



BENEFITS SPOTLIGHT

January 2020

Newsletter for the IAM National Benefit Funds Office

CELEBRATING

60 YEARS

OF THE IAM NATIONAL PENSION FUND

The IAM National Pension Fund (IAMNPF) was established on May 1, 1960, marking 2020 as its 60th anniversary. A lot has changed over the past 60 years, but one thing that has never changed is the mission to provide our participants and their spouses, if married, with a core retirement benefit at normal retirement age. As we reflect upon and celebrate the 60th anniversary, we also continue to look forward to providing pension benefits for many years to come. Despite the recent decision to implement a Rehabilitation Plan, the Fund is still the fifth largest multiemployer defined benefit plan in the nation, funded at 89 percent, with 100,000 active participants, and over 100,000 retirees and beneficiaries who received \$810 million in pension benefits in 2019.

The Fund began in 1960 and covered 3,000 employees working for 90 employers. Our first contributing employers were Associated Transport Company Inc, Brown Equipment & Manufacturing Company, and Capitol Records of Scranton. Today, the Fund has nearly 1,000 employers and 292,000 participants, retirees, and beneficiaries, with large contributing employers including United Airlines, American Airlines, Bath Iron Works, and United Parcel Service.

The Fund would not be where it is today without the

loyalty of our participants, employers, and unions, and for that we express our deepest appreciation. As the Fund celebrates 60 years, we look back with gratitude on the many leaders who developed the Fund, contributed to its growth, made the difficult decisions, and took the necessary actions to maintain the core retirement benefit commitment.

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A FRIENDLY REMINDER:

If your address has changed, please remember to contact us to advise us of the new address. Please call our Customer Service Department at 800-424-9608. Our phones are open Monday through Friday, 9:00 a.m. to 7:00 p.m. Eastern Time.

A Message from the Executive Director

As we enter the new year, and the end of a decade, it's time to reflect on 2019 which brought to the IAM National Pension Fund unprecedented change in the forms of Yellow Zone Certification, voluntary Red Zone election, and implementation of a Rehabilitation Plan. While no one was a fan of the changes made, the Board of Trustees did make the tough decisions necessary to solidify the Fund's original commitment of a core retirement benefit to all plan participants at normal retirement age.

As you'll read in this edition of the Spotlight, a large percentage of groups in the IAMNPF have already adopted the Rehabilitation Plan and Preferred Schedule, and through the end of November 2019 our investment returns have been solid. (December investment returns were not available prior to publication of this Spotlight)

While the change was difficult, it seems as though many of the employers, union representatives, and plan participants I talk to now have a better understanding of how and why the change was necessary. None of us have to like it, but we do need to understand the realities of the situation and move forward with positivity.

Outside of the IAMNPF, there exists a crisis amongst struggling, systemically important multiemployer pension funds across the country. These funds, such as Central States Teamsters, are deemed on their way to insolvency and absent any governmental assistance has the potential to negatively impact the multi-employer pension fund community as a whole. This crisis has driven Congressional discussion on how to solve the problem. In the House of Representatives, the "Butch Lewis Act" (BLA), which would provide government backed loans to certain failing plans, was passed. However, in the Senate, it appears that the BLA will not be considered, and a separate proposal was released that may provide assistance to the troubled plans, but at a significant cost to healthier plans like the IAM National Pension Fund. We are working closely with the Board of Trustees and the IAMAW on the analysis of the proposals that are potentially damaging to our Fund and others across our great country. I urge you to pay attention to the legislative actions under consideration, be informed, and if necessary, reach out to your elected officials to voice your concerns.

Returning to the review of 2019 at the Benefit Fund Office, we completed the expansion of our customer service department, and in September 2019 we answered over 90% of all calls within 60 seconds with a 1.0% abandonment rate, which is the level we expect to maintain going forward. We also added additional staff to the Pensions Department, improving and reducing our turnaround times for pension application processing. While this is good news, we expect to make continued improvements in this area when the new benefit administration system goes live in July 2021. This date was pushed back from the original July 2020 due to the changes required by the Rehabilitation Plan.

In October 2019, we relocated the Benefit Fund Office to the Southeast area of Washington, D.C., which has resulted in significant cost savings to the Fund and created a new and collaborative workspace for our employees. Aside from our new address (99 M Street, SE), all other manners of contacting the

Benefit Fund Office remain unchanged. We have the same phone numbers, e-mail addresses, and website.

Peering forward into 2020, the Fund is celebrating its 60th anniversary. However, we will not rest on the accomplishments of the past and will focus on the implementation of the Rehabilitation Plan, continued work on the new Benefit Administration system, processing and service improvements, and any Trustee directed or legally required projects. At the same time, we expect to maintain and build upon the successful improvements made across 2019 and the last 60 years.

I hope everyone had an enjoyable and safe holiday season and wish everyone a very happy new year.

Sincerely,

Ryk Tierney, CEBS

Don't Wait Until It's Too Late: Applying Early Matters

Participants can submit their application 180 days before retirement

The IAM National Pension Fund's (IAMNPF) mission is to provide you and your spouse, if married, with a core retirement benefit at age 65. We understand the retirement process can be stressful, and that is why we made it easier for you.

Eligible participants must submit a formal pension application before their pension effective date to receive benefits from the Benefit Funds Office. The law allows you to apply 180 days before you plan to retire. You can submit your application online. You can also request an application by calling the IAMNPF Call Center at 800-424-9608 or by writing to the Fund. Once your completed application is received, if eligible, you will be sent a Benefit Election Form. This will provide you with the amount based on your pension effective date and the years of service you accrued; it also allows you to choose how you want to receive your benefit. Along with the Benefit Election Form, you will be mailed additional forms as required; please see the chart below for more information.

Pension applications submitted without the required documents (see chart below) will not be processed until the IAMNPF has received all required documents.

Under the Preferred Schedule of the Rehabilitation Plan, benefit changes are effective January 1, 2022. In order to receive the subsidies associated with the early retirement benefits: (1) participants must send a completed application form and all supporting documents before December 1, 2021; (2) a Benefit Election Form must have been mailed by the Fund to the participant before January 1, 2022; and (3) the participant must have a Pension

PENSION APPLICATION CHECKLIST

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 names(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
- Request for ruling on post-retirement employment
- Direct Deposit Form (with a voided Check)
- Retroactive Annuity Starting Date (RASD) Form

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

- Benefit Election Form
- Spousal Consent Form (if applicable)
- Form W-4P (tax withholding)
- Request for ruling on post-retirement employment, (if not previously requested)

Effective Date of December 1, 2021 or earlier.

The IAMNPF encourages participants under the Preferred Schedule to submit their applications as early as possible.

In order to begin the pension application, participants should go to our website (www.iambfo.org), click the IAMNPF logo, and login securely to apply online. Once logged in to the secure portal, participants can also access their personal information, view accrued benefits, contribution hours, and use one of the two online tools to estimate benefits.

If you do not have access to the secure portal of our website, you can create your login ID and password online or call 1-800-424-9608.

As retirement comes closer, make sure you understand the dates that are important to you and when you should apply.

FOCUS ON 401(K)

Paying yourself first is an effective way to help achieve your savings goals.

You choose how much to contribute, and you have the flexibility to change it anytime. If your employer agreed to the auto-enrollment option, you will automatically have a defined percentage, typically 3 percent, deferred each pay period unless you notify John Hancock to not participate during the opt out period. This deferral rate can be changed, including to zero, at any time. If your employer did not agree to the auto-enrollment option, then you will need to contact John Hancock directly to participate in the plan.

To make changes, opt out, or begin participation, login to your John Hancock account at www.mylife.jhrps.com or call 800-294-3575.

With automatic payroll deduction, your contributions are automatically deducted from your paycheck each pay period and deposited into your retirement account. No scheduling is required. It is an easy, convenient way to save.

Starting early can have a significant impact on growth of your retirement savings. At the same time, it's never too late to start.

Your savings will need to last the rest of your life. Since Americans are living longer than ever, it's important to start saving for retirement at your earliest opportunity.

If you are a mature investor, you will need to carefully assess your current savings, monthly earnings, and retirement lifestyle goals before making an investment decision. If you have concerns about being able to meet your retirement income goals, discuss your situation with an investment advisor. They can give you advice before you make an investment decision.

Please remember that all participants must notify John Hancock directly of any deferral changes, not their employer. If still active, address changes should be communicated to employer.

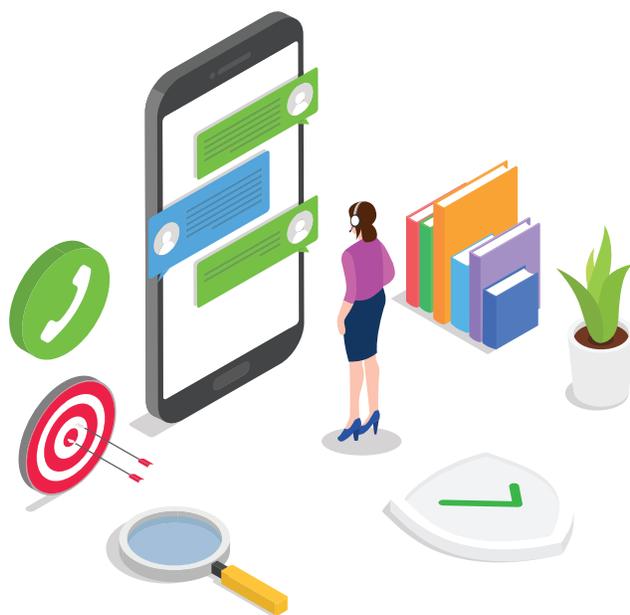
Find out more at www.johnhancock.com.

John Hancock New Customer Service Number

John Hancock has a NEW dedicated phone number for our plan participants to speak with representatives with expertise in multiemployer 401(k) funds that understand you and your specific needs.

The new John Hancock customer service number will be 833-388-6466 or 833-38-UNION. Representatives will be available from 8 a.m. to 10 p.m., Eastern time, on New York Stock Exchange business days. For a Spanish speaking representative, call 888-440-0022 from 10 a.m. to 8 p.m., Eastern time, on New York Stock Exchange business days.

If you call the previous John Hancock customer service number, a representative will pass you along to the new phone line serviced by one of John Hancock's dedicated multiemployer plan participant service representatives.



Trustees Change Preretirement Death Benefit

On April 17, 2019, the IAM National Pension Fund Board of Trustees approved a change to the National Pension Plan regarding the Preretirement Death Benefit. The standard form of payment for married participant's is a 50 Percent Spouse pension. This form is an actuarially-reduced pension which provides a pension for the participant's lifetime and then 50 percent of that pension for the lifetime of the spouse. The previous Preretirement Death Benefit provided half of a participant's 50 percent Spouse Pension to a surviving spouse if the participant died before retirement. The Trustees approved a change to increase the Preretirement Death Benefit to 100 percent of the 50 Percent Spouse Pension for the lifetime of the spouse. This change occurred prior to the Rehabilitation Plan and Schedules and will not be impacted.

If you die before you retire, your spouse will be eligible for the 100 percent spouse Preretirement Death Benefit if the following conditions are met: you have met the service requirements for a normal, early retirement, early unreduced retirement at age 62, 30 and Out, or vested deferred pension before you die. You and your spouse have been married to each other throughout the 12-month period ending with your death. Payments to your spouse can be effective the first of the month following your spouse's application for benefits. You do not need to elect this benefit during your lifetime. Your spouse must, however, apply for this benefit after your death by filing an application with the Benefit Funds Office (BFO). Benefits to your spouse cannot be paid for any period before the first of the month after a completed application is received by the BFO. To be eligible for the 100% spouse preretirement death benefit you must have at least one hour of service under the National Pension Fund or a prior plan on or after September 2, 1974.

Benefits Funds Office Relocation

The Benefit Funds Office (BFO) lease at 1300 Connecticut Avenue has expired, so to reduce administrative costs, the IAM National Pension Fund Board of Trustees conducted a search to relocate the BFO. After careful consideration, the Boards of the National Pension Fund, the 401(k) Fund, and the Benefit trust Fund approved a move to a new office location. All mail should now be sent to 99 M Street, SE Washington, D.C. 20003-3799.

This move will save the IAM National Pension Fund more than \$1 million a year.

The phone numbers have remained same at the new location. As always, participants can look for the latest news on our website at www.iambfo.org.

The BFO is changing for the better while saving money, and we will continue to strive to provide the best service to participants, retirees, beneficiaries, unions, and employers.



Spotlight Goes Digital

We want to ensure participants are receiving timely information while reducing costs.

The Benefit Funds Office (BFO) is committed to providing you with a quicker and more effective way to receive the essential updates you need to know about your benefits. With the launch of our new website and the digital tools available, the BFO is also updating the way participants obtain information.

The Benefit Spotlight newsletter has been a valuable tool to provide participants with accurate information. The Benefit Spotlight is going digital after this issue. The new electronic version will be available online. It will also be interactive and more robust with direct links to information and informative videos.

Moving to digital from printing and mailing creates considerable cost and time savings.

Participants will be able to go online twice a year and view the new digital newsletter.

We are excited about this new method of communication and look forward to providing you with the first electronic version in 2020.

Additional Rehabilitation Plan FAQs

If an employer withdraws from the Fund after September 1, 2019 without adopting the Rehabilitation Plan and a Schedule, what Schedule will those participants fall under?

After September 1, 2019, participants whose employer withdraws from the IAM National Pension Fund (IAMNPF) without adopting the Rehabilitation Plan and a Schedule will be placed under the Preferred Schedule on the date of withdrawal.

Can a Plan participant retire prior to January 1, 2022 to access the subsidized pension benefit and then return to work for the same employer?

If a participant retires prior to January 1, 2022 under the Preferred Schedule and immediately, or in the short term, returns to work for the same participating employer, in any job classification, this may be deemed to be a “sham” retirement, which has been addressed by the IRS in a Private Letter Ruling. Since the participant never truly retired from work, the benefit would be reversed and the overpayment collected from the participant.

Why does the Rehabilitation Plan end December 31, 2031?

The law requires the 10-year Rehabilitation Period to begin on the first day of the first plan year following the second anniversary of the adoption date of the Rehabilitation Plan. The Rehabilitation Plan was adopted

by the Trustees on April 17, 2019. The first day of the first plan year following the second anniversary

of the Rehabilitation Plan adoption date is January 1, 2022. Therefore, the end of the 10-year Rehabilitation Period is December 31, 2031.

Can an employer bargain to impasse and impose one of the Rehabilitation Plan Schedules?

No, an employer cannot declare an impasse and adopt the Rehabilitation Plan and elect a Schedule as part of a best and final offer.

Can subcontractors under a Master Collective Bargaining Agreement (CBA) adopt the Rehabilitation Plan and elect their own Schedule?

No. Under a Master Agreement, the bargaining parties must adopt the Rehabilitation Plan and adopt a Schedule. The Rehabilitation Plan does not allow for more than one Schedule to be elected for a single CBA.

What are the Rehabilitation Plan adoption requirements for a Collective Bargaining Agreement (CBA) governed by the Railway Labor Act?

Bargaining parties have 180 days from the date the CBA becomes amendable to adopt the Rehabilitation Plan. If the CBA becomes amendable prior to Sept. 1, 2019, the 180 days begins on Sept. 1, 2019 and expires on Feb. 28, 2020.

What happens under a Bridge Agreement with regards to Service Contracts Agreements?

The rules governing Bridge Agreements with regard to the IAM

National Pension Fund have not changed with the Rehabilitation Plan. Under a Bridge Agreement, if the incoming employer has agreed to continue contributing to the Fund, the PPA Surcharge or Rehabilitation Plan Additional Employer Contributions will still apply. If the new employer chooses not to continue contributing to the Fund, the previous employer may be required to pay Withdrawal Liability in accordance with Fund policy.

What happens if a participant under the Preferred Schedule retires prior to January 1, 2022, collects a subsidized benefit, and then returns to work in disqualifying employment?

The IAMNPF disqualifying employment rules were not changed as a result of the Rehabilitation Plan. If a participant covered under the Preferred Schedule of the Rehabilitation Plan retires from a participating employer, begins collecting a pension benefit from the IAMNPF prior to January 1, 2022, and returns to work in disqualifying employment, the participant's subsidized benefit will be suspended during that period. When the participant again stops working in disqualifying employment, their subsidized benefit will be reinstated. Benefit accruals earned during the period of benefit suspension, if the disqualifying employer occurs while working for a participating employer, will be based on the Rehabilitation Plan Schedule in effect for that employer. If the disqualifying employment is with a non-participating employer, no additional benefit accruals will be earned.

Rehabilitation Plan Update

Since the early adoption date of June 1, 2019, more than 1,000 employer locations covering more than 62,000 participants have adopted the Preferred Schedule.

There are now two pension estimator tools available on the website. For retirements under the Preferred Schedule before January 1, 2022 or if your bargaining parties or employer have not yet adopted a Schedule, there is a tool to estimate your pension at any age. For retirements under the Preferred Schedule after January 1, 2022, you can only estimate your pension at Normal Retirement Age of 65.

We are developing functionality to estimate early retirements under the Preferred Schedule before Normal Retirement Age after January 1, 2022, using the revised age-reduction factors.

We are also developing functionality to estimate benefits under the Default Schedule based on the change in future accruals and the revised age-reduction factors. Please check our website for updates.

In May 2019, the Benefit Funds Office conducted a Rehabilitation Plan training with more than 300 Union Representatives to better assist participants in understanding the changes. Our Education Representatives have conducted more than 65 site visits covering 41,025 participants across the country to explain the Rehabilitation Plan changes. Our Education Representatives will continue these site visits throughout the year.

The Board of Trustees is consistently monitoring the Rehabilitation Plan to ensure the Fund is meeting objectives as we work toward the future.

For additional questions about the Rehabilitation Plan, please go to the website at www.iambfo.org and log in. A pop-up will direct you to more information. You can also find additional frequently asked questions on page six of this newsletter.

Tax Forms Will be Available Soon

Benefit Recipients 1099-R Forms will be available online and also mailed by January 31st, 2020.

After January 31, to download your 1099-R you can log in to your account online at www.iamnfpf.org.

If you do not have access to the secure portal of our website, you can create your login ID and password online or call 1-800-424-9608.

Please do not call the office with questions about your 1099-R until after January 31.





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www.iambfo.org



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 Office. 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.

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