

## Delayed Retirement Incentive Program

You may be eligible to receive a **Delayed Retirement Incentive**, in addition to your Service Pension, when you continue working after becoming eligible for an unreduced Service Pension.

For purposes of determining in the Delayed Retirement Incentive, the "Service Pension Eligibility Date" will be the later of your actual Service Pension Eligibility Date and July 1, 2008.

**Amount of Benefit:** The total amount of the Delayed Retirement Incentive (or "DRI") will equal a percentage, as adjusted below, of your annual Service Pension earned through the date you become eligible for an unreduced Service Pension (or July 1, 2008, if you are eligible for a Service Pension prior to July 1, 2008), according to the following table:

Year Worked After Service Pension Eligibility Date	DRI Percentage Earned Each Year	Total DRI Percentage Earned
1st Year	10%	10%
2 <sup>nd</sup> Year	15%	25%
3rd Year	25%	50%
4th Year	25%	75%
5th Year	25%	100%
Each Additional Year	20% per year	+ 20% per year

The percentage you earn in any year depends on how many Credited Months you work during that year. A "Credited Month" is a month in which you work at least 30 hours (or have contributions made on at least 30 hours). If you work 12 Credited Months in the year, you will earn the full percentage indicated above. If you work at least 350 hours but less than 12 Credited Months in a year, the percentage you would earn for that year is multiplied by the number of Credited Months in the year divided by 12.

If you work less than 350 hours in a year, the percentage earned for that year is 0%. If you defer your retirement for less than 12 full months, then the percentage earned is 0%. The example below illustrates how this calculation works.

Although it is the Trustees' intent to continue this benefit, it should be noted that the Delayed Retirement Incentive is not part of your accrued benefit under the Plan, and the Plan may reduce or eliminate the Delayed Retirement Incentive in the future.

**Amount and Number of Monthly Payments:** In general, the number of months you will receive a Delayed Retirement Incentive benefit will equal the number of months you defer retirement past your Service Pension Eligibility Date. For example, if you defer retirement and continue working for 36 months beyond your Service Pension Eligibility Date, the total DRI benefit is divided by 36 and is payable for 36 months. However, payment of the monthly DRI benefit will stop upon your death or upon the date you become eligible for unreduced Social Security benefits (the age listed below). Also, your DRI payments will cease if you return to covered employment, and will resume upon subsequent retirement. Please keep in mind that although your monthly DRI benefit will generally increase with each month that you work past your Service Pension Eligibility Date, your total DRI Benefit (the total of all monthly DRI payments)

will begin to decrease at a certain point because you will receive your monthly DRI benefit over a fewer number of months as you approach your unreduced Social Security retirement age.

***Unreduced Social Security Retirement Ages***

The following chart shows the ages for unreduced Social Security benefits based on year of birth:

<u>Year of Birth</u>	<u>Age for Unreduced Social Security Benefit</u>
1937 or earlier	65 yrs.
1938	65 yrs. 2 months
1939	65 yrs. 4 months
1940	65 yrs. 6 months
1941	65 yrs. 8 months
1942	65 yrs. 10 months
1943 - 1954	66 yrs.
1955	66 yrs. 2 months
1956	66 yrs. 4 months
1957	66 yrs. 6 months
1958	66 yrs. 8 months

***Optional Lump Sum Payment.*** If you earn a DRI benefit, you may choose to receive the DRI Benefit in the form of a Jump sum payment equal to the present value of your monthly DRI benefits. However, for retirements on or after April 1, 2013, your DRI benefit is only payable in monthly installments so long as the Plan is in critical status.

***HERE IS HOW IT WORKS:***

**Example:** Let's say you are age 60 as of July 1, 2008, you are eligible for an unreduced Service Pension on that date, and your annual Service Pension as of that date is \$40,000. You continue to work steadily (at least 30 hours per month and at least 350 hours per year) until you retire on March 1, 2011, for a total of 32 months worked after your Service Pension Eligibility Date. Under the formula above, you would have earned 41.67% of your Service Pension as a DRI benefit.

This percentage is calculated by adding:

- 10% for 7/1/2008 to 7/1/2009; you earn the full percentage for the year because you worked 12 Credited Months and deferred retirement for all 12 months during the year, plus
- 15% for 7/1/2009 to 7/1/2010; you earn the full percentage for the year because you worked 12 Credited Months and deferred retirement for all 12 months during the year, plus
- 16.67% for 7/1/2010 to 3/1/2011; you earn the full percentage for the year (25%) multiplied by 8/12 (Credited Months + 12).

So, your total DRI benefit is 41.67% of \$40,000, or \$16,668.

To determine the amount of the monthly DRI benefit, you divide 41.67% of your annual accrued benefit ( $41.67\% \times \$40,000 = \$16,668$ ) by the number of months you deferred retirement (32) for a monthly DRI benefit equal to \$520.88. If you elect to receive the DRI benefit in the form of monthly payments, the total of all the monthly payments (32) would equal \$16,668 (assuming you do not die before receiving all payments). Based on the actuarial factors used by the Plan, the lump sum value of this benefit would be \$15,513 as of March 1, 2011.