

# **Pension Plan for Local No. 131 International Brotherhood of Electrical Workers**

## **Segregated Participant Plan Account**

### **Eligibility to Segregate Your Pension Account**

You must have attained age 50 to be eligible to segregate your Plan account.

### **When May a Member Segregate His Account**

You may segregate your account on either June 30<sup>th</sup> or December 31<sup>st</sup> of each year. You must notify one of the Plan Trustees (Don Viel) prior to the date you elect to segregate your Plan account.

### **What is the Purpose of Offering Participants the Option to Segregate Their Accounts Within Five years (Age 50) of the Plan's Normal Retirement Date?**

The Plan's Trust Fund is invested as a so called "Balanced Fund" meaning assets are invested in common stocks and fixed income instruments such as corporate and U. S. Government bonds. Over the past several years the Fund's target allocation for these classes of securities has been in the range of 75% common stock and 25% fixed income instruments.

The segregated Plan account option is intended to provide Members who are near retirement (anytime after age 50) investment options, which are more conservative than the investment strategy for the Plan's Trust Fund. In other words, the four Plan segregated account investment options will have less volatility than the Trust Fund, but over extended periods of time will most likely produce less investment returns. This may be an acceptable trade off for Members who are close to their active retirement date and do not wish to experience an account value downturn because of short-term stock market volatility.

**PENSION PLAN FOR LOCAL UNION NO. 131  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

**Investment Election Form**

Revised October 16, 2000

I hereby elect to have 100% of my account invested in the following portfolio (select only one portfolio):

**Option 1 Portfolio (Continued Growth Objective)**

This option is the most aggressive of the four segregated account options. This option allows the portfolio manager to invest up to 60% of segregated account assets in common stock no-load mutual funds with the remainder invested in fixed income no-load fixed income mutual funds. **Remember, the Plan's Trust Fund is generally invested 75% in common stocks, so this option will have only slightly less volatility than the Plan's Trust Fund.**

**Option 2 Portfolio (Conservative Growth Objective)**

This option is more conservative than Option 1. It allows for maximum equity exposure of 40% of the account assets, with the balance of the assets invested in three or more fixed income funds.

**Option 3 Portfolio (More Conservative Growth Objective)**

This option allows for a maximum equity exposure of only 20% of the account assets, with the balance of the assets invested in a blend of intermediate and short-term bonds.

**Option 4 Portfolio (Most conservative Objective with No Equity Market Risk)**

This option allows for no equity exposure and would be comprised of certificates of deposit, 90-day Treasury Bills, or money market instruments.

**Cancel My Segregated Account Option**

I elect to cease directing the investment of my account. I understand that my account will be invested with all other non-segregated Plan assets, and I will receive a pro-rata share of Plan earnings attributable to non-segregated accounts. Note: You may cease your segregated account, unless you are receiving installment payments under Plan Section 6.2 (b)(3)(E).

(Please complete the reverse side of this Election Form.)

**Segregated Account Management and Cost**

The Trustees have appointed Carl Pontello at PPS&V Asset Management Consultants, Kalamazoo, to manage segregated Plan accounts (PPS&V has served as the Plan's investment consultant since 1982). The management cost is 0.50% of segregated account assets, plus a small fee for non-investment related Plan expenses, such as record keeping and legal, will be charged the account. Presently, this cost is \$5.00 per month.

I understand that my account will be invested in the portfolio selected on this Election Form as of the January 1<sup>st</sup> or July 1<sup>st</sup> immediately following the date I provide this completed notice to the Plan office. I understand that I can make future changes only as of any January 1<sup>st</sup> or July 1<sup>st</sup>.

I acknowledge that I contacted the Plan's Investment Consultant to obtain additional information regarding these available investments.

I acknowledge that the Plan will change an administrative fee (currently \$5.00 per month) while my account is segregated.

Name of Participant _____ Social Security Number _____			
(Please print or type)			
Address _____			
(Street)	(City)	(State)	(Zip Code)
Telephone Number _____			
Date _____	Signature of Participant _____		
Date _____	Signature of Investment Consultant _____		