



## GREATER KANSAS CITY LABORERS FRINGE BENEFIT FUNDS

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The Board of Trustees is pleased to announce important improvements to the Pension Plan.

- **POP-UP PROVISION**

If you are married when you retire, you can choose to have your benefits paid in the form of a 50% Husband and Wife Pension. An advantage to choosing this form of payment is that a monthly benefit will continue to be paid to your spouse after your death. Under a new provision added to the Plan, if you are receiving a Husband and Wife Pension and your spouse dies, your monthly pension amount will increase (or "pop-up") to the single-life annuity amount. This means that starting on the first day of the month following your spouse's death, your monthly benefit amount will be the same amount that you would have had if you had chosen a single life annuity. This change is effective for anyone receiving a Husband and Wife Pension and whose Spouse dies on or after July 1, 1997.

**For Example:** Bob is age 62 and eligible for a regular pension of \$700.00 per month. His wife is age 60. He elects to receive his pension in the form of the 50% Husband and Wife Pension. When his pension is calculated to take into account this form of payment, the monthly pension payable to Bob for his lifetime is \$617.40 ( $\$700.00 \times 88.2\% = \$617.40$ ), rounded to \$617.50. If he dies, his wife will receive half of this amount or \$308.75 (rounded to \$309.00) for her lifetime. However, if Bob's wife dies before him, his benefit will "pop-up" to the single life amount of \$700.00

- **SHORTER VESTING REQUIREMENT**

Vested means you have a nonforfeitable right to a pension, even if you stop working in covered employment. The amount of your pension benefit is based on contributions made to the Fund on your behalf. The Pension Fund's vesting requirement has been improved from the prior schedule where you were not entitled to a benefit until you had 8 years of service, and then were only 80% vested. You were not 100% vested until you had 10 years of service. Now you will be 100% vested after 5 years of service for any type of pension benefit other than the Social Security Supplemental Benefit. This change means that if you leave covered employment after November 1, 1997 and you have 5 or more years of service, you are guaranteed 100% of your benefit under the Pension Fund. **YOUR BENEFIT WILL ONLY BE PAID AT THE TIME AND IN A FORM ALLOWED BY THE FUND.**

**This shorter vesting requirement is effective November 1, 1997**, that is Participants who left covered employment prior to November 1, 1997 with less than 10 years of vesting service will have to reestablish participation under the plan to qualify for the shorter vesting requirement. Participants who left covered employment prior to November 1, 1997 while partially vested (with between 8 and 10 years of service), will have to return to covered employment for at least one hour to change their partially vested status to fully vested status.

### **AGE REQUIREMENT REMOVED FOR UNREDUCED BENEFITS**

For all Participants, who retire on or after February 1, 2000, you may qualify for **unreduced benefits**, regardless of age, as long as you have **at least 30 Pension Credits**. These benefits include the Regular Pension, Supplemental Pension and the Social Security Supplemental Benefit.

Prior to this improvement, a Participant was required to not only have at least 30 Pension Credits, but also be age 55 or older to qualify for unreduced benefits.

Please call the Fund Office at (913) 236-5490 if you have any questions about these improvements.

Sincerely,

BOARD OF TRUSTEES