



Iron Workers' Locals No. 15 and 424

Pension, Extended Benefit, Annuity and Apprentice Training Funds

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IMPORTANT INFORMATION AND REMINDERS ABOUT DISABILITY PENSIONS

July 2024

To All Active Participants:

The Pension Fund's Board of Trustees would like to take this opportunity to remind you of the Pension Plan's rules about retiring on a Disability Pension, whether on an "Occupational Disability" or a "Total Disability." The Trustees also wanted to outline a few important topics for your consideration in the event that you wish to apply for retirement on a Disability Pension.

I. **DISABILITY PENSIONS – THE BASICS**

A Disability Pension is a type of pension available to a vested Participant who is determined to be "disabled" under Plan rules. Under those rules, there are two types of Disability Pensions available: an **Occupational Disability Pension**, and a **Total Disability Pension**. Depending on your circumstances and the extent of your disability, either of these options may be right for you.

Eligibility: To start, you must meet four (4) eligibility conditions noted below in order to qualify for *either type* of Disability Pension, whether Occupational or Total. Namely, you must have:

- (1) At least 15.0 Pension Credits in force;
- (2) Earned at least 0.1 of a Pension Credit for work in Covered Employment in one of the two Plan Years¹ before the Plan Year in which you become disabled;
- (3) A disability which has existed continuously for a period of at least six months before the date the Trustees consider your application for a Disability Pension, *and* which began while you were in Covered Employment or within 30 days after you left Covered Employment (this 30-day rule is subject to limited exception); and
- (4) A disability which is not a result of any of the Plan's "prohibited" causes, such as your disability occurs while engaging in non-union iron work (the other causes are noted in Q&A-18 of your Summary Plan Description).

Additional Rules: Assuming you meet all of above qualifications, here are the *additional rules* for each type of Disability Pension:

- Occupational Disability Pension – In order to retire on an Occupational Disability Pension, a licensed physician must determine that you are: "... totally unable to work as an iron worker

¹ Remember that our "Plan Year" runs from each July 1st to the immediately following June 30th.



in Covered Employment or in comparable employment because of a medically determinable physical or mental impairment which can be expected to result in death or to be of long continuing and indefinite duration.” This determination is documented by the Plan’s “Physician’s Statement of Disability” form, which you submit with your Application packet. Put simply, under this type of disability you are unable to perform iron work, but you may be able to perform other work which is not as physically demanding.

- **Total Disability Pension** - In order to retire on a Total Disability Pension, you must apply for and receive a Social Security Disability Award (SSDA) which entitles you to Social Security Disability Benefits. A SSDA is basically a determination by the Social Security Administration that you are “permanently and totally disabled,” and that you are prevented from working at any gainful employment which you are or may become qualified to perform due to bodily injury or disease for the rest of your life. Here, you are not only unable to engage in iron work, but you basically cannot perform any work. The disability which entitled you to the SSDA, along with your Award Letter, must both still be in effect as of your retirement from the Pension Fund. Please note that you will be required to submit your SSDA to the Fund Office with your Application packet.

As can be seen, it is *much more difficult* to qualify for a Total Disability Pension than it is an Occupational Disability Pension because of the higher standard of proof (SSDA as opposed to a Physician’s Statement of Disability). In addition, it can take quite a long period of time for the Social Security Administration to process a SSDA (from multiple months to years).

II. WHAT IS THE MAIN DIFFERENCE BETWEEN THESE DISABILITY PENSIONS?

The simple answer is the amount you receive as your monthly benefit. Those who qualify for a Total Disability Pension receive their monthly pension benefits on an “unreduced” basis (regardless of their age), while those who qualify for an Occupational Disability Pension will have their monthly benefits reduced based upon their age on their retirement date relative to the Plan’s Normal Retirement Age (normally age 65).

The best way to show the difference is to provide two scenarios for an unmarried Iron Worker - James - who is age 55, he has a continuous work history in Connecticut, and he has 20.0 Pension Credits when he retires on July 1, 2024:

- Assume James has a SSDA which is in force and meets all Plan rules for a Total Disability Pension. The benefit calculation for James is 20.0 Pension Credits x \$80 = **\$1,600** per month in the form of a Ten Years Certain and Life Pension, *with no reduction for his age even though he is 10 years younger than the Plan’s Normal Retirement Age*.
- Next, assume James has a Physician’s Statement of Disability which is in force and meets all Plan rules for an Occupational Disability Pension. The benefit calculation for James initially starts with the same \$1,600 per month figure in the form of a Ten Years Certain and Life Pension (20.0 Pension Credits x \$80), *but then it must be reduced by 30% because James is retiring 120 (10 years) months before his Normal Retirement Age of age 65 (with a reduction of 0.25% per month)*. Thus, James’s monthly benefit amount is **\$1,120** (which

is \$1,600 - \$480) in TYCLP form. Note that if James had been younger than age 55 in this example, there would have been a further reduction required by the Plan of 0.50% per month, to a maximum reduction capped at 50%.

III. IS IT POSSIBLE TO CONVERT AN OCCUPATIONAL DISABILITY PENSION INTO A TOTAL DISABILITY PENSION UNDER PLAN RULES?

Absolutely, yes. As noted above, the Trustees understand that the process for obtaining and receiving a SSDA can be long and difficult, and that it is generally much faster and easier to obtain a Physician's Statement of Disability. Since this is the case, the Trustees want to remind you that in certain circumstances, you can initially retire from the Fund on an Occupational Disability Pension, and later "convert" that Occupational Disability Pension into a Total Disability Pension. The primary advantage of such a conversion is that it allows you to collect the reduced benefit from the Fund while the Social Security Administration processes your application for a SSDA and, assuming you receive a SSDA, you can then apply to the Fund to receive a Total Disability Pension which provides an "unreduced" monthly benefit from the Fund.

So, the Plan allows those who are receiving an Occupational Disability Pension from the Fund to apply for, and then convert to, a Total Disability Pension at any time, as long as you apply for and receive a SSDA *based on the same disability which caused you to retire on an Occupational Disability Pension.* But the Plan does make a very important distinction based on timing, and here are two examples of how the distinction works:

- *An Occupational Disability Pensioner applies for, and receives, a SSDA within 24 months of his or her initial Fund retirement on an Occupational Disability Pension.*

In this scenario, the Pensioner provides the SSDA to the Fund, along with an additional Application for Benefits for a Total Disability Pension, within 24 months of his or her initial Occupational Disability Retirement Date. Assuming everything is in order, the Pensioner's Occupational Disability Pension will convert to a Total Disability Pension as of the later of: (1) the date benefits begin to be payable by SSA under the SSDA, or (2) the effective date of the Pensioner's Occupational Disability Pension.

Example: Using James from the example above, he retired on an Occupational Disability Pension on July 1, 2024 and was receiving \$1,120 per month. Now assume James previously applied for an SSDA, and he receives his SSDA (based on the same disability) in January of 2025. The SSDA states that James is entitled to receive Social Security Disability benefits as of July 1, 2024. James submits his SSDA and Application packet to the Fund and it is approved in March of 2025, allowing James to convert his Occupational Disability Pension to a Total Disability Pension. As James's SSDA provides for SSDA payments to begin on July 1, 2024, the following occurs: (1) his TYCLP monthly benefit will increase to \$1,600 effective as of April 1, 2025, and (2) he will receive a one-time "true-up" payment of \$4,320.00, representing the \$480 monthly difference between the two monthly benefit amounts (\$1,600 less \$1,120) for the nine month period July 2024 through March 2025.

- *An Occupational Disability Pensioner applies for, and receives, a SSDA more than 24 months from his or her initial Fund retirement on an Occupational Disability Pension.*

In this scenario, the Pensioner provides evidence of the SSDA to the Fund, along with an additional Application for Benefits. However, since more than 24 months have passed since his or her initial Occupational Disability Retirement Date, the Pensioner's Occupational Disability Pension will convert to a Total Disability Pension as of 1st of the month after the Trustees actually approve the Pensioner's Application for Benefits for such Total Disability Pension (assuming all other Plan requirements are met).

Example: Still using James's example from above, he retired on an Occupational Disability Pension on July 1, 2024 and was receiving \$1,120 per month. Now assume James previously applied for an SSDA, and he receives his SSDA (based on the same disability) in January of 2027 (30 months after his initial Occupational Disability Pension retirement). James submits his SSDA and Application packet to the Fund and it is approved in March of 2027, allowing James to convert his Occupational Disability Pension to a Total Disability Pension. Under these facts, because more than 24 months since James's Occupational Disability Pension retirement date, his Total Disability Pension will become effective as of April 1, 2027 at the \$1,600 per month TYCLP level, and no "true up" payment is owed by the Fund.

IV. IF I INITIALLY RETIRE ON A TOTAL DISABILITY PENSION DOES THE PLAN TAKE INTO CONSIDERATION ANY OCCUPATIONAL DISABILITY I MAY HAVE HAD PRIOR TO MY TOTAL DISABILITY RETIREMENT DATE?

No, it does not. The Fund can only act on information you provide to us, and the Fund simply does not permit any type of "retroactive" benefit commencement date. To the extent that you have any questions as to your specific situation, you should contact the Fund Office.

V. CONSIDERATIONS WHEN THINKING ABOUT RETIRING ON A DISABILITY PENSION

The list below contains a few "fast facts" which you may wish to consider if you are thinking about applying to retire on either an Occupational Disability Pension or a Total Disability Pension. This is not a complete list, so be sure to consider your specific circumstances and contact the Fund Office with any other questions.

- ✓ *No payments can actually be made to you before the Fund receives and approves your Application for Benefits.*

As noted above in Section IV above, the Fund cannot pay benefits on a "retroactive" basis – that is, benefits for months prior to the time you properly complete and submit your Application for Benefits. Since this is the case, it is critical that you contact the Fund Office well before you actually wish to begin receiving benefits in order to allow for adequate processing time. In general, the Fund recommends contacting the Fund Office for an Application at least ninety (90) days prior to the date on which you would like your benefits to begin.

- ✓ *With any Disability Pension "conversion," timing is critical!*

If you are disabled and anticipate receiving a SSDA at some future time, you should seriously consider your application timeline when considering retirement on an Occupational Disability Pension. As outlined in Section III, it is much more advantageous to receive your SSDA and convert to a Total Disability Pension within 24 months of your initial Occupational Disability Pension retirement date, as in such a situation you will receive a "true up" payment. If it takes longer than 24 months, your Total Disability Pension will be paid on a prospective basis only with no "true up" payment.

- ✓ *In any Disability Pension "conversion" situation, your SSDA must be for the same injury or illness that allowed you to initially retire on an Occupational Disability Pension.*

What this basically means is that you cannot initially retire on an Occupational Disability Pension for one injury (e.g., broken arm), receive a SSDA for a different injury (e.g., spinal cord injury), and then use that SSDA to convert your Occupational Disability Pension to a Total Disability Pension. The SSDA must "relate back" to the same injury or illness which allowed you to retire on your Occupational Disability Pension.

As noted above, this is not a complete list of all the items you may wish to keep in mind when applying for retirement on a Disability Pension, so please consider carefully before applying. We trust this information is helpful, and to the extent that you have any further questions regarding Disability Pensions, you should contact the Fund Office.

**BOARD OF TRUSTEES,
IRON WORKERS' LOCALS NO. 15 AND 424 PENSION FUND**

This Notice is intended to be a brief description of the topics described. In any situation involving the Fund's benefits, the documents governing the applicable Fund will control. Subject to applicable law, all Pension Fund benefits are subject to amendment and/or termination as the Board of Trustees may, in its full and complete discretion, determine. This Notice constitutes a Summary of Material Modifications to the Pension Plan, and we are furnishing it to you in accordance with U.S. Department of Labor regulation §2520.104b-3. Please keep this Notice with your Summary Plan Description for future reference, and please contact the Fund Office with any questions.

