

What is a Partial Lump Sum (PLS)?

The PLS is an option in the SAG-Producers Pension Plan that allows a pensioner to have a large first pension payment before continuing with their lifetime monthly benefit.

The PLS is always taken in conjunction with one of the following monthly benefits:

- Five-Year Certain
- Ten-Year Certain
- 50% Joint & Survivor
- 75% Joint & Survivor
- 100% Joint & Survivor

The payment is equal to 12 times the monthly payment you would have received under the Five-Year Certain form of payment and is paid by paper check as your first monthly payment. The month after the Partial Lump Sum payment is made, the selected monthly pension benefit begins.

All participants have three payment options when they choose the PLS:

1. Payable to Self - A check will be mailed to the pensioner that reflects the 20% mandatory federal tax withholding (the check is 20% less than the Partial Lump Sum amount because per federal regulations, the Plan must tax it at 20%). A single 1099-R will be issued within the first two months of the following year containing both the amount of the Partial Lump Sum and any monthly payments issued in the same year.
2. Rollover to IRA or Qualified Retirement Account – A check will be mailed to the rollover institution with the pensioner's name added as "For Benefit of" along with the account number.
3. Partial Rollover – A combination of options 1 and 2 above where the Pensioner may elect to rollover a certain amount of the payment and have the remaining portion payable to themselves.

If you elect the Partial Lump Sum option, the amount of the monthly payments will be reduced based on actuarial factors in effect at the time your pension first becomes payable.

If you are married, your spouse has to consent to your decision to elect the Partial Lump Sum option.

For example:

If you retire at age 65 with a monthly benefit of \$1,200 under the five-year certain form of payment, you will receive (\$1,200 monthly annuity payment x 12 months = \$14,400) \$14,400 as your partial lump sum. The monthly benefit of \$1,200 would be reduced to compensate for the partial lump sum, dropping to \$1,083.50.