

I.B.E.W. Local Union No. 8
SPECIAL SIX (6) MONTH SEPARATION FROM SERVICE DISTRIBUTION

Rules

- Effective November 1, 2009, a Member can request a limited monthly installment distribution if he or she has not received Employer contributions for six (6) months AND he or she is not working within the Industry
- The distribution is a monthly installment distribution and is limited to \$3,500 per month (for a total of \$21,000)
- You can take less than \$3,500 month, however you cannot take more than your account balance.
- The election is made up front and is not made on a monthly basis.
- The distribution will continue for six (6) months, even if you return to work. However, you can elect to have the distribution discontinued at any time.
- At the end of the six (6) month period, the distribution will stop. If you are still unemployed, you can apply for a distribution under the normal separation from service rules; (i.e., 12 months with no contribution and not working within the industry).

How to Make the Election

- You must complete the Special Separation From Service Distribution Election Form.
- The Form is available online at www.electricalfunds.org or you can pick one up at the Fund Office.
- You must complete the Election Against Survivor Annuity. If you are married, your spouse must also sign the Election Form and it must be notarized.
- Return the Distribution Election Form and Election Against Survivor Annuity to the Fund Office.

Important Considerations

- You are still eligible to receive ERP benefits if you elect this type of Special Distribution.
- This distribution may affect your State unemployment compensation claim. Each State has different rules regarding how they treat retirement plan distributions, therefore you should check with your State unemployment compensation office *before* making electing this distribution.

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Important Considerations (Cont'd)

- When you contact your local State unemployment compensation office, be sure to ask them to explain their rules regarding how a monthly distribution applies to weekly unemployment compensation claims (i.e., is the distribution prorated and how is that applied?)
- The Fund will withhold twenty percent (20%) from each distribution in accordance with IRS withholding rules.
- If you are under age 59 ½ at the time you receive the distribution, the IRS will impose a ten percent (10%) early withdrawal penalty. This is applied at the time you file your taxes.
- The distribution can be rolled over to an IRA or an eligible employer retirement plan. If you are considering this, make sure you find out how your State treats a rolled over distribution for unemployment compensation purposes. Some States (Ohio and Michigan) will count the distribution as income even if it is rolled over.