

# MICHIGAN ELECTRICAL EMPLOYEES' PENSION FUND

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July 2020

## IMPORTANT NOTICE TO ALL PARTICIPANTS, RETIREES AND ALTERNATE PAYEES

The Trustees of the Michigan Electrical Employees' Pension Fund have, with the advice of the Fund's actuary and attorney, amended the Pension Plan, effective September 1, 2020, to extend the date at which the Fund's Plan stops applying the suspension of benefit rules from April 1<sup>st</sup> following the calendar year in which the retiree reaches age 70 ½ to April 1<sup>st</sup> following the calendar year in which the retiree reaches age 72. This change is being made in coordination with the SECURE Act's change of the required minimum withdrawal age to 72. This change only applies to people who turn 70 ½ after December 31, 2019. **This change will not affect any benefits for people who turned 70 ½ on or before December 31, 2019.**

The Pension Plan's Suspension of Pension Benefits rule applies to Participants who have Retired and later decide to return to work. Under the current provisions, unless a limited waiver applies, Pension Benefits being paid to retirees may be suspended only if ALL of the following conditions are met:

1. You work **40** or more hours during any given month (or during the payroll periods ending within that month); and
2. The work is in the same industry as the type of business activity engaged in by Employers who contribute to the Plan even though your employer may not be a contributing employer (e.g., a non-union employer); and
3. The work is at the same trade or craft in which you were working when you earned benefits under the Plan (self-employed work, as well as supervisory and managerial work, can be considered a return to work at the trade or craft if you are using the same skill or skills you acquired while you were accruing credit under the Plan); and
4. The work is performed within the State of Michigan, or within the jurisdiction of any Local Union of the I.B.E.W. having jurisdiction within the State of Michigan, including I.B.E.W. Local 8 (Toledo), 153 (South Bend), 158 (Green Bay), and 906 (Upper Peninsula).

These suspension rules were applicable until the April 1<sup>st</sup> following the calendar year in which the retiree reaches age 70 ½. Now, for those who reach age 70 ½ after December 31, 2019, the same rules will continue to apply until the April 1<sup>st</sup> following the calendar year in which the retiree reaches age 72. Thereafter, you may both work and receive your monthly pension.

The following examples should help explain this rule and how it works:

**Examples:**

*Example 1:* Jason reached age 70 ½ on February 3, 2020, after December 31, 2019. He stopped working at the trade and retired in 2013 then began to receive monthly retirement benefits. In July 2021, Jason decides to return to work at the trade in Michigan and works 150 hours in that month. Under the new benefit suspension rule, which impacts Jason's benefit because he turned 70 ½ after December 31, 2019, Jason's benefit would be suspended for the month of July because he worked 40 or more hours in a month before April 1, 2022 (the April 1<sup>st</sup> following the calendar year in which he reaches age 72).

*Example 2:* Sam reached age 70 ½ on December 3, 2019, before December 31, 2019. He stopped working at the trade and retired in 2013 then began to receive monthly retirement benefits. In July 2021, Sam decides to return to work at the trade in Michigan and works 150 hours in that month. Under the new suspension rule, which does not impact Sam's benefit because he turned 70 ½ before December 31, 2019, Sam's benefit would not be suspended for the month of July because he has passed April 1, 2020 (the April 1<sup>st</sup> following the calendar year in which he reached age 70 ½).

The Trustees decided to make this change in the Plan after meeting with the Fund's professional advisors and reviewing the change in the law under the SECURE Act as well as the many factors which determine the level of benefits that can be promised and paid. The professionals retained by the Fund have advised the Trustees that this change is reasonable considering the change in the law.

**Board of Trustees  
Michigan Electrical Employees' Pension Fund**