

COVER STORY

ROOFING STORIES AND EVENTS THAT ARE MAKING HEADLINES

Local 26

Assures Security for Its Members Through the NRIPF

If you're in your late 50s or early 60s, it's likely that you've got the toll-free number memorized, and you know exactly what your "benefit numbers" are. If you're just starting out as an apprentice, you've probably heard the term thrown out a few times by your business agent or JATC instructor, but chances are you have a lot of questions about how it works in reality. It's your pension fund, and by putting money aside today, it can help you retire from the roofing industry with the financial security you need to lead a long, comfortable retirement.

The National Roofing Industry Pension Fund (NRIPF) consists of the National Roofing Industry Pension Plan (NRIPP) and the National Roofing Industry Supplemental Pension Plan (NRISPP). It was started in 1966 to help Roofers and their families prepare for financial security during their retirement years. Today the plan provides benefits to more than 5,600 retirees and beneficiaries. About 80% of all union roofers currently work under contracts covered by the NRIPF.

Overcoming a Mindset

Ronald Runyan, who retired last year after 40 years of service, remembers when the pension plan was first

introduced into his local's bargaining agreement in the late 60s. He thinks it started with a five-cent contribution. He was employed in Local 26, Hammond-Gary, IN, and at that time the idea of taking a pension was the furthest thing from his mind. Not only that, but "there was the mindset that you wouldn't live to get it—there were no roofers over the age of 65" that he knew of back then. The job was a lot more dangerous 40 years ago, heavy on chemicals and light on safety equipment such as aspirators and fall protection. Asbestos was rampant, and most roofers smoked. The idea of having money contributed to a pension in order to collect it at age 65 was not a popular one.

It wasn't until the 80s that members of the local started getting serious about funding for retirement. "It was a whole different mindset," says Brother Runyan. "What happened was, we had enough guys who figured out they had to start thinking about the future." They got a good contract and started putting about 50-75 cents an hour into the pension plan.

Retiree John Buck joined the local in 1977 and served as local president and on the executive board. He has witnessed the shift in members' attitudes towards putting money into the pension plan. "Over the years our apprentices have gotten smarter and smarter. We were slowly losing the 'put it all on the paycheck' mentality." Local 26 now has one of the



highest NRIPP contribution rates in the country. He credits the local's active membership for bringing about the change, the result of which has some retirees earning as much in retirement as they did working full-time. "We were lucky all those years because the right guys came to the meetings. It could have gone south," he says.

A Supplemental Plan Arrives

Just over ten years ago the Trustees made an important enhancement to the NRIPF by adding the National Roofing Industry Supplemental Pension Plan, a qualified defined contribution plan. The NRISPP was created to supplement members' NRIPP benefits and provide them with more financial choices for retirement. About a dozen local unions currently have contract language that provides for contributions into the NRISPP.

Local 26 Business Manager Jeff Lussow recalls how the local had already maxed out on NRIPP contributions, but members still wanted options for investing. "After the

pension caught on, we realized, 'Why are we putting money on our checks to be taxed when we could be putting it towards retirement, where (the government) can't touch it?'" he says. The local researched setting up its own retirement fund, but the costs were phenomenal. Luckily the

International introduced the NRISPP.

Employer contributions go into your NRISPP account and are invested over your working years. "The NRISPP is a stable, low-risk plan. It doesn't fluctuate wildly with stock market highs and lows. Members aren't going to see 20% gains, for example, on the money invested. On the other hand, they won't be in the same predicament that

some other trades found themselves in when their high-risk retirement plan lost millions in the stock market crash in the early 2000s." Business Manager Lussow has been extremely pleased with the plan's performance. "Some were making killings [on their high-risk pension investments], but they lost it all in one stroke of the pen. Ours is much



Local 26 Business Manager Jeff Lussow, retiree John Buck, retiree Ronnie Runyan and Organizer Joe Pozzi reflect on the benefits of the National Roofing Industry Pension Fund.

NRIPP: How Does It Work?

If your employer has agreed to participate in the plan and make contributions on your behalf and you satisfy the plan's requirements, you will be eligible for a monthly retirement check when you retire from the roofing industry. The pension is a **defined benefit plan**, meaning that your calculated monthly payments are guaranteed for the rest of your life.

You may participate in the plan if you work at least 500 hours in a year for a contributing employer, are doing work covered by a collective bargaining agreement or other written agreement recognized by the plan trustees, and your employer is required to contribute to the plan on your behalf.

In subsequent years, you receive plan credit if you work at least 450 hours in a year for a contributing employer. You become vested after five years.



safer,” he says. In fact, the supplemental plan has only had one negative year of investment performance.

The NRISPP is there for you when you retire or become disabled and also for your spouse or other beneficiary if you die before retirement. Your NRISPP account is a supplement to the amount of your NRIPP monthly benefit. You can also have your NRISPP account payable in other ways besides a monthly benefit, including one lump-sum payment upon retirement.

Bridging the Gap

The difficulty for many roofers is holding out until full retirement to draw the maximum amount on their pensions. Although the plan allows members with 15 years of service (10 years prior to 2004) to retire as young as 55 years old, there are penalties which may make early retirement less desirable to some. In these cases, the supplemental pension plan can be extremely helpful.

John Buck wanted to retire early. With thirty years of roofing and a strongly funded pension under his belt, he was ready to pursue his hobbies and spend more time with his wife, who was also looking into retirement. If he had started collecting his pension upon his early retirement, he knew he would be sacrificing hundreds of dollars a month on his checks. Because his local had pressed over the years for the maximum contributions possible to be made into members’ NRISPP, Brother Buck was able to use his supplemental pension benefit to cover living expenses until he reached the age that would allow him to draw his

full NRIPP benefit. The flexibility of the NRISPP allows members to choose either a lump-sum withdrawal or periodic payments.

Retirement Made Simple

If the prospect of trying to calculate your expected monthly pension is daunting, you can rest assured the process to do so could not be simpler. If you have internet access, you can go to www.nripf.com where you can create a log-in account and immediately pull up your pension information, including what your estimated monthly benefit will be, as well as the number of hours for which your employer has made contributions on your behalf.

It is also easy to make a toll-free phone call to Zenith Administrators, the administrator of the NRIPF, at 800-595-7209. Representatives will be happy to research your account and provide you with all the information you need to make an informed decision about your retirement. Brother Buck jokes that he would make the call every year from the time he turned 55. It only took a few minutes for the representative to get him the information. “She’d come right back and tell me it would be x dollars per month, then she would explain all my options,” he says.

Applying is simple, too. Zenith Administrators will send all the forms for you to fill out. Once you have been approved and your retirement is effective, you will receive monthly payments which can be directly deposited into your bank account. Be sure to apply 60 days before your retirement date to allow plenty of time to complete all necessary paperwork.

NRISPP: How Does It Work?

The NRISPP is technically known as a **defined contribution plan**. This means the benefits payable from the plan are based on the contributions to your account by employers, plus any eligible rollover contributions you make, plus investment earnings, minus any investment losses and administrative expenses.

In order to participate, your local union must negotiate for contributions to be made by your employer to the NRISPP for you.



You're Working for the Future

In order for a pension plan to work, there must be a willingness for members to participate. The Roofers pension plan has been hugely successful not only because it is a well-managed fund, but also because of the support of thousands of members who elect to have contributions paid into it.

For roofers starting out in the trade and earning less than their journeyman brothers and sisters, it can be a struggle to give up dollars on the paycheck. But the payoff can be huge. That money will grow exponentially in the pension fund, and it will not get taxed. “Younger guys are smart enough to realize that a dollar into the supplemental fund is a full dollar—but on the check it’s 65 cents,” says Local 26 Organizer Joe Pozzi.

“Being vested in the NRIPP guarantees income for life,” says Local 26 Apprentice Instructor Keith Vitkovich. He often explains to his students that “you’re not working for today; you’re working for the future. Luckily the mentality has changed over the last 20 years, and most members are eager to start building their retirement at a young age and watching it grow.”

Oh, and retirement? It’s not too shabby, according to Brother Buck. “I burned my Carharts and coveralls. It’s a lot nicer living a life of leisure.” He and his wife look forward to many years of living the good life together. His pension will make a huge difference in the quality of life they can expect. “My wife just retired. She’s upset because her pension is not even half of what mine is.”

