

AN EXAMPLE OF HOW RETIREMENT BENEFITS ARE CALCULATED

How A Contributory Service Benefit Is Calculated

Assume your new unit enters the Plan on January 1, 2008 with a Pension Rate of \$2.50 per hour and your hire date with the company was January 1, 1998, entitling you to ten years of past employment. Also, let's assume you continue working through the year 2012, giving you five years of coverage under the Plan. Your **contributory service benefit** would be calculated as follows:

Year	Total Hours	Pension Rate	Total Contributions	Contributions Percentage	Monthly Normal Retirement Benefit
2008	2080	x \$ 2.50	= \$ 5,200.00	x 1.20%	= \$62.40
2009	2080	x \$ 2.50	= \$ 5,200.00	x 1.20%	= \$62.40
2010	2080	x \$ 2.50	= \$ 5,200.00	x 1.20%	= \$62.40
2011	2080	x \$ 2.50	= \$ 5,200.00	x 1.20%	= \$62.40
2012	2080	x \$ 2.50	= \$ 5,200.00	x 1.20%	= \$62.40
TOTAL			\$26,000.00		\$312.00
Total Contributory Service Benefit					\$312.00

Based on the ten years of past employment you worked and the fact that you worked at least five 500-covered hour years after you entered the Plan, you would qualify for a non-contributory service benefit based on your ten years of past employment.

How A Non-Contributory Service Benefit Is Calculated

The first step is to calculate his average annual contributions:	$\$26,000.00 \div 5 = \$5,200.00$
The second step is to take 1.2% of the average annual contributions:	$\$5,200.00 \times 1.20\% = \62.40
The result from this second step is then multiplied by the number of years of past employment the participant has earned (<i>in this example the participant qualifies for ten years</i>):	$\times 10$
Total Non-contributory Service Benefit	
	\$624.00

Not all participants have ten years of past employment. The chart below shows what your non-contributory service benefit would be if you had less than ten years of past employment.

Years of Past Employment	Non-Contributory Service Benefit
1	\$62.40
2	\$124.80
3	\$187.20

Years of Past Employment	Non-Contributory Service Benefit
4	\$249.60
5	\$312.00
6	\$374.40

Years of Past Employment	Non-Contributory Service Benefit
7	\$436.80
8	\$499.20
9	\$561.60

How Your Normal Retirement Benefit is Calculated

The final step in calculating your benefit is to add together your **non-contributory service benefit** and **contributory service benefit** to determine your **Normal Retirement Benefit**. Your Normal Retirement Benefit is the benefit you can receive at age 65 if you are vested. If you retire before age 65, your benefit may be reduced based on your actual age when you retire.

Contribution Account Benefit	+	Non-Contributory Service Benefit	=	Normal Retirement Benefit
\$312.00		\$624.00		\$936.00

(The above example may be different from the benefit you receive based on your actual coverage under the Plan. All Plan benefits are subject to the terms of the official Plan document.)