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IAM NATIONAL
PENSION FUND

www.iamnpf.org



IAM NATIONAL
401(K) FUND

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Benefits Spotlight is a publication from IAM National Benefit Funds Office. The information in this newsletter is intended to highlight certain information about your benefits and provide other information about the Benefit Funds. Benefits Spotlight is not a substitute for the official Plan Documents. The text of the Plans themselves, as interpreted by the Boards of Trustees, represents the final authority in all cases. All questions and letters should be sent to the address below, Attn: Editor, Benefits Spotlight.

IAM National Benefit Funds Office, 1300 Connecticut Avenue, NW, Suite 300, Washington, DC 20036-1711



BENEFITS SPOTLIGHT

March 2018

Newsletter for the IAM National Benefit Funds Office

Pension Application Improvements

The Fund Office recently implemented a new pension application process aimed at greater ease and efficiency. Whether filing online or on paper, these improvements should reduce processing time and expedite issuance of the Participant's Statement (also known as the Benefit Election Form).

Why a NEW application process?

The Fund Office is always seeking new ways to enhance our participant's experience; either through receiving accurate and timely benefits or securing your pension effective date in the most convenient way. The new pension application process does just that. It provides participants with the paperwork necessary to apply for retirement benefits faster and more efficiently.

On our website (www.iamnpf.org), participants can log in securely to apply online for a benefit. They can also access their personal information, view accrued benefit amounts, contribution hours, and use our online calculator to estimate benefits.



To request a paper application, call 1-800-424-9608 ext. 222. Shortly after, the Fund Office will mail you a pension application along with the

Election of the Retroactive Annuity Starting Date and Information Guide. The information you provide in the pension application enables the Fund Office to calculate and deliver accurate results. Accuracy is our goal, however, the benefit amounts provided in the Participant's Statement (Benefit Election Form) are still estimates and are subject to additional verification before final award.

It is very important that the applicant provides the Fund Office with a "completed" pension application. A completed pension application includes the application itself and all required documentation. Once the Fund Office has a completed application, it will be processed to generate the Participant's Statement (Benefit Election Form) within 60 to 90 days. Failure to submit a completed pension application, such as failing to provide required documents, may result in additional time required to produce your Participant's Statement (Benefit Election Form). Therefore, in order to expedite the path to receiving the retirement benefit you have earned do not delay in returning the pension application and required documents as soon as possible.

The Participant's Statement (Benefit Election Form) includes your benefit type options and estimated amounts. Participants utilize this form to elect a type of payment. A Pension Benefit Payments Booklet describing each type of payment option available, as well as a list of the additional documentation required in order to put the applicant into pay status,

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A Message from the Executive Director

Welcome to the third edition of Benefits Spotlight. On behalf of the Board of Trustees and the Benefit Funds Office Staff, I hope everyone enjoyed a safe and wonderful winter and are ready for spring to arrive! Thank you for being such an important part of the Fund and we look forward to the opportunities in 2018 to serve your retirement needs.

With \$11.7 billion in assets, IAM National Pension Fund (NPF) continues to be the 5th-largest multi-employer, defined benefit pension fund, according to recently filed tax forms. These reports also reveal that NPF has the highest funded percentage of the top 10

per month in retirement benefits to the more than 100,000 retirees and beneficiaries. The NPF has approximately 100,000 active participants and about 90,000 deferred vested participants, from more than 1,650 contributing employer locations.

As it is for most defined benefit pensions, the challenge in recent years has been grappling with the long-term fall of interest rates. While low interest rates may be good for the individual looking to secure a home or other loan, they are problematic for retirement funds. This investment environment has been a drag on the ability of all pension funds to earn reasonable rates of return,



aware of the Fund's financial status. I encourage you to visit our websites, at iamnpf.org and iam401k.org, as valuable sources of information about the NPF and 401(k) Plan, such as FAQs and Summary Plan Descriptions. For questions about your benefits under the NPF, please call our well-trained and experienced Customer Service Representatives at 1-800-424-9608, ext. 222. For questions about your

"IAM National Pension Fund has the highest assets-to-liabilities percentage of the top pensions in our sector (for) the fifth year in a row."

(by assets) multi-employer, defined benefit pensions over the last five years.

The NPF continues to be in the Green (safe, healthy) Zone, the best of the four federal certification levels measuring the financial health of multi-employer, defined benefit pension plans. The NPF provides approximately \$60 million

which potentially impacts the long-term strategic planning of the Board of Trustees for the NPF and the individual participants in the IAM 401(k) Plan.

With announcements including this *Benefits Spotlight* newsletter, the Annual Funding Notice, and other forms of communication, we continually work to keep you

401(k) account, please contact John Hancock at 1-800-395-1113.

Thank you again for your participation in the IAM NPF and/or IAM 401(k) Plan. We look forward to serving you and your retirement needs.

Thank you,

Ryk Tierney, CEBS
Executive Director

The IAM National Pension Fund: A History in the Making

Over a half century ago in 1960, the IAM Labor-Management Pension Fund was established to provide retirement and disability benefits for IAM represented employees. The Fund has encountered many challenges through the years and has confronted difficult times with a level of success to which few pension funds can compare. Still today, the Fund remains committed to delivering retirement and disability benefits for which participants have worked long and hard. In the Fund's early days, most company pension plans had strict vesting rules making it difficult for employees to accrue sufficient service to qualify for a pension; and 401(k) plans were nonexistent. By contrast the IAM Labor-Management Pension Fund labeled itself "the portable pension," allowing participants to build their service record by working for more than one contributing employer.

On September 2, 1974, President Gerald Ford signed into law comprehensive pension reform legislation, the Employee Retirement Income Security Act (ERISA). The law established standards for employees' non-forfeitable rights to benefits, their rights to participate in pension plans, how plans are funded and managed, and many other provisions. ERISA also required that participants be provided descriptions of their benefits in easy to understand language – a standard that the Fund has worked hard to always meet.

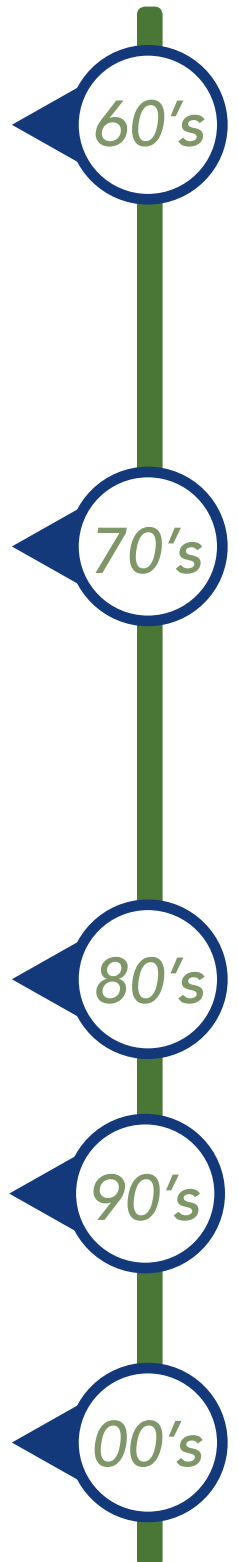
In the 1970's, with the merging of two regional IAM funds (IAM Mid-Eastern Pension Fund and the CMTA-IAM Pension Fund), the IAM Labor-Management Pension Fund became nationally renowned. The resulting umbrella fund had participants from all regions of the United States, so it was renamed the IAM National Pension Fund, which it remains today.

In the 1980's the Fund continued to grow with the addition of large, notable employers. The Miller Brewing Company joined in 1980 and DynCorp in 1988. In 1985 the IAM National Pension Fund observed its 25th birthday in a big way: the Fund's assets reached \$1 billion that year.

In the 1990's the Fund's growth continued by adding Bath Iron Works. This group joined the Fund with over 6,000 IAM-represented employees and was the Fund's largest-contributing employer at that time. Additional contributing employers and investment strategies led to explosive asset growth during this decade. In 1995, the Fund accumulated \$3 billion in assets, and surpassed \$5.6 billion by 1999.

Evolution of the Fund continued in the 2000's. The Trustees of the IAM National Pension Fund started the IAM National 401(k) Plan and incorporated changes to the National Pension Plan. Some changes increased benefits for both pensioners and their beneficiaries, provided retroactive benefits for disability pensioners, and added death benefits for unmarried

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FOCUS ON 401(k)

It's Never Too Late with 401(k) Catch-Up Contributions

Did you know that you may be eligible for additional contributions to the IAM National 401(k) Plan?

We all have different retirement goals, and your retirement goals will greatly affect the amount you need to save for retirement. However, the truth is many of us simply aren't saving enough. If you'll be age 50 or older this year, consider taking advantage of your plan's catch-up contribution feature.

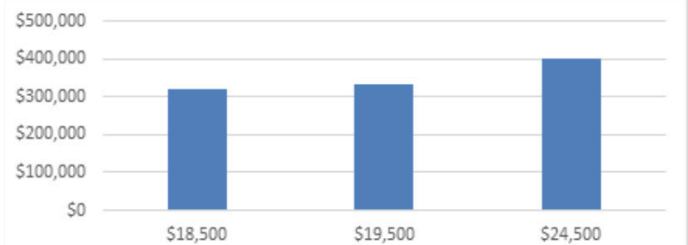
Catch-up contributions can be a great way to save more money toward your goals. Here's how it works. If you're age 50 or older, catch-up contributions allow you to make contributions to the plan above the \$18,500 annual limit set by the Internal Revenue Service (IRS). If you're already contributing at this maximum level, the catch-up feature allows you to contribute an additional \$6,000 for a total maximum IRS limit of \$24,500, if you are aged 50 or older.

This increased \$6,000 savings can help you make more progress toward your goals over time. Your catch-up contributions work the same as your normal retirement plan contributions. Just decide how much you want to save as catch-up contributions, over and above your current amount, up to \$6,000 this year.

You may think you're too close to retirement to make any real progress toward your goals. Catch-up contributions may make a difference, even over a short time period. For example, contributing \$18,500 per year to your account with a current balance of \$50,000 potentially could be worth \$321,804 in 10 years.

Even taking advantage of \$1,000 of catch-up contributions, could mean a total of \$334,693 in

10 years. By taking advantage of the full \$6,000 in additional catch-up savings however, it could potentially be worth \$399,447.



Hypothetical illustration only.

Figures are based on pre-tax contributions of \$1,542/mo (\$18,500/yr), \$1,625/mo (\$19,500/yr), and \$2,042/mo (\$24,500/yr) with a 5% annual rate of return, \$50,000 beginning balance. Individual circumstances may vary.

Start or Increase your Catch-up Contributions Today

While the Benefit Funds Office handles certain administrative functions for the 401(k) Plan, changes to your account and your deferrals are processed through our record keeper, John Hancock. Log in to www.mylife.jhrps.com to use the online tools and calculators to determine your new contribution rate based on an annual maximum of \$24,500. Then, make that change to your account. If you need additional assistance, please contact John Hancock at 1-800-395-1113.

The information contained in this article is for general informational purposes only. The IAM National 401(k) Fund does not provide investment, tax, or legal advice. You should consult with your own independent advisor to determine what may be best for your individual needs. You are solely responsible for evaluating the information provided and to decide which deferral or investment strategies are suitable for your own financial risk profile and expectations.

(continued from History pg. 3)

participants. In 2006, United Airlines joined the Fund with over 10,000 IAM-represented employees and became the Fund's largest-contributing employer.

Despite the potentially crippling effects of the "dot-com" bust early in the decade and the real estate "bubble" in 2008, the Fund's assets grew to an astounding \$7.4 billion by the end of 2009. It was also during this decade that the Fund participation level grew to well over 100,000 active participants. Clearly, the Fund has an expansive and remarkable history. While the NPF celebrates almost six decades of improving retirement for hundreds of thousands of IAM represented employees, as well as those represented by other unions and certain employers, the Trustees are constantly monitoring the health of the Fund and planning for the next 60 years.

As of 2018, the IAM National Pension Fund has grown to over \$11 billion in assets and continues to look for ways to keep growing both in participation and assets, while maintaining secure benefits. Plan participants should remember: the IAM National Pension Fund is the "solid solution", and we thank you for being here with us.

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are enclosed along with the Participants Statement (Benefit Election Form).

Our Pension Department works diligently to process your completed pension application and issue Participant's Statement (Benefit Election Forms), and eventually benefit payments, faster than ever before. We will continue to do so with our participant's interest being our top priority. The Fund Office recognizes that we are here to serve our participants and we look forward to helping you get the retirement benefits you have earned.

We are here to help you every step of the way. If you have any questions or concerns please call our toll-free number 1-800-424-9608. Our Customer Service Call Center is available from 9:00 am to 7:00 pm eastern time.

Whether you submit an online or paper pension application, please see the box on the right for a checklist of the information and documents you may need for your pension application.



Pension Application Checklist

You will be asked to fill in your name, address, phone number, date of birth, marital status, Social Security Number, and work history.

All applicants must indicate the type of benefit(s) for which you are applying and the name(s) of all contributing employers for whom you've worked and dates of employment. If you are still working for a contributing employer, it will also be important to list your last day worked and intended retirement date.

Basic Documents to Submit with a Completed Pension Application:

- **Birth Certificate;**
- **Marriage certificate (if married);**
- **Disability Award (if applicable);**
- **Divorce decree (if applicable);**
- **Spouse's date of birth, along with his/her birth certificate; and**
- **Request for ruling on post-retirement employment.**

Basic Documents to Submit with a Participant's Statement (Benefit Election Form) (documents must be completed and signed, as required):

- **Participants Statement (Benefit Election Form);**
- **Spousal Consent Form (if applicable);**
- **Direct Deposit Form (with a voided check);**
- **Form W-4P (tax withholding); and**
- **Retroactive Annuity Starting Date (RASD) Form; and**
- **Request for ruling on post-retirement employment, (if not previously requested).**

These are the basic documents but additional documents may be required based on your circumstances.

You Have Questions? We Have Answers!

The Customer Service Department at the IAM National Benefits Funds Office (BFO) receives thousands of calls every month. We not only pride ourselves on administering great benefits here at the Funds Office, but we also want to assist our participants with questions they may have. Below you'll find some of the most frequently asked questions that our Customer Service Department receives daily.

"HOW LONG DOES IT TAKE TO PROCESS MY PENSION APPLICATION?"

Generally, the turnaround time to process a completed pension application is 60-90 days from the date it was received in the Fund Office. Once your pension application is received in the Fund Office, you will be sent a letter of acknowledgement, which will detail any required information not yet received. If, after submitting your completed pension application and receiving your acknowledgement letter, you do not receive a Participant's Statement (Benefit Election Form) within 60-90 days, contact the Customer Service Department to receive a status update. Please note that you may apply for your pension 180 days before your pension effective date but not earlier. Please take the time to plan ahead and gather the required documentation needed to complete your pension application.

"WHEN ARE PENSION CHECKS MAILED?"

Monthly pension checks are generally mailed by the last business day of the preceding month (e.g. your August 2018 pension check will be mailed by July 31, 2018). To avoid lost/stolen checks or mail delays, direct deposit is the best way to ensure timely and secure delivery of your retirement benefits. More than 90% of all plan retirees and beneficiaries use direct deposit. If you are not yet using direct deposit, go to www.iamnpf.org to

download the direct deposit form.

"WHY ARE FEDERAL TAXES NOT BEING WITHHELD?"

Taxes may not be withheld for two reasons: 1) You have submitted a W-4P Withholding Certificate for Pension or Annuity Payments indicating you do not want taxes withheld or 2) According to the IRS tax tables, your monthly benefit is too low to require an automatic withholding amount.

"WHY DON'T YOU WITHHOLD STATE TAX?"

The Fund is not subject to the state taxing jurisdictions, unlike the federal taxing laws. Participants may remit estimated tax payments to their state if they so choose.

"WHERE IS MY 1099R? HOW CAN I GET A COPY?"

By law, the 1099R forms must be mailed by January 31st of every year. We mail all 1099R forms by or before that date. If you did not receive one, call the Customer Service Department and we will mail you a copy via the US Postal Service or visit our website at www.iamnpf.org for a printable copy.

"WHY CAN'T I CHANGE MY ADDRESS ONLINE?"

Requests for address changes require a signature for authentication.

We are here to assist with questions or concerns regarding your benefits. Our website provides valuable resources for you. If you cannot find the information you are looking for, our Customer Service Call Center is available from 9:00 am to 7:00 pm (Eastern Standard Time) by calling 1-800-424-9608.

Important Federal Tax Withholding for all Benefit Recipients

The Fund Office issues this annual notice to Benefit Recipients to remind them they may change their federal tax withholding status.

Please read this information carefully and contact our office if you have questions or need assistance with completing a new Form W-4P, Withholding Certificate for Pension or Annuity Payments. If you do not wish to change your federal tax withholding status at this time, no action is required by you. Customer Service Representatives are available from 9:00 am to 7:00 pm (Eastern Standard Time) at 1-800-424-9608, ext. 222.

As you may recall, when you began to receive your benefit payments, you were given the opportunity to choose whether you want federal income tax withheld from those payments. This notice is to remind you that you may change your decision if you wish.

The Tax Equity and Fiscal Responsibility Act of 1982 requires an annual reminder of your right to change your withholdings status on your pension.

For 2018, the amount of federal tax being withheld from your payments may change because the withholding tables have changed. If this change impacts your benefit, you will receive a separate notice in the mail.

Your original choice on withholding will remain in effect until you file a new Form W-4P with the Fund Office. You may log on to our website at www.iamnpf.org to update your tax withholding through the Secure Login for Benefit Recipients or download a Form W-4P under the Forms tab on our homepage. Complete the Form W-4P and return it to the Fund Office. If you make a change, it will be effective by the first of the month that is at least 30 days after we receive the completed form. Withholding funds on your benefit payments is one way for you to pay a portion of your income tax. If not enough tax is being withheld from your total taxable income for the year, you may have to pay estimated taxes during the year or a tax penalty at the end of the year. Of course, whether or not you have to pay federal income tax depends on the total amount of your taxable income, not just on your benefit payments from the Plan. Remember, for many people, Social Security benefits are not taxable."

Your decision on withholding is important. You may wish to discuss it with a qualified tax adviser.