

## **DELAYING THE DATE YOUR PENSION STARTS COULD AFFECT YOUR BENEFIT AMOUNT**

***Pension at an Early Age vs. Normal Retirement Age:*** The "Normal Retirement Age" under the Plan is generally age 62. If you elect to retire on an Early Pension with less than 25 Pension Credits, your benefit will be reduced by 1/2% for each month that you are younger than the Normal Retirement Age on the date your benefit starts. If you delay receiving your pension until you reach your Normal Retirement Age, your pension will not be reduced in this manner. The Plan also has a special rule that permits participants who are eligible for the 25-Year Service Pension to receive their benefit without the reduction mentioned above even if it starts before you reach Normal Retirement Age.

*Example:* Ed has 20 Full Pension Credits and is age 58 (exactly 48 months younger than his Normal Retirement Age) when he chooses to retire on January 1, 2008 with an Early Pension. His unreduced benefit, payable at his Normal Retirement Age (age 62) would have been \$2,700 (20 x \$135) per month. However, because he wants an Early Pension to start at age 58, his benefit will be reduced to \$2,052 per month ( $1/2\% \times 48 = 24\%$ ;  $24\% \times \$2,700 = \$648$ ;  $\$2,700 - \$648 = \$2,052$ ).

Please note that if you elect to commence receipt of benefits immediately upon your retirement before the year you become age 55, your benefit may be subject to the additional 10% federal income tax on early distributions. If you choose a partial lump sum distribution and you wish to avoid taxation of it, you must accomplish a rollover within 60 days of your receipt of the lump sum.

Please refer to your Summary Plan Description (SPD) for an explanation of the determination of the Early Pension. Also, please see the description and examples of the Monthly Minimum Pension in the SPD, which may provide a higher benefits than the Early Pension.

***Pension Delayed Beyond Normal Retirement Age:*** If you leave employment covered by the STA-ILA Pension Plan but delay receiving your pension until after your Normal Retirement Age, your monthly pension may be actuarially increased to account for each month after your Normal Retirement Age that you wait before commencing pension benefits. Generally, the actuarial increase, if applicable, is 1% for each month after Normal Retirement Age that you delay receipt of your pension, for a period of 60 months beyond your Normal Retirement Age, and then 1.5% for each month thereafter until you reach your Required Beginning Date (generally, the April 1 that follows the calendar year in which you reach age 70 1/2). Any pension credits you earn during this time may be applied to reduce the amount of the actuarial adjustment discussed above.

For more information regarding the rules defining Normal Retirement Age, the actuarial increase for delayed retirement, or any other matter in this Notice, please contact the Fund Office

DATE: \_\_\_\_\_

TO: \_\_\_\_\_

FROM: Michael Sisk  
Pension Manager

RE: Attached Pension Retirement Application

Please be advised that the amounts shown on the attached "Pension Retirement Application" are estimates and are subject to change. The attached estimates are not intended as, nor are they to be construed to constitute, a final calculation and determination of your actual benefit payable under the STA-ILA Pension Plan (the "Plan"). Therefore, they should not be relied on in making a decision about when to retire. The attached lump sum estimates may change for reasons including, but not limited to, variations in the interest rate on 30-year U.S. Treasury securities in effect on your actual retirement date. In addition, estimates of your benefit under the Plan are subject to change if your benefit is or becomes subject to a Qualified Domestic Relation Order ("QDRO"). The attached estimates (do) (do not) reflect the effect of a QDRO.

The attached estimates are subject to changes required by applicable law, such as changes to comply with the annual maximum benefit limits imposed by Internal Revenue Code Section 415(b).

\_\_\_\_\_  
Signature of Member

PART  
A

PENSION  
APPLICATION  
PACKAGE

STEAMSHIP TRADE ASSOCIATION OF BALTIMORE,  
INCORPORATED/INTERNATIONAL LONGSHOREMEN'S  
ASSOCIATION (AFL-CIO) PENSION PLAN

REQUEST  
FOR  
APPLICATION

Please send an application for pension benefits to:

Name: \_\_\_\_\_  
Last First Middle

Address: \_\_\_\_\_  
Street

\_\_\_\_\_ City State Zip Code

Tel: \_\_\_\_\_ BirthDate: 1 \_\_\_\_\_ SSN: \_\_\_\_\_

I request the commencement of my pension benefits on \_\_\_\_\_ and certify that I will  
retire/have retired from active employment covered by the STA-ILA Pension Plan on \_\_\_\_\_.

**Note: You must complete and file your pension application a minimum of 30 days in advance of  
your planned Annuity Starting Date.**

I wish to apply for a: (Check One)

\_\_\_\_\_ Normal \_\_\_\_\_ Service \_\_\_\_\_ Early \_\_\_\_\_ Disability \_\_\_\_\_ Vested Pension

(Your benefit will be calculated according to the type of pension that provides the greatest benefit and for  
which you are eligible.)

If applying for a Disability Pension, provide date first disabled: \_\_\_\_\_

and nature of disability: \_\_\_\_\_

and submit a letter from your doctor stating that you are permanently and totally disabled and unable to perform longshore  
work. A physical examination by a doctor selected by the Trustees will be required.

Marital Status: (Check One) \_\_\_\_\_ Married \_\_\_\_\_ Not Married

If married, complete the following and attach a copy of your marriage certificate. If you have no spouse, or  
if your spouse agrees to your designation of an alternate beneficiary, provide the name, Social Security  
number and birth date of your beneficiary.

Spouse's Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Spouse's Birth Date: \_\_\_\_\_ (attach copy of birth certificate)

Date: \_\_\_\_\_ Participant's Signature

\*You must complete and file your pension application a minimum of 30 days in advance of your planned  
Annuity Starting Date.

**IMPORTANT! YOUR PENSION ELECTION CANNOT BE REVOKED, CHANGED OR MODIFIED  
AFTER THE ANNUITY STARTING DATE.**

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_



**PART UNMARRIED PARTICIPANT'S STATEMENT**

**B SINGLE**

Check either 1 or 2, as appropriate:

- 1. \_\_\_\_\_ I state that I am not now and never have been legally married. I also state that I have not lived with anyone in what would be considered a common law marriage.
- 2. \_\_\_\_\_ I state that I have been married and that the marriage ended:
  - by death \_\_\_\_\_ (attach copy of death certificate)
  - by divorce \_\_\_\_\_ (attach copy of divorce decree)

I understand that the Fund may ask others about my marital status. I give my permission to my employers, to any benefit fund in which I participated, and to any other organization or individual to give information to the Fund regarding my marital status.

\_\_\_\_\_  
Applicant's Signature \_\_\_\_\_ Date

State of: \_\_\_\_\_ County of: \_\_\_\_\_ SSN: \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_, 2020 before me came \_\_\_\_\_ who executed the foregoing in my presence.

\_\_\_\_\_  
Notary Public \_\_\_\_\_ Plan Representative

**WHAT DO YOU WANT TO DO ABOUT FEDERAL INCOME TAX WITHHOLDING?**

\_\_\_\_\_ I elect not to have federal income tax withheld from my pension or annuity.

\_\_\_\_\_ I elect to have federal income tax withheld from my pension or annuity. (If you have checked this option, you must complete the IRS Form W-4P.)

SSN: \_\_\_\_\_

Name: \_\_\_\_\_  
Last First Middle

Address: \_\_\_\_\_  
Street

\_\_\_\_\_  
City State Zip Code

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

\_\_\_\_\_  
Signature of Applicant

**NOTE:** Federal income tax may be withheld as if you were married with three exemptions unless you instruct otherwise by completing this Form and, if required, IRS Form W-4P.

**PART  
B  
SINGLE**

**DESIGNATION OF BENEFICIARY**

I hereby designate the following to receive the benefit, if any, payable under the Plan upon my death.

**Primary Beneficiary**

**Contingent Beneficiary for  
Period Certain Options**

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Beneficiary's SSN: \_\_\_\_\_

Beneficiary's SSN: \_\_\_\_\_

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Participant's Signature

Participant's SSN: \_\_\_\_\_

Participant's SSN: \_\_\_\_\_

State of: MD County of: \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_ 2020 before me came \_\_\_\_\_  
who executed the foregoing in my presence.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Plan Representative

**CERTIFICATION**

I hereby apply for a pension from the STA-ILA Pension Plan and certify that the statements made in this application are true to the best of my knowledge and belief. I understand that a false statement may cause my benefits under the Plan to be denied, suspended, or discontinued and that the Trustees have the right to recover any payments made to me in reliance on a false statement.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date Signed

**PART  
B**

**ADDITIONAL FORMS OF PAYMENT**

**SINGLE  
OR  
MARRIED**

**Percentage of benefit (Lump Sum) with balance in other option.** In addition to the Surviving Beneficiary Options and Period Certain options, you have the choice of receiving a percentage of the present value of your benefit in a lump sum. You may receive 5, 10 or 15% of your benefit in a lump sum. The balance (or remainder) of your benefit may be received as a Qualified Joint & Survivor Annuity (Husband-and-Wife), Surviving Beneficiary benefit (Option #1, 2 or 3) or Period Certain benefit (Option #4 or 5).

- **Option #6** Lump sum payment with remainder as QJSA.  
(available to married participants only).
  
- **Option #7** Lump Sum payment with remainder in Option # 1 ,2, 3, 4 or 5.

**ELECTION**

**Choose one of the following payment forms by placing a check mark in the appropriate box.**

**Option #6**     5%     10%     15%  
Lump Sum payment with remainder in QJSA    (available to married participants only)

**Option #7**     5%     10%     15%  
Lump Sum payment with remainder in option    (choose option #1, 2, 3, 4 or 5)  
 #1     #2     #3     #4     #5

**PART  
B**

**MANDATORY INCOME TAX WITHHOLDING ON LUMP SUM DISTRIBUTIONS**

**SINGLE  
OR  
MARRIED**

This notice contains important information you will need before you decide how to receive benefits from the STA-ILA Pension Plan.

Your Lump Sum payment can be issued in two ways. You can request that all or any portion of your payment be either 1) PAID IN A "DIRECT ROLLOVER" or 2) PAID TO YOU.

All Lump Sum payments from the Plan are considered eligible for "rollover". The benefits PAID TO YOU are subject to mandatory income tax withholding. Benefit payments which are paid in a DIRECT ROLLOVER are not subject to the mandatory income tax withholding. These benefit payments are made directly to your IRA or another qualified employer plan that accepts your rollover.

According to the Internal Revenue Code, the Plan is required to withhold 20% of the amount of your benefit payment which is an eligible rollover distribution. This amount is sent to the IRS as income tax withholding (Residents of Maryland will have 7.75% withheld for State tax). For example, if your eligible rollover distribution is \$10,000 only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full \$10,000 as a payment from the Plan. You will report the \$2,000 as tax withheld and it will be credited against any income tax you owe for the year.

Please place a check mark in one of the boxes below to indicate whether you elect a direct rollover of your pension payment:

I do not want to roll over any of my partial lump sum payment to an IRA or other qualified retirement plan. Issue my full benefit payment (5, 10 or 15%), after withholding 20% for federal income taxes and 7.75% for state income tax, as required by law.

I want to roll over the entire amount of my partial lump sum payment directly to an IRA or other qualified retirement plan that accepts rollovers. The IRA or other retirement plan is named below.

I would like to have only **part** of my payment directly rolled over. Please roll over \$ \_\_\_\_\_ to the IRA or qualified retirement plan named below, and pay the remainder of my benefit to me. I understand that the benefits paid directly to me, not an IRA or qualified retirement plan, are subject to a 20% withholding for federal income taxes, and 7.75% for state.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date



If you elected a direct rollover, you must provide all of the following information. If we do not receive this information within 45 days, the Plan will make the payment to you, after deducting the legal required withholding.

Please make payment of my benefits on my behalf to:

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**Name of IRA Trustee or Qualified Retirement Plan**

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**Account Number**

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**Mailing Address**

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**CERTIFICATION**

**If you have elected a direct rollover of all or part of your benefit, please read and sign the following statement:**

I certify that the direct rollover recipient that I have named is an Individual Retirement Account, an Individual Retirement Annuity, an Annuity Contract, a qualified plan maintained by a State, Political Subdivision of a State, or an agency or instrumentality of a State or Political subdivision, or a qualified retirement plan that accept rollovers as those terms are described in the Internal Revenue Code. I understand that payment of my benefits to the trustees of the IRA or qualified retirement plan will release the Trustees of the STA-ILA Pension Fund from any benefits so paid.

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Signature

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Date

**STEAMSHIP TRADE ASSN./INTERNATIONAL LONGSHOREMEN'S ASSN.  
PENSION TRUST FUND - BENEFITS TRUST FUND**

Date: \_\_\_\_\_

\_\_\_\_\_, Social Security # \_\_\_\_\_, has elected to receive a  
a \_\_\_\_\_ distribution from the STA-ILA Pension Fund (the "Fund") as a lump sum distribution  
(the "Distribution"). The Fund is a tax-qualified retirement plan under Section 401 of the Internal Revenue  
Code .In addition, the Distribution is attributable to employer contributions to the Pension Fund.

\_\_\_\_\_ has elected to have \_\_\_\_\_ of this Distribution paid in the  
form of a direct rollover to \_\_\_\_\_ established with your  
organization (the "IRA"). (Name of Plan/IRA)

Please complete the following certification and return it to STA-ILA Pension Fund within 10 days.

Thank you in advance for your assistance in this matter.

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I hereby certify that the \_\_\_\_\_ constitutes an eligible retirement  
(Name of Plan)  
plan within the meaning of Section 402 (c) (8) (B) of the Internal Revenue Code.

Name of Organization \_\_\_\_\_  
Address \_\_\_\_\_  
City, State & Zip \_\_\_\_\_  
Telephone # \_\_\_\_\_  
Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title of Person Signing \_\_\_\_\_  
Date \_\_\_\_\_