

NATIONAL BENEFIT FUNDS

PROGRAMS AND INITIATIVES CONCERNING YOUR NATIONAL PENSIONS AND HEALTH AND WELFARE PLANS

The NRISPP & Your Personal Financial Security Program

The nation's economy is a topic that finds its way into nearly every conversation today. All that talk causes most of us to think about our own financial security programs – the combination of insurance and benefits that protect us when we are sick, injured, or die, and that give us an income after we stop working.

In 2000, the Trustees of the National Roofing Industry Pension Fund created a new plan to help strengthen members' personal finances: The **National Roofing Industry Supplemental Pension Plan (NRISPP, or "the Supplemental Plan")**. It is a "defined contribution"-type retirement plan, the most popular type of plan offered in the U.S. today. Signatory employers contribute to the plan a specific amount for each hour their employees work.

If your employer bargained for the Supplemental Plan, you begin participating in it as soon as you work 500 hours in a calendar year. You are fully vested after you work 1,000 hours within two consecutive calendar years.

Each member's benefit is determined in an individual account in the Supplemental Plan. The money the employers contribute is allocated among all those individual accounts. The Trustees of the plan are responsible for managing all the money in those accounts, investing it in a wide variety of stocks, bonds, and government securities. Once a year, you receive a statement showing all the activity in, and the current value of, your individual account. Your account's value fluctuates from year-to-year with ups and downs in the investment markets.

Your employer's contributions are deposited in the Supplemental Plan as soon as they are received by the plan's administrator. The investment gains and losses from all the money in the plan are applied to each individual account once a year, but you pay no taxes on your employer's contributions or the investment earnings until you receive them as your plan benefit.

When you retire, your Supplemental Plan benefit is determined by the money in your individual account. If you **have not** begun receiving monthly benefits from the National Roofing Industry Pension Plan (NRIPP, or "the Pension Plan"), you take your Supplemental Plan benefit in monthly payments. If you **have** begun receiving monthly payments from the Pension Plan, you may choose to use your Supplemental Plan benefit as an addition to your Pension Plan monthly payments, or as a lump sum.

The Supplemental Plan also protects your family if you die before retirement. If you are married, your spouse receives the money in your individual account, after taxes, either as a lump sum or as a monthly benefit for a selected period of time. If you are not married, your Supplemental Plan benefit is paid to your beneficiary as a lump sum.

All assets in the Supplemental Plan are for the exclusive benefit of its members. Your individual account is protected – it cannot be seized by your creditors, and the funds cannot be returned to your employer or any other person or organization.

While the money in your account comes from contributions from signatory employers, you can add to your account with a "rollover contribution." A rollover contribution is a transfer of money from another "qualified retirement plan," such as a 401(k) or similar retirement plan you had with a former employer. When you make a rollover contribution, you allow the plan's Trustees to invest the funds for you.

How the National Roofing Industry Retirement Plans Compare

	Pension Plan (NRIPP)	Supplemental Pension Plan (NRISPP)
Source of contributions	Signatory employers	Signatory employers Your optional rollover contributions
Type of plan	Defined benefit	Defined contribution
How assets determine benefits	A common fund that pays benefits to members as required	A common fund that allocates benefits among individual accounts
Who invests plan assets	NRIPP Trustees	NRISPP Trustees
How retirement benefits are paid	Monthly income payments for life, with 50% of payments paid to your spouse after you die (other options are available with spousal consent)	Your choice of monthly income payments or lump sum Lump sum requires starting NRIPP monthly benefits
Vesting	When you have earned five years of vested service	When you work 1,000 hours within two consecutive calendar years
Benefit if you die before retirement	Payment options available to your spouse depend on your service and age when you die If you are not married, lump sum value of contributions made on your behalf is paid to your beneficiary	Options available to your surviving spouse include monthly benefit payments or lump sum If you are not married, lump sum is paid to your beneficiary
Benefit protections	A portion of your benefit is guaranteed by the Pension Benefit Guaranty Corporation	No government insurance

Part of what makes plans like the Supplemental Plan so popular is their simplicity. Your employer pays contributions to the plan for you, the Trustees invest the money, and you can see your benefit grow from year to year in your individual account – all on a tax-deferred basis.

If you have questions about the National Roofing Industry Supplemental Pension Plan, please call the Fund Office toll-free at 1-800-595-7209.