



# Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND  
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December 2010

## Notice of Changes to Alaska Electrical Money Purchase Pension Plan Adopted at the Pension Trustee Meeting on October 26, 2010

Dear Participant:

The purpose of this notice is to advise you of amendments to the Alaska Electrical Money Purchase Pension Plan (Plan) approved by the Trustees at their October 2010 meeting. These changes include:

- An additional form of benefit payment available for retirement dates in 2011 and later
- Extension of service crediting for a period of qualified military service during which a participant is unable to return to covered employment due to death or disability
- A revision to the definition of “disability” for purposes of disability retirement effective January 1, 2011

The changes described in this Notice alter the information in the following sections of your summary plan description (SPD): Payment of Benefits (Disability Benefits); Forms of Payment; and Plan Administration Disclosure Information (Uniformed Services).

### **NEW MINIMUM REQUIRED DISTRIBUTION FORM OF PAYMENT EFFECTIVE 1/1/11**

Beginning January 1, 2011, participants may choose to automatically receive each year payments from their accounts of the minimum required annual distribution as determined in accordance with federal law.

In accordance with federal law, the Plan requires that you begin receiving your benefits not later than April 1 following the year you reach age 70½. If you choose this form of payment, you will receive an annual installment equal to your minimum required distribution. The minimum required distribution is determined by dividing your account balance as of the last day of the preceding calendar year by a life expectancy number listed in a table in IRS regulations. The number is based on your age and the age of your joint beneficiary (if any). In any given year, you may choose to receive a larger installment up to your entire remaining account balance. You cannot elect to receive a smaller amount.

This option may be attractive to participants who want to automatically receive the required annual installment payments, but leave as much as possible in their Plan accounts to take advantage of tax-deferred savings.

## **SERVICE CREDITING DURING PERIOD OF QUALIFIED MILITARY SERVICE**

In accordance with a federal law called the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Plan provides that participants receive service credit if they take leave in order to perform qualified military service and then return to active employment. This service counts for purposes of benefit accrual under the Plan. USERRA was amended by the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act) to allow a plan to provide service credit when a participant does not return to active employment due to death or disability while engaged in qualified military service. The participant receives credited service for the period of his USERRA leave until the date of his or her death or disability, as if the participant had returned to covered employment.

Consistent with the HEART Act, the Trustees have amended the Plan to extend service credit for Plan participants who die or become disabled while on USERRA leave. This change is effective retroactive to 2007. The participant's deemed hours of covered employment and employer contribution rate for the leave will be determined based on the participant's employment during the 12 consecutive months preceding the participant's USERRA leave. If a participant has worked for fewer than 12 months at the time leave begins, the participant's total period of covered employment shall be taken into account.

## **NEW DEFINITION OF 'DISABILITY' FOR RETIREMENT APPLICATIONS BEGINNING 1/1/11**

Effective with applications for disability retirement received on and after January 1, 2011, the Plan was amended to define "disability" to be the same as under the Alaska Electrical Pension Plan. Generally, a determination by the Social Security Administration that a participant is disabled will be sufficient to begin payments on account of disability under the Plan.

Please keep a copy of this summary of material changes to the Plan with your SPD and other important papers. If you have any questions about this letter or general questions about the Plan, please contact the Administrative Office. Thank you.

Sincerely,



Gregory R. Stokes  
Administrator