

STEELWORKERS PENSION TRUST

SEVEN NESHAMINY INTERPLEX - SUITE 301
TREVOSSE, PENNSYLVANIA 19053-0660

July 2007

MAILED TO ALL PARTICIPANTS

**RE: New Payment Option for Participants
Married at Time of Retirement**

Dear Folks:

A benefit a Participant has accumulated under the Trust is usually expressed as a Single Life Annuity, which is the monthly amount a retired Participant would receive for the rest of his life and upon his death nothing further would be payable to anyone. There are, however, other ways a Participant can choose to receive his benefit. All presently available payment options are explained in the Summary Plan Description. Further, at the time the Participant notifies the Trust he wishes to retire and begin to receive his pension benefit, the available payment options are once again explained and the actual amount of benefit the Participant and his spouse would receive under each option clearly stated. The Participant then elects which of the various options he desires. All options involve some reduction in the monthly amount the Participant would have received under the Single Life Annuity form of payment.

A Participant who is not married at the time of retirement will receive his pension in the form of a Single Life Annuity **unless** he selects one of the other optional forms of payment.

A Participant who is Married at the time of retirement will receive his pension in the form of a 75% Joint and Survivor Benefit unless he and his spouse **Jointly** elect one of the other available payment options, which include the Single Life Annuity, which, as indicated above, would provide the greatest benefit to the Participant during his lifetime and nothing to his surviving spouse or anyone else upon his death. A 75% Joint and Survivor Benefit provides to the retiring Participant for the balance of his life a reduced monthly benefit (less than the Single Life Annuity benefit) but upon his death his spouse, if still living, would receive a lifetime monthly benefit equal to 75% of the reduced monthly amount the retired Participant was receiving. If, however, the spouse dies before the Participant retires, his benefit would, as of the date of her death, "pop-up" to a monthly amount equal to the single life annuity form of benefit and continue in this monthly amount until the Participant's death.

The 75% Joint and Survivor Benefit was heretofore the only Joint and Survivor Benefit available under the Trust. The Pension Protection Act of 2006 **requires** the Trustees to provide Participants with an additional Joint and Survivor Benefit to choose from upon retirement. In response to the Act, the Trustees have provided, effective January 1, 2008, a retiring married Participant and his spouse an additional Joint and Survivor Benefit, this being a 50% Joint and Survivor Benefit. Under this option, the retiring Participant will receive a reduced monthly benefit which, however, is greater than the reduced benefit he would have received under the 75% option and, upon his death, his surviving spouse receives a lifetime monthly benefit equal to 50% of what the Participant was receiving. Thus, the 50% option provides the Participant with a benefit greater than under the 75% option, but less of a benefit to the surviving spouse.

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Under the 75% option, the Retiree receives a monthly benefit equal to 88% of the single life annuity form of benefit. This amount is then further **REDUCED** by .75% for each year the spouse is younger than the Retiree **OR INCREASED** for each year the spouse is older than the Retiree. At the time the Retiree dies, the surviving spouse will receive, for life, a monthly benefit equal to 75% of the monthly benefit the Retiree was receiving.

Under the 50% option, the Retiree receives a monthly benefit equal to 93% of the single life annuity form of benefit. This amount is further **REDUCED** by .57% for each year the spouse is younger than the Retiree **OR INCREASED** by .57% for each year the spouse is older than the Retiree. As with the 75% option, if the spouse dies before the Participant retires, his benefit would, as of the date of her death, "pop-up" to a monthly amount equal to the single life annuity form of benefit and continue in this monthly amount until the Participant's death.

The attached Example demonstrates how each option works.

What should be noted is that all the optional forms of payment offered by the Trust are actuarially equivalent and at the time a Participant receives his retirement application the precise amount of benefits he or his spouse will receive under each option is clearly noted and explained so that the Participant will have precise amounts to work with and thus be able to make the choice that is best suited to his family needs.

Cordially,

Michael C. Felice, Jr.
Chairman/Director of Operations

MCF:br
Attachment

newpaymentoptionj&s

**PARTICIPANT GARY GOODENOFF RETIRES AT AGE 65 WITH AN ACCRUED MONTHLY SINGLE LIFE ANNUITY OF \$600.
GARY HAS A WIFE GERT. THE FOLLOWING DEMONSTRATES WHAT EACH WOULD RECEIVE UNDER BOTH OPTIONS
AT DIFFERENT AGE DIFFERENCES.**

75% Joint & Survivor 88% ± .75% increase/decrease for years of age difference		50% Joint & Survivor 93% ± .57% increase/decrease for years of age difference				
	Factor	Gary's Monthly Benefit	Gert's Monthly Benefit	Factor	Gary's Monthly Benefit	Gert's Monthly Benefit
Gary/Gert	Same age	\$528.00	\$396.00	93%	\$558.00	\$279.00
Gert	4 yrs. younger	\$510.00	\$382.50	90.72%	\$544.32	\$272.16
Gert	10 yrs. younger	\$483.00	\$362.25	87.30%	\$523.80	\$261.90
Gert	15 yrs. younger	\$460.50	\$345.38	84.45%	\$506.70	\$253.35
Gert	4 yrs. older	\$546.00	\$409.50	95.28%	\$571.68	\$285.84
Gert	10 yrs. older	\$573.00	\$429.75	98.70%	\$592.20	\$296.10
Gert	15 yrs. older	\$595.50	\$446.63			