

Have You Worked Outside of This Fund's Jurisdiction?

RECIPROACITY

The Trustees of the Pension Fund realize that you may work in several locations and in the jurisdiction of several pension funds during your construction industry career. To help you avoid losing benefits when working outside the jurisdiction of this Pension Fund, the Trustees honor a large number of reciprocity agreements with other funds.

There are two types of reciprocal arrangements. They are known as “pro-rata” and “money-follows-the-man” reciprocity. Both types are used by this Pension Fund. A brief description of each follows.

Pro Rata Reciprocity

The Trustees of the Pension Fund realize that you may work in several locations and in the jurisdiction of several pension funds during your construction industry career. To help you avoid losing benefits when working in the construction industry outside the jurisdiction of this Fund, the Trustees honor a large number of pro rata reciprocity agreements with other pension funds.

Under a pro rata reciprocity agreement, each fund keeps the contributions paid to it on your behalf. When you retire, each fund within whose jurisdiction you worked shares information regarding the credit you earned. The total combined service you have earned with all funds is used to determine if you have sufficient years of service to be eligible for retirement benefits from each fund.

If you have enough combined service to be eligible, you may receive a pro rata pension benefit from two or more funds. If you are eligible, you must apply for a benefit separately with each participating fund. Each fund's pro rata pension benefit amount is based on your service in that fund's jurisdiction only.

For example, let's suppose you earned three years of Continuous Service in this fund, and then you earned seven years of Continuous Service in an out-of-state fund with whom the Trustees of this fund have a pro rata reciprocal agreement. Because your combined service from both funds totals ten years, you would be considered 100% vested with this Fund. Upon meeting both Funds' eligibility requirements for benefits, you would receive separate pro rata benefits from this fund and the out-of-state fund.

When calculating a pro-rata retirement benefit, the benefit rate that applies to all uninterrupted hours credited in this fund is the benefit rate in effect when contributions to this fund stopped. For example, if you earned five years of service in this fund from 1971 through 1976, a rate of \$11.00 per 1000 hours is applied to these hours, the benefit rate in effect in 1976. Other rates may apply to your benefit if your service was

interrupted. (Please refer to your Summary Plan Description for additional information regarding benefit rates and interruptions).

If you want to apply for a pro rata benefit, a benefit representative will need to contact any other pension funds under whose jurisdiction you worked. To determine where your pension contributions were paid and what pension funds must be contacted, you must provide the union local numbers of the various locals where you worked and the approximate date(s) you worked in these areas.

Money-Follows-The-Man Reciprocity

Money-follows-the-man reciprocity agreements allow you to transfer your hours and contributions to your Home Fund soon after the work is performed, provided you meet the transfer requirements described in this section.

Contribution rates for different pension funds are rarely identical. Therefore, the monies received by this Pension Fund on your behalf are divided by your trade's contribution rate to determine your hours of credit in this Pension Fund.

Assuming the contributions to other funds were transferred to your Home Fund, one pension is payable from the Home Fund.

DESIGNATION OF HOME FUND

A transfer of pension contributions can only be made to your **Home Fund**. Your Home Fund is determined as follows:

- ❖ If you are a member of a local union, your Home Fund is the fund in which your local union participates in accordance with a collective bargaining agreement.
- ❖ If you are not a member of a local union, your Home Fund is the fund in which the bulk of pension contributions have been made on your behalf in the last three years.
- ❖ If you would like to designate a Home Fund other than the above, you must establish such Home Fund status to the satisfaction of the Trustees of the funds receiving contributions on your behalf.

There are separate rules for the transfer of pension contributions into and out of this Pension Fund. To better understand the rules, it's important to know the difference between *old money* and *new money*.

Old money refers to all contributions which helped you become a Participant and those for which you accrued credits with a pension fund after becoming a Participant, but prior to completing a Transfer Request Form.

New money refers to all contributions received on your behalf prior to you becoming a Participant, prior to accruing any credits, or after completing a Transfer Request Form.

CONTRIBUTIONS WHICH MAY BE TRANSFERRED TO THIS PENSION FUND

If you work in the jurisdiction of another fund, and the Building Trades United Pension Trust Fund is your Home Fund, the following contributions may be transferred to this Pension Fund:

- ❖ All contributions (both *old money* and *new money*) paid to an IRS qualified *defined benefit* pension fund.
- ❖ All *new money* paid to an IRS qualified *defined benefit* or *defined contribution* pension fund.

In order for a transfer of the above contributions to be made, you must complete a Transfer Request Form and submit the completed form to the transferring pension fund's office. The Trustees of the transferring fund must have signed the appropriate money-follows-the-man reciprocity agreement with the Trustees of the Building Trades United Pension Trust Fund.

CONTRIBUTIONS WHICH MAY BE TRANSFERRED FROM THIS PENSION FUND

- ❖ If you are a Participant in this Pension Fund (have earned 750 hours with this Pension Fund), and you request, in writing, that your pension contributions be transferred to another fund, this Pension Fund **can only transfer contributions made to this Pension Fund on your behalf after the date we receive your written request (new money)**. In other words, if we receive your written request on September 15, 2000, we can only transfer contributions received on your behalf September 15, 2000, and later. Any credit received prior to September 15, 2000, (old money) cannot be transferred, and will remain in this Pension Fund.
- ❖ If you are not a Participant in this Pension Fund (haven't been credited with 750 hours with this Pension Fund), **all** contributions (new money) made to this Pension Fund on your behalf may be transferred to your Home Fund.
- ❖ To transfer contributions which are transferable to your Home Fund, it is necessary that:
 1. You complete the appropriate "Transfer Request Form"; and
 2. Your Home Fund has signed the appropriate money-follows-the-man Reciprocity Agreement with this Fund.

CALCULATION OF BENEFITS BASED ON HOURS TRANSFERRED TO THIS PENSION FUND

The amount of your retirement benefit depends on the number of uninterrupted hours of covered work credited to you at retirement and the applicable benefit rates.

Many times, hourly pension contributions outside of this Pension Fund's jurisdiction are different from the hourly contribution rates required by this Pension Fund. When you have hours

transferred to this Pension Fund from another pension fund, the total number of hours is adjusted to reflect the difference in the hourly contribution rate.

For example, if you had 100 hours transferred to this Pension Fund at \$1.25 per hour and the required contribution rate for your Trade in this Pension Fund was \$1.50, you would receive credit for 83.33 hours. Similarly, if you had 100 hours transferred to this Pension Fund at \$1.75 per hour and the required contribution rate for your Trade in this Pension Fund was \$1.50, you would receive credit for 116.67 hours. Adjusted hours are referred to as pro-rated hours.