

Forms of Pension Payment

All Forms of Pension Payment come with the option of a Partial Lump Sum in addition to your monthly benefit. The Partial Lump Sum payment is paid out in the first month you initiate your benefits. Effective in the second month your monthly payments will commence. Please review the Partial Lump Sum Pension Distribution Form for more details.

All pension options are payable for the lifetime of the pensioner. When choosing from the options below, you are choosing what happens to your pension after your death. The Five-Year Certain option will have the highest monthly benefit. All other options will likely result in the Plan paying for a longer period of time which is slightly offset by a reduced monthly benefit.

Under the two **Life & Certain** options, you are promised that your pension will be paid out for a minimum number of years (either 5 (60 monthly payments) or 10 (120 monthly payments)). Should you live beyond that minimum, your pension will continue to be paid to you as normal until your death when pension payments will stop. If you die prior to the minimum number of years, your pension will continue to be paid out to the **Beneficiary** (or beneficiaries) of your choosing until the number of years is met. Since these options are calculated based on you alone, your designated beneficiary can be changed at any time by sending us a new Designation of Beneficiary form.

Under the **Joint & Survivor** options, you will select a **Contingent Annuitant** (who will most often be your spouse but can be anyone of your choosing except in the case of the 50% option) and benefits are based on your combined lifetimes. This may mean a large reduction in your pension amount could occur by choosing a significantly younger contingent annuitant. Pension benefits will continue to be paid monthly until both you and your contingent annuitant die. If you pass away, your contingent annuitant will continue to receive pension benefits at the percentage you select. If your contingent annuitant passes first, no change will be made to the monthly benefit amount (unless you elect the Pop-Up option). As your benefit is set at the time of retirement and is based on your combined lifetimes, you are **NOT** able to change your Contingent Annuitant for **any** reason after benefits commence.

Five-Year Certain

A monthly pension that is payable to you for life. If you die **after** five years (60 monthly pension payments) have been paid, no further benefits will be due. If you die **before** five years (60 monthly pension payments) are paid, the monthly pension will continue to be paid to your designated beneficiary until a combined total of 60 monthly payments have been paid to you and your beneficiary.

Example 1: Participant commences their benefit and receives their 10th payment, but also dies within the same month. The participant's beneficiary will receive an additional 50 monthly payments, with no benefit due thereafter.

Example 2: Participant commences their benefit and dies after receiving their 70th payment. Since 70 payments is more than 5 years of payments, no benefit is due upon the participant's passing.

Ten-Year Certain

An adjusted monthly pension that is payable to you for life. The amount of adjustment is a reduction based on your age at retirement. If you die **after** ten years (120 monthly pension payments) have been paid no further benefits will be due. If you die **before** ten years (120 monthly pension payments) are paid, the monthly pension will continue to be paid to your designated beneficiary until a combined total of 120 monthly payments have been paid to you and your beneficiary.

Ten Year Certain (Continued)

Example 1: Participant commences their benefit and receives their 10th payment, but also dies within the same month. The participant's beneficiary will receive the additional 110 monthly payments, with no benefit due thereafter.

Example 2: Participant commences their benefit and dies after receiving their 150th payment. Since 150 payments is more than 10 years of payments, no benefit is due upon the participant's passing.

50% Joint & Survivor Pension

An adjusted monthly pension that is payable to you for life. This option is available only to participants who are legally married at the time of retirement and requires you to choose your spouse as your Contingent Annuitant. The amount of adjustment is a reduction based on the ages of you and your legal spouse. For your lifetime, the pension will continue to be paid at the same monthly amount. Upon your death, if your spouse is still alive, 50% of the monthly pension will continue to be paid to your spouse for the remainder of their life.

Example 1: Participant receives a monthly benefit of \$1,000 with their spouse as their contingent annuitant. When the participant dies, the spouse will receive a benefit of \$500 per month for the remainder of their lifetime.

Example 2: Participant receives a monthly benefit of \$1,000 with their spouse as their contingent annuitant. When the spouse passes away, the participant does not get to select a new contingent annuitant but will continue to receive \$1,000 per month for the remainder of their lifetime. No benefits are payable after the participant's death.

75% or 100% Joint & Survivor Option

An adjusted monthly pension that is payable to you for life. The amount of adjustment is a reduction based on the ages of you and your Contingent Annuitant at the time benefits commence. This option is available as either a 75% Joint & Survivor or a 100% Joint & Survivor. During your lifetime, the pension will continue to be paid to you at the same monthly amount. When you die, if you die before your Contingent Annuitant, either 75% or 100% of the monthly pension will continue to be paid to them for the remainder of their life. Please note, if you choose a Contingent Annuitant who is not your spouse and is more than 10 years younger than you, your Contingent Annuitant's benefit after your death may be less than the selected 75% or 100% of your benefit.

Example 1: Participant receives a 75% Joint & Survivor monthly benefit of \$1,000 with their spouse as their contingent annuitant. When the participant dies, the spouse will receive \$750 per month for the remainder of their lifetime.

Example 2: Participant receives a 100% Joint & Survivor monthly benefit of \$1,000 with their unmarried partner as their Contingent Annuitant. When the partner passes away, the participant does not get to select a new Contingent Annuitant but will continue to receive \$1,000 per month for the remainder of their lifetime. No benefits are payable after the participant's death.

Pop-Up Option

You may also elect the 50%, 75% or 100% Joint and Survivor Option with a Pop-Up Option. The Pop-Up Option reduces the amount that would otherwise be payable under each Joint and Survivor Option during the participant's lifetime. However, it guarantees that if your Contingent Annuitant dies first, your monthly benefit will increase (or "pop up") to the amount that would have been payable to you had the benefit been paid as a Five-Year Certain when you retired (even though you chose a Joint and Survivor Option). The number of payments received prior to the death of a spouse or contingent annuitant will be counted against the 60-month payment guarantee of the Five-Year Certain Option.