \$10,000 earned on hours worked on and after January 1, 2018. On January 1, 2023, you stop working in covered employment and go to work for XYZ. Six months later, you request a distribution of your account balance under the six-month rule. You have not previously had a distribution under the six-month rule.

You qualify for distribution of the \$20,000, because benefits for hours worked before January 1, 2018 will be distributed if you have not worked for a contributing employer in the preceding six-month period, and XYZ is not a contributing employer. You do not qualify for a distribution of the remaining \$10,000, because benefits for hours worked on and after January 1, 2018 will only be distributed if you have not worked in the Industry during the preceding six-month period. Work for XYZ is work in the Industry, regardless of the type of work you do for XYZ.

If you take a distribution of the \$20,000 and subsequently stop working in the Industry, you may not use the six-month rule to request a distribution of the remaining \$10,000 because you previously had a distribution under that rule. Instead, you will need to qualify for a distribution under one of the other rules.

Example 4—Benefits Accrued for Both Hours Worked Before and After January 1, 2018, Followed by Work Out of Industry: Assume the same facts as in Example 3, except on January 1, 2023 you go to work for ABC. Six months later, you apply for a distribution. You qualify for a distribution of the entire \$30,000, because your work with ABC is not for a contributing employer and is not work in the Industry.

If you have any questions concerning the changes described in this notice, or Plan benefits in general, please write or call Tammy Piper at the Administration Office at 866-986-1515 or 206-441-7226, extension 3203.

Sincerely,

**Board of Trustees
Pacific Northwest Field Ironworkers Annuity Trust**

This notice is provided in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended, and Section 4980F of the Internal Revenue Code of 1986, as amended. This notice also constitutes a summary of material modification to the 2009 Edition of the Summary Plan Description booklet. Please keep this notice with you Booklet.

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