

# ROOFERtoROOFER

by International President Kinsey M. Robinson

## Changes to National Plan Benefits

### Safeguarding Your Pension Plan Funding

Your pension plan is one of your most valuable union-sponsored benefits – an important source of income for you and your family when you retire. In the January/March issue of this magazine, we featured an article explaining the advantages of this important benefit titled “Something You Can Count On.” One of the major responsibilities of the National Roofing Industry Pension Plan (NRIPP) Board of Trustees is to ensure that the plan is well funded and continues to be something you can count on.

In this article I would like to inform you of two important changes: a modification in the plan formula and the addition of two new survivor payment options.

After an exhaustive review of plan provisions, the NRIPP Board of Trustees has determined that plan costs can best be controlled through a feature that allows the benefit formula to be ratcheted up or down based on investments performance and other experience. On November 13, 2007, the trustees voted to make a change in the plan formula to reflect current interest rates, business conditions, and other factors. As a result, there will be a change in benefits earned after December 31, 2008 (refer to page 20 for a full explanation). This change is being made as a precautionary measure to ensure that plan assets will be sufficient to cover retirement plan payments for members in years to come.

Although the plan is currently well funded, this decision was reached after many discussions with the pension fund's professionals regarding changes in the economy and the demographics of our membership. The economic issues are numerous and complex, but three will have a major impact on the plan in the coming years:

As the US and worldwide economies slow down, we can no longer expect to earn the same level of returns on fund investments that we have experienced in recent years;

“Baby boomers” are reaching retirement age, so more of our members will be retiring – and more money will be going out of the plan;

Life expectancy for the average American has increased dramatically over the past few years, which means funds will be paid out over longer and longer periods of time.

All plan benefits earned before January 1, 2009, will remain the same, and the formula used to determine the benefits you have earned before that date will not change. Initially, benefits earned after that date will be reduced by 15% based on the new plan formula. Because of the plan's ratchet feature, if business conditions improve, the trustees have the ability to ratchet ben-

efits back up. Each year the trustees will review the fund's performance and make any necessary changes.

A second change to the NRIPP effective January 1, 2008, will give you added flexibility to choose additional optional forms of payment. The Joint and Survivor and the Joint and Survivor Spousal Benefit with Pop-Up feature have been expanded to include a 75% payment option for your survivor. This means you will now have three survivor payment options: 50%, 75% or 100%.

Let me assure you that the funding of the plan is sound and the benefits you have earned are secure. In my opinion, the plan remains the best national construction industry pension fund in the country and I'm committed to keeping it that way. The change in the level of retirement benefits earned going forward is strictly a precautionary measure to ensure that we can meet the demands that will be placed on the plan in the coming years and that the plan will continue to be well funded. Remember, because of the way the plan is designed, the trustees have the ability to improve benefits in the future as business conditions change.

Also I would like to let you know that on November 19, 2007 the Pension Fund Office moved to a new location in Houston, Texas.

### Increase in National Health Benefit Slated for 2008

I am pleased to announce that the Board of Trustees of the National Roofers Union and Employers Joint Health and Welfare Fund has increased the aggregate lifetime maximum benefit for most plan participants from \$1,000,000 to \$2,000,000. This increase is effective for claims incurred on or after January 1, 2008 for participants and their dependents. A participant notice explaining the increase appears on page 20.

On behalf of International Secretary-Treasurer Robert Danley and all the officers and staff at the International Union, I wish you a Merry Christmas and a prosperous New Year. When you kick back to enjoy the holiday festivities with friends and family in a warm, safe and joyous atmosphere, please don't forget to say a prayer for our brave and dedicated servicemen and women, who forgo family, friends and home on assignments half a world away!

