

Pension Protection Pension Power



The National Pension Plan: Your Best Option for Financial Security in Retirement

You work hard, and your retirement dreams deserve protection. For nearly five decades, the IAM National Pension Fund has been watching out for IAM members and their families by helping them achieve financial security in retirement. Through the power of solid, responsible investing and careful management, the IAM National Pension Fund can help you realize your dreams of a secure and comfortable retirement.

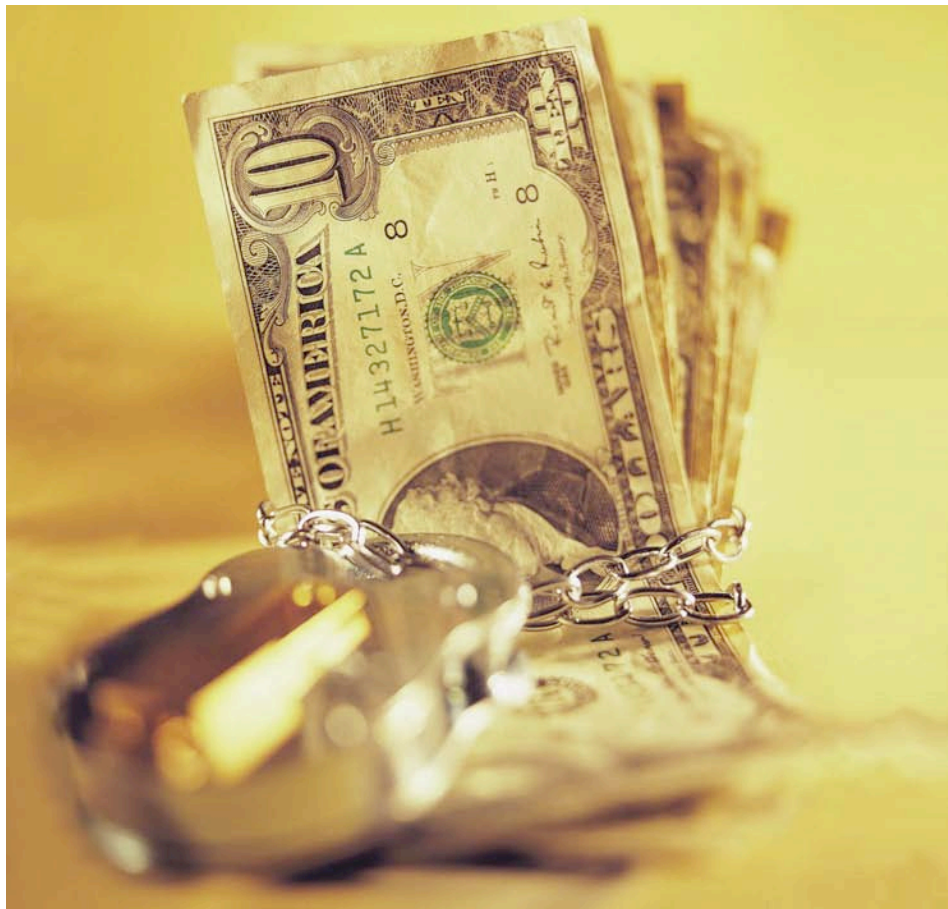
When you negotiate the IAM National Pension Fund's National Pension Plan (NPP) into your collective bargaining agreement, you are taking a profound step: you're putting yourself first. When you pay attention to your *future* financial needs, your everyday burdens in the here-and-now will feel a little more manageable.

Making the Case for the NPP

Known Benefits for Life. As an NPP participant, you always know what your pension benefits are going to be. They last for your lifetime (maybe your spouse's, too). You don't have to manage them, and they don't run out.

Solid Funding. The NPP rests on a financial foundation that's as strong as they come. Our funding puts us in what the experts call the "green zone" — where there are no shortfalls or funding gaps or warning signs, as defined by the law. This is how we maintain our commitment to our present and future participants.

Reliability of a multiemployer plan. Single-employer pension plans are disappearing and being replaced with



defined contribution plans that offer no lifetime protection. By contrast, a strong multiemployer plan like the NPP is one you can count on to be there for you, today and into retirement. Its long-term stability is priority one for its joint Board of Trustees, representing both the union and contributing employers.

Portability. If you go from one contributing employer to another, your NPP benefits can go with you. The NPP has 1,750+ contributing employers nationwide. If you're a service-contract employee and you "change jobs" when a new company is awarded the contract, it's possible your benefits will continue to grow uninterrupted.

Early retirement with full benefits.

Retire at any age when you have 30 years of credited service, or at age 62 when you have 20 years of credited service. Your years of service in a current company retirement plan may help you qualify sooner.

IAM National 401(k) Plan. When you participate in the NPP or another defined benefit pension plan, you can supplement your pension benefit by contributing to this 401(k) plan on both a before-tax and after-tax basis. The 401(k) Plan offers a full range of investment options and accepts employee money only.

Monthly Pension Benefits under the NPP: How It Works, and How to Make the Most of It

When you participate in the NPP, your contribution rate corresponds to a monthly benefit value, which is what you earn for each year of “future service credit” at that rate. For example: the current average contribution rate of \$1.35/hour

corresponds to a monthly normal benefit of \$60.07 for each year of service at that rate. So after 30 years at that rate, a participant would be eligible for a normal monthly benefit of \$1,802.10.

If you want to make sure your benefit is the best it can be, your sure-fire tool is a *contribution rate increase*. Getting into the NPP is your first step. Your next move is to negotiate the highest contribution rate you can.

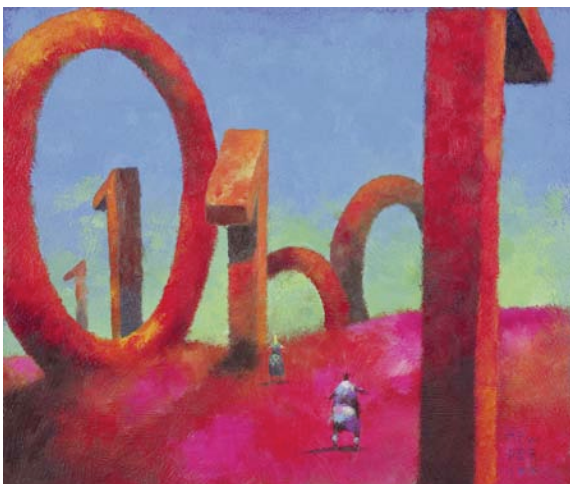
Here’s what it can mean to you...

Contribution Rate		Monthly Benefit
\$1.35/hour, 30 years	Say you’ve just come into the NPP with an employer contribution rate equal to the current average — \$1.35/hour. If you don’t ever negotiate another cent, that still gets you a very respectable monthly benefit of \$1,802.10 after 30 years of credited service.	\$1,803

But when you increase your contribution rate...

Contribution Rate		Monthly Benefit
\$1.35/hour, 3 years; then + .10/hour each year	Now, say that after your first three-year contract, you add 10 cents every year to the original \$1.35. That builds to \$4.05 per hour in your 30th year of credited service. This scenario results in a normal monthly pension benefit of \$3,168.95.	\$3,169

That’s a big jump for just an extra dime per hour each year.



To learn more, and to model potential benefits, visit our website at www.iamnpf.org. Then, contact your IAM representative or the Fund office.



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