

# NEBF

## Vesting and Building Your Benefit

### Vesting

You become a Participant in NEBF on your first day of Covered Employment. Your hours in Covered Employment will count toward your eligibility for a benefit from NEBF. You shall no longer be a Participant upon the loss of your Vesting Service Credits.

Once you become Vested, you have a right to a benefit from NEBF and you cannot lose that right. If you stop working in Covered Employment before you are Vested, you remain a Participant until your Vesting Service Credits are lost.

Effective January 1, 1988, you are considered Vested when you have accumulated five Vesting Service Credits. Different rules apply to becoming Vested prior to January 1, 1988.

### Why Is It Important to Be Vested?

There are three reasons why it is important to be Vested.

1. You have a right to a benefit from NEBF and you cannot lose that right.
2. You will not lose any Vesting Service Credits or Pension Credits that you have already earned should you incur a Break in Service.
3. You may earn additional Pension Credits if you return to Covered Employment without having to become Vested again.

### What Happens If I Do Not Become Vested?

If you are not Vested and incur a Break in Service, you lose all Vesting Service Credits and Pension Credits that you have accumulated. However, if you retire at age 65 or older and have not lost your Pension Credits, you may be eligible for a benefit even if you are not Vested.

### Your Benefit

### Earning Credits Toward a Benefit

Your eligibility for a benefit and the amount of that benefit depend on the number of credits you earn. Generally, credits are earned for hours worked in Covered Employment. There are two types of credits you can earn: Vesting Service Credits and Pension Credits.

### Vesting Service Credits

Vesting Service Credits determine your right to a benefit. To be Vested means that you have a non-forfeitable right to a benefit from NEBF.

## How Do I Earn Vesting Service Credits?

Generally, you earn Vesting Service Credits by accumulating hours worked in Covered Employment in Good Years. There is a 1,000 hour requirement for each Vesting Service Credit.

You generally earn one Vesting Service Credit for each year you work 1,000 hours or more.

The hours in excess of 1,000 can be used to meet the 1,000 hour requirement for other Good Years in which you worked less than 1,000 hours.

For hours to count toward the 1,000 hour requirement, you must have a Good Year. A Good Year is generally a year in which you work 300 or more hours in Covered Employment.

You can earn only one Vesting Service Credit in any calendar year.

In the event you believe you are entitled to Vesting Service Credits for time not reflected in NEBF's records, it will be your responsibility to produce records proving your entitlement to such Vesting Service Credits.

For more information regarding Vesting Service Credits, see the [Summary Plan Description](#).

## Pension Credits

Pension Credits are generally earned while working in Covered Employment. They are used to determine your benefit amount. You cannot earn Pension Credits for hours worked in Non-Covered Employment. Pension Credits are not based on union membership.

There are two types of Pension Credits: Benefit Service Credits and Past Service Credits.

These are added together to give the total number of Pension Credits that are used to determine your benefit amount.

### Benefit Service Credits

Benefit Service Credits are earned based on the number of hours you work in Covered Employment.

## How Do I Earn Benefit Service Credits?

Generally, you earn Benefit Service Credits by accumulating hours worked in Covered Employment in Good Years. There is a 1,000 hour requirement for each Benefit Service Credit.

You generally earn one Benefit Service Credit for each year you work 1,000 hours or more.

The hours in excess of 1,000 can be used to meet the 1,000 hour requirement for other Good Years in which you worked less than 1,000 hours.

For hours to count toward the 1,000 hour requirement, you must have a Good Year. A Good Year is generally a year in which you work 300 or more hours in Covered Employment.

You can earn only one Benefit Service Credit in any calendar year.

In the event you believe you are entitled to Benefit Service Credits for time not reflected in NEBF's records, it will be your responsibility to produce records proving your entitlement to such Benefit Service Credits.

For more information regarding benefit service credits, see the [Summary Plan Description](#).

### Past Service Credits

Past Service Credits are credits that recognize the years you worked in a job classification that was not Covered Employment, but later becomes Covered Employment for that employer.

## How Do I Earn Past Service Credits?

You may earn a maximum of five Past Service Credits. These credits are earned on a one-for-one basis (one Past Service Credit for one Benefit Service Credit). Past Service Credits also count toward earning a Vesting Service Credit.

You earn one Past Service Credit **in any year** you meet the following requirements:

You earn a Benefit Service Credit while in Covered Employment with your current employer, and

Your past employer becomes or remains a Covered Employer, and

Your past job classification is Covered Employment with that past employer.

In the event you believe you are entitled to Past Service Credits for time not reflected in NEBF's records, it will be your responsibility to produce records proving your entitlement to such Past Service Credits.

### Calculating Your Benefit

For each Benefit Service Period, the number of Pension Credits you have earned is multiplied by the pension rate, and the results are added together. The total is your benefit amount for that Benefit Service Period.

## What Is a Benefit Service Period?

A Benefit Service Period is a period of time to which a particular pension rate applies. A Participant may have multiple Benefit Service Periods due to a gap in employment.

If you leave Covered Employment or are out of Covered Employment for a specific period of time, the Pension Credits you previously earned will be added together and a specific pension rate will be applied to them. Some Participants may have multiple pension rates applied in determining their benefit amount, while others may have only one.

## What is the Pension Rate?

The pension rates paid for Pension Credits have improved over the years. The pension rate is based on the pension rates that are in effect at your Effective Date. Currently, the pension rate is \$32.00 per pension credit.

For more information regarding calculating your benefit, see the [Summary Plan Description](#).

## Retirement Benefits

Retirement Benefits are available to eligible Participants who have retired from the electrical industry. There are two types of Retirement Benefits: Normal Retirement Benefit and Early Retirement Benefit.

An Early Retirement Benefit is available to an eligible Participant who is between the ages of 60 and 64. There are two kinds of Early Retirement Benefits: Early Retirement and Reduced Early Retirement. The kind of Early Retirement Benefit a Participant is eligible for depends on age, Effective Date and the number of years a Participant has been out of Covered Employment.

## Normal Retirement Benefit

You are eligible to receive a Normal Retirement Benefit when you meet the requirements in either A or B below:

### A

You are Vested, **and**

You are age 65 and older, **and**

You are retired from the electrical industry

### OR

### B

You are not Vested, **and**

You are age 65 or older, **and**

You are retired from the electrical industry, **and**

You have retained Pension Credits.

## Early Retirement Benefit

You are eligible to receive an Early Retirement Benefit, when you meet the following requirements:

You are Vested, **and**

You are age 62, 63, or 64, **and**

You are retired from the electrical industry, **and**

You have worked for a Covered Employer for 300 or more hours in any of the seven calendar years immediately before your Effective Date.

## Reduced Early Retirement Benefit at Age 60 or 61

You are eligible to receive a Reduced Early Retirement Benefit at age 60 or 61 when you meet the requirements in either A or B below:

### A

You are Vested, **and**

You are age 60, **and**

You are retired from the electrical industry, **and**

You have worked for a Covered Employer for 300 or more hours in any of the five calendar years immediately before your Effective Date.

### OR

### B

You are Vested, **and**

You are age 61, **and**

You are retired from the electrical industry, **and**

You have worked for a Covered Employer for 300 or more hours in any of the six calendar years immediately before your Effective Date.

## Retirement Options

There are two options available for you to choose how to receive your benefit amount: Lifetime and Joint and Survivor. Which options are available to you will depend on your marital status when you apply for a benefit.

If you are not married when you apply for a Retirement Benefit, you will receive your benefit as the Lifetime Option. However, if you are married when you apply, you will receive your benefit as the Joint and Survivor Option unless you elect with your spouse's consent to receive your benefit as the Lifetime Option.

### What Is the Lifetime Option?

The Lifetime Option provides you with a monthly benefit for your lifetime only. At your death, no benefit is paid to your spouse.

## What Is the Joint and Survivor Option?

The Joint and Survivor Option has two benefits. The Joint Benefit provides you with a reduced monthly benefit for your lifetime. At your death, the Survivor Benefit provides your spouse with a lifetime monthly benefit that is 50% of the amount you were receiving.

The Joint and Survivor Annuity Benefit provides you with a reduced monthly benefit for your lifetime and at your death provides your spouse with a further reduced monthly benefit for your spouse's lifetime.

If you are married when you apply for a benefit, you will receive your benefit as the Joint and Survivor Option unless you elect with your spouse's consent to receive your benefit as the Lifetime Option.

For more information about the Joint and Survivor Option, see the [Summary Plan Description](#).

## Disability Benefits

A Disability Benefit is available to an eligible Participant who is less than age 65 and who becomes Totally Disabled. If you are eligible to receive a Disability Benefit, your benefit amount is based upon the Pension Credits you have earned and the appropriate pension rate. However, if you have not earned at least 20 Pension Credits, your benefit amount will be based on a minimum of 20 Pension Credits.

Eligible Participants who are Totally Disabled can get a Disability Benefit if they have a Disability Award from the Social Security Administration showing that they are currently receiving a Social Security Disability Benefit or such other proof as the Trustees may require.

Your entitlement to a Disability Benefit is dependent upon you continuing to be Totally Disabled. NEBF will periodically request that you submit verification from the Social Security Administration of your continued eligibility for Social Security Disability Benefits or proof that you are still disabled.

The requirements for a NEBF Disability Benefit differ from the National Electrical Annuity Plan (NEAP) disability benefit which does not require that a Participant be Totally Disabled.

## What Does It Mean to Be Totally Disabled?

You will be considered Totally Disabled if you are unable to perform any work as a result of either physical or mental impairment which is expected to result in death or last for a continuous period of at least twelve months.

### Eligibility Requirements

You are eligible to receive a Disability Benefit when you meet the following requirements:

You are Vested when you become Totally Disabled, **and**

You are less than age 65, **and**

You are Totally Disabled, **and**

You worked for a Covered Employer sometime within five years of becoming Totally Disabled.

## Benefit Options

There are two options available for you to choose how to receive your benefit amount: Lifetime and Joint and Survivor. Which options are available to you will depend on your marital status when you apply for a benefit.

If you are not married when you apply for a Disability Benefit, you will receive your benefit as the Lifetime Option for as long as you remain Totally Disabled. However, if you are married when you apply, you will receive your benefit as the Joint and Survivor Option unless you elect with your spouse's consent to receive your benefit as the Lifetime Option for as long as you remain Totally Disabled.

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You are less than age 65, **and**

You are Totally Disabled, **and**

You worked for a Covered Employer sometime within five years of becoming Totally Disabled.

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If you are not married when you apply for a Disability Benefit, you will receive your benefit as the Lifetime Option for as long as you remain Totally Disabled. However, if you are married when you apply, you will receive your benefit as the Joint and Survivor Option unless you elect with your spouse's consent to receive your benefit as the Lifetime Option for as long as you remain Totally Disabled.

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For more information about the Joint and Survivor Option, see the [Summary Plan Description](#).