



January 2017

# BENEFITS SPOTLIGHT

## BENEFIT RECIPIENTS HELPFUL INFORMATION FOR FILING YOUR TAXES

### TAX FORMS WERE MAILED BY END OF JANUARY 2017!

The IAM National Pension Fund understands the stress associated with preparing and filing your taxes, so we take every step to ensure the timely delivery of important tax information. Every year we mail to Benefit Recipients a Form 1099-R around the last week of January. These forms also become available through the secure login on our website at that time.

What is a Form 1099-R? The Form 1099-R shows information about retirement benefit distributions from pensions, annuities or other types of retirement plans. It is used by this Fund to report to you and the IRS all retirement or pension benefit distributions or payments you received from the Plan. If you receive more than one benefit, i.e. your own and a survivor benefit, or a National Pension Plan benefit and a separate merged plan benefit, more than one Form 1099-R is provided. The amount of taxes withheld from your benefits, if any, is also reported on the Form 1099-R. You use this form to report your pension income and withholding, if any, when filing your taxes.

When Benefit Recipients move and forget to advise the Pension Fund



of their new address, the delivery of important mail such as the Form 1099-R may not be possible. If your Form 1099-R is lost in the mail, that's okay, a duplicate copy may be obtained in the following ways:

- **Use our Secure Login for Benefit Recipients** on the home page at [www.iamnpf.org](http://www.iamnpf.org). After logging in, select "View and Download 1099-R form(s)" and you can print the form(s).
- **Make your request** by either calling the Customer Service Call Center at 1-800-424-9608, ext. 222 or 1-202-785-2658, ext. 222 or email your request to us at [contact@iamnpf.org](mailto:contact@iamnpf.org) and the requested form(s) will be mailed within two business days.

If you notice that the address on your form is not correct this means we do not have your current address. To help us keep our records accurate and to ensure you receive important

communications, please call the Customer Service Call Center to notify us of your address change. For your protection, you will be asked a few questions to verify your identity.

It is extremely important that the death of a Benefit Recipient be reported promptly to the Fund Office so that 1099-R payment and withholding information is reported accurately to the IRS. To report a Benefit Recipient's death please call the Customer Service Call Center.

Remember that we're here to help you with any questions or concerns that you may have regarding your benefits. Our website provides valuable resources for you. If you can't find the information you're looking for there our Customer Service Call Center is standing by ready to assist you from 7:30 am to 7:00 pm eastern time.

# A Message from the Executive Director

Welcome to the Second edition of **Benefits Spotlight**. On behalf of the Board of Trustees and the entire Benefit Funds Office Staff, I hope everyone enjoyed a safe and wonderful holiday season and wish you a Happy New Year!

As we enter 2017, there are certainly many things on the minds of us all as Americans, including the results of the Presidential Election and how it might affect our world. From the employee benefits perspective, concerns include the thoughts and actions of the new Administration regarding organized labor and collective bargaining, to the future of the Pension Benefit Guarantee Corporation and composite plan legislation, and the potential repeal and replacement of the Affordable Care Act.

Concerns about retirement benefit plans also include a continuing battle being fought by pension funds, like

loan, they are problematic for pension funds. While the IAM NPF remains the fifth largest multi-employer defined benefit pension fund in the country and extremely well-funded compared to our peers, the long-term low interest rate environment has been a drag on the ability of pension funds to earn reasonable rates of return in the marketplace over the last couple years.

If you read or listen to the news regarding the impact of the low interest rates on pension funds, you'll see or hear quotes such as:

- *"After almost eight years in which central banks have kept borrowing costs at record lows in an attempt to boost growth, the IMF said an over-reliance on monetary policy could have unwanted side-effects."*
- *"The solvency of many ... pension funds is threatened by a prolonged period of low interest rates"* from the International Monetary Fund, in its global financial stability report.

## ***"the IAM NPF remains the fifth largest multi-employer defined benefit pension fund in the country"***

the IAM National Pension Fund, across the United States and across the globe regarding the ongoing low interest rate environment. While low interest rates may be good for the individual looking to secure a home or other

- *"Low interest rates raised the present value of existing long-term liabilities, steadily eroding capital and solvency buffers the longer the low-rate environment persists."*

As a "mature" pension fund, which means we pay out more in retiree benefits each year than we receive in contributions for active employees, the way we make up that difference is through investment return. The Fund

Actuary assumes we will earn 7.5% annually over the long-term horizon of pension funding requirements. That doesn't mean we have to earn 7.5% every year, but on average over a 20 to 30 year period. Some years investment return is high, such as 25% in 2009 and in some years it's low, such as the negative 32% return in 2008, the year of the real estate "bubble." However, over the last couple years, with the "Fed" keeping interest rates down, it's been much harder to reach reasonable return estimates with the fixed income portion of the portfolio providing very low rates of return. These low bond returns require the overall return requirement to be offset by out-performance in other areas of the portfolio, while at the same time maintaining the proper risk strategy. That can be a difficult, if not impossible, task.

For the 2014 and 2015 plan years, the Fund's return was below the assumed rate of return, driven in part by the low interest rate environment. This is not specific to the IAM NPF, as the same low rates of return have affected all other pension funds as well. 2016 was challenging as well, but at the time I prepared this message, we were close to the end of the year and the Fed recently signaled an interest rate hike. It's possible things may begin to look better, but as we all know, the market is constantly changing and what is good news today can be bad news tomorrow.

I mention all of this now not in an attempt to have anyone worried

## Executive Director Message Cont.

about the IAM NPF. In fact, far from it. The Fund remains very well-funded at 101% as of the last Annual Funding Notice. I mention it so that we are all aware of the challenges facing pension funds around the world and to let you know that the IAM NPF Board of Trustees are constantly and proactively evaluating the factors impacting our Fund while we are still in great shape. This allows for potential changes, if required, to be made early, helping to avoid the situations of pension funds, like the well-known Teamster's Central States Pension Fund, which is forestalling insolvency and hoping for governmental relief. Through the Annual Funding Notice, this newsletter, and other forms of communication, we continually work to keep you, the participants and beneficiaries, aware of the Fund's financial status and conditions or events that have a positive or negative impact. I hope you are enjoying this new communication vehicle, the **Benefits Spotlight**, as one way to improve communication. I also encourage you to check out our websites, at [iamnpf.org](http://iamnpf.org), [iam401k.org](http://iam401k.org), and [iambtf.org](http://iambtf.org), as another valuable source of information, such as the Annual Funding Notice, FAQs and Summary Plan Descriptions. You can also call our well-trained and experienced Customer Service Representatives at **1-800-424-9608, ext. 222** to assist you with any questions you may have about the Plan or your benefits.

Thanks,

**Ryk Tierney, Executive Director**

# Important Federal Tax Withholding Information for Benefit Recipients

**If you are a Benefit Recipient of the IAM National Pension Fund, you may recall that you were given the opportunity to choose whether you want federal income tax withheld from your pension payments when you began receiving them. Yearly the Fund Office issues a notice to Benefit Recipients to remind them that they may change their Federal Tax withholding status at any time. In the past, this notice was provided around February of each year. Starting this year, the reminder will appear in this newsletter.**

Please read the following information carefully and contact our office if you have any questions about the information contained in this notice or need assistance with completing a new Form W-4P (Withholding Certificate for Pension or Annuity Payments) to change your tax withholding.

The Tax Equity and Fiscal Responsibility Act of 1986 requires an annual reminder of your right to change your withholding status on your pension. **IF YOU DO NOT WISH TO CHANGE YOUR CURRENT WITHHOLDING STATUS, NO ACTION IS REQUIRED BY YOU.**

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](http://www.iamnpf.org) to update your tax

withholding through the Secure Login for Benefit Recipients or download a Form W4-P under the Forms tab on our home page. 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 form.

It is important to note that the amount of the 2017 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.

Withholding 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 an important one. You may wish to discuss it with a qualified tax adviser.



# ***NEW & IMPROVED*** ***APPLICATION*** ***PROCESS:*** ***FASTER AND*** ***MORE PRECISE!***



The IAM National Pension Fund is continuously working to create new and efficient ways for participants to receive their pension benefits timely with the earliest effective date possible and accurate estimated benefit amounts. Effective early 2017, the Fund Office is implementing an improved application process.

What does this mean for you? This means you will receive the necessary paperwork to apply for retirement benefits faster than ever before.

Once the Fund Office receives your request for a pension application, the first part of the application will be mailed to you within three (3) business days along with the Election of the Retroactive Annuity Starting Date form and the Informational Guide. Please read the Informational Guide to the Pension Application as it will provide instructions and important details to help assist in completing the pension application. The general information, employment history, marital status and spouse's information (if applicable) you provide on the

application and the other supplemental documents and forms you submit with the application will enable the Fund Office to provide you with accurate estimated amounts. This introductory step will move you toward becoming a benefit recipient and enjoying your retirement.

When this application is received, our Pension Department will work diligently to calculate your estimated benefits so that you may make an informed decision on your benefit election. Please note that these estimates are subject to additional verification before your final benefit is awarded. Your estimated benefits will be mailed to you on a Participant's Statement where you will elect a benefit option and designate beneficiaries.

Once all required forms documents are returned to the Fund Office, benefit payments will be issued as soon as possible. Above all, we are here to serve



our participants and we look forward to helping you get the retirement benefits you have earned.

For those who may have already received an application prior to the implementation of this new application process, don't worry; you can still submit that application at any time before its expiration date. We encourage you to submit your application in a timely manner to avoid potential delays. Applications for benefits are accepted up to 180 days prior to your intended retirement date. If for any reason you may not have all the supplemental documents to accompany your application for benefits, it is our recommendation not to delay submitting your pension application. The supplemental documents may be submitted when they are available to complete application process.

While this new application process will allow the

Fund Office to send your application much faster and the estimates you are provided will be more precise, we want to remind you that you can apply for your benefit using our Online Pension Application via our website, [www.iamnnpf.org](http://www.iamnnpf.org). Participants can log in securely to access their personal information, view accrued benefit amount, contribution hours, use our online calculator to estimate benefits, and complete and submit their application. The Online Pension Application will be changed to the new process in early 2017.

We are here to help you every step of the way. If you have any questions or concerns, please do not hesitate to call. Our toll-free number is 1-800-424-9608. Our Customer Service Call Center is available from 7:30 am to 7:00 pm eastern time.

# Notary Certification-Why it's Necessary

## Notarization: Another layer of verification

As part of the pension application process, the Fund Office may require notarization of certain forms to verify that you are the person signing the document. This process is utilized to prevent fraud or identity theft. For your pension application, if you are married and elect an option other than a spousal option, notarization of your spouse's consent to that election or a Waiver of Spousal Rights form is required. If you are not married, notarization of the Statement by Applicant Who is Not Married is required. Additionally, a Power of Attorney submitted to the Fund Office should be notarized.

To verify your identity a notary may

request to see proof of identification such as a state issued I.D., driver's license or passport. The notary then verifies that you are who you claim to be. Any signature that is required to be notarized must be signed in the presence of a notary. If the form requiring notarization is within a booklet, like the IAM NPF Pension Application you should never remove the form. It is best to keep all forms and packets together. This allows the notary to verify that the document you are signing hasn't been tampered or altered prior to their certification. Individual forms should remain blank and unsigned until you are in the presence of a notary.

Notaries are commonly found in your local bank and in local courthouses. Some banks may charge a nominal fee for their services, while others

may provide this service free. If none of the above options are available or convenient, there are a few websites such as [www.notaryrotary.com](http://www.notaryrotary.com) that can assist you with finding a notary in your area. You simply provide your city and state or zip code and the website will find the notary closest to you.

If you receive a document from the Fund Office that requires notarization and you have questions as to how it should be completed, as always, we are here to assist you in any way we can. Do not hesitate to contact the Fund Office. Our Customer Service Call Center at 1-800-424-9608, ext. 222 is available from 7:30 am to 7:00 pm eastern time.

## A Friendly Reminder to Benefit Recipients About Survivor Benefits

Although it may be a difficult topic to discuss, we have some reminders for you to share with your family and loved ones in the event of a death.

It's important that someone contact the Fund Office to notify us of your death so that we can stop any monthly benefits and begin processing any death benefits that may be due. For the person calling, we will ask for some contact information such as a name, address, and phone number. We will also advise them that a copy of a death certificate is needed.

You've worked hard to earn your benefits and it is our responsibility to ensure that the payment of any available death benefits is processed immediately. Please consider this a friendly

reminder to talk to your loved ones and beneficiaries about contacting us at the proper time.

Our Customer Service Call Center at 1-800-424-9608, ext. 222 is available to assist you or your family members if you have any questions about death benefits from 7:30 am to 7:00 pm eastern time. You can also find valuable information about death benefits in our Summary Plan Description, which can be found on the National Pension Plan/ Pension Plan Documents page of our website, [www.iamnnpf.org](http://www.iamnnpf.org).



# FOCUS ON 401(K)



## IAM NATIONAL 401(K) FUND

### Morningstar Retirement Manager, a Helpful Feature Provided by John Hancock Retirement Plan Services

#### Planning for retirement is difficult.

**Saving and making the right investment choices to ensure a comfortable retirement can be challenging. To assist with retirement planning, John Hancock Retirement Plan Services offers IAM National 401(k) Plan participants a special online feature to help manage your 401(k) account: Morningstar Retirement Manager.**

The Morningstar Retirement Manager is a free online service that provides assistance with managing your retirement account. Based on responses to a series of questions, participants can receive projections for their expected income at retirement based on both their current strategy and an “enhanced” strategy.

To access the Morningstar Retirement Manager visit [mylife.jhrps.com](http://mylife.jhrps.com) and enter your User Name and Password. Once logged in, scroll down on your participant home page and click the “Get Advice” link below the Morningstar

Retirement Manager logo. After clicking this link, participants are rerouted to a secure site owned and operated by Morningstar Associates, LLC.

There, Morningstar’s “Managed by You” program is initiated by clicking “Start.” You will be asked to verify personal information shown on the screen and agree to a privacy policy. After entering information needed to define the key components of your retirement strategy, Morningstar will provide you with projections of retirement income and clearly defined recommendations on how to improve your strategy and retirement income outlook. After reviewing and/or editing your strategy components you will be asked to review and accept the investment advisory agreement. Once you have reviewed investment information and finalized your strategy, you will be presented with a “Confirmation” pop-up to notify you that this strategy will be applied to your account. If you click “Yes” then John Hancock will be notified to make all the applicable changes to your account including reallocations, trades, rebalances and, if applicable, to your savings

rate or deferral percentage.

If you have questions about your 401(k) Plan benefits or want to access your account, go to [mylife.jhrps.com](http://mylife.jhrps.com) or call John Hancock’s Customer Service Center at 1-800-294-3575. Representatives are available from 8:00 am to 10:00 pm eastern time on New York Stock Exchange business days.

Making the right investment choices and feeling comfortable with your election is very important – especially when dealing with unpredictable market conditions. Oftentimes, managing your own account can place your retirement future at unnecessary risk and result in missed growth opportunities and unbalanced allocations. Everyone’s needs are different and utilizing an account manager service like the Morningstar Retirement Manager is a great way to stay on track and receive assistance with retirement planning decisions.