

NECA-IBEW Pension Trust Fund

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MAXIMUM BENEFITS TEST (Section 415 Limits)

To: Plan Participants Applying for Pension Benefits

We have received your application for pension benefits. As part of the review process, we are required by federal law to perform certain tests. One of these tests is known as the maximum benefits test. Current provisions (called the Section 415 limits) of the Federal Income Tax Laws provide for maximum annual benefit limits. The maximum annual benefit test must be performed on an individual basis and cannot be performed until an individual actually retires. The regulations governing the calculation of the maximum annual benefits are very complex. If your benefits earned under the Plan exceed the maximum annual benefit allowed by law, the benefit must be reduced in order to avoid adverse tax consequences for both you and the Plan. If your monthly-earned benefits exceed the maximum limit, you may reduce the amount of the benefit through the election of the joint and survivor option offered by the Plan. Should you fail to elect an option that reduces your monthly benefits to an acceptable level, you will suffer a forfeiture of the amount of your earned benefit that exceeds the maximum benefit. The Plan is prohibited by law from paying any benefit exceeding the maximum benefit. Payment of a benefit in excess of the maximum benefit will result in the imposition of an excise penalty on the Pension Plan and an excise penalty (in addition to the ordinary income taxes) on you.

Are you covered by another qualified retirement Plan other than the NEBF and the IBEW?

Yes No If yes, please let us know the name, address and phone number of the Plan.

Name of other Plan

Phone #

Address

Also, please provide a statement from the Plan showing the amount and form of your retirement benefit.

Signature of Plan Participant

Date

This letter needs to be completed and returned to the Fund Office before your pension can be started. Should you have any questions, please contact the Fund Office, extension 101.

Sincerely,

Administration Office
NECA-IBEW Pension Trust Fund