

# IBEW LOCAL NO. 461 FRINGE BENEFIT FUNDS

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IBEW Local No. 461 Defined Contribution Pension Plan  
IBEW Local No. 461 Variable Pension Plan

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

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July 2023

To: IBEW Local No. 461 Variable Pension Plan Participants

Re: Account Information and Plan update

The IBEW Local No. 461 Variable Pension Plan (the “Variable Pension Plan”) became effective one year ago on June 1, 2022. Since then, the Variable Pension Plan has received over \$2 million in employer contributions transferred to a Trust Fund and invested in short-term US government securities.

**1. How do I find out how much is credited to my account?**

The Variable Pension Plan is structured as a defined benefit (DB) pension plan. In this kind of retirement plan, all of the contributions for all participants are combined into one Trust Fund held at the custodian, Charles Schwab & Co. So your “account” in the Plan is not a balance of money, but an “accumulated benefit” that is generally paid at your normal retirement age.

You may be familiar with the IBEW Local No. 461 Defined Contribution (DC) Pension Plan, where your individual contributions are transferred to an account at John Hancock, and your benefit is measured by the balance in your individual account. The Variable Pension Plan operates differently, and your benefit is measured by monthly income you have earned to be paid at retirement.

The amount of your monthly benefit in the Variable Pension Plan equals the Employer Contributions paid on your behalf for hours worked on and after June 1, 2022 multiplied by the Plan’s Accrual Rate of 1.25%. For example, if your Employer contributes \$4.00/hr. and you work 1,500 hours in a Plan Year, you would earn a benefit beginning at age 65 equal to \$75 per month (or \$6,000 x 1.25%).

**2. How can I keep track of the benefit I have earned in the Variable Pension Plan?**

The record of the contributions paid on your behalf is maintained (at the Fund Office) by TIC International in Lansing, MI. TIC keeps careful track of the contributions that are paid and due for each participant, as specified in the collective bargaining agreement (CBA).

You can keep track of your contributions by visiting [www.ibew461benefits.org](http://www.ibew461benefits.org), a website maintained by TIC. Remember that Employers make contributions only once per month, about 15 days after the end of your work month, and it takes some time for TIC to finish the reconciliation, post the contributions to the website, and transfer the assets to the custodian of the Trust Fund (see an example on the next page).

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**Administrative Office:**  
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(517) 321-7502/(517) 321-7508 fax

[www.IBEW461benefits.org](http://www.IBEW461benefits.org)

**IBEW 461 Union Benefits Office**  
591 Sullivan Road, Suite 100  
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## Example of Contribution Summary on TIC Website

When you login to [www.ibew461benefits.org](http://www.ibew461benefits.org) you will see a statement of your wages, hours, and contributions to the retirement plans, similar to the table below:

WORK DATE	EMPLOYER	GROSS EARNED	HOURS WORKED	DEFINED BENEFIT (Variable)	401K	APPRENTICE	DUES	DEFINED CONTRIBUTION
5/31/2023	EMPLOYER	\$11,218.00	200.00	\$866.02	\$560.90	\$392.63	\$0.00	\$2,804.50
5/30/2023	EMPLOYER	\$11,218.00	200.00	\$0.00	\$0.00	\$0.00	\$606.99	\$0.00
4/30/2023	EMPLOYER	\$8,974.40	160.00	\$692.82	\$448.72	\$314.10	\$0.00	\$2,243.60
4/30/2023	TRANSFER TO JOHN HANCOCK	\$0.00	0.00	\$0.00	(\$448.72)	\$0.00	\$0.00	(\$2,243.60)
4/29/2023	EMPLOYER	\$8,974.40	160.00	\$0.00	\$0.00	\$0.00	\$485.59	\$0.00
3/31/2023	EMPLOYER	\$8,974.40	160.00	\$692.82	\$448.72	\$314.10	\$0.00	\$2,243.60
3/31/2023	TRANSFER TO JOHN HANCOCK	\$0.00	0.00	\$0.00	(\$448.72)	\$0.00	\$0.00	(\$2,243.60)

Unlike the transfer to John Hancock in the table above, you will not see your individual contributions transferred to the Variable Pension Plan, since this is not an individual account plan, and all contributions are transferred together to the custodian. The Trustees then meet every 90-days with TIC to provide oversight and monitoring of this process.

### 3. When will I receive a personal statement from the Variable Benefit Plan?

In addition to the monthly summary of contributions available at [www.ibew461benefits.org](http://www.ibew461benefits.org), you will receive an annual statement of your benefits and an annual notice regarding the funding of the Plan. In April of this year, you should have received at your home address the first “Annual Funding Notice.” After August 15 of this year, you will receive an individual statement of the monthly benefit that you have earned, as of December 2022, payable at age 65. Generally, you will receive this annual benefit statement closer to the end of the year, but this first statement takes more time due to the required computer set-up at TIC.

### 4. Why was the Variable Pension Plan established instead of adding more to the DC Plan?

There were two reasons for establishing the Variable Pension Plan: 1) the Variable Pension Plan provides a guaranteed lifelong income benefit, similar to social security, and 2) employer contributions to the DC Pension approached the maximum allowed by the IRS. The members of IBEW Local 461 now have greater retirement security, combining the benefit of monthly income from the Variable Pension Plan and cash distributions from the DC Pension Plan.

### 5. How are the Variable Pension Plan assets invested?

The assets of the Variable Pension Plan are currently invested in a government money market fund yielding about 4.8%. The Trustees, as advised by Meketa Investment Group, the Plan’s SEC registered investment adviser, adopted a transition strategy that focused on short-term fixed income due to the plan start-up and volatility in 2022. The Trustees expect to begin the transition to the long-term asset allocation targets within the next 12 months.

If you have any questions about your benefits as a member of IBEW Local No. 461, please contact us at the addresses and phone numbers shown below.