NAME: **SS#:**

Printing Local 72 Industry Pension Plan

LOCAL: 72
STATUS: Retired, September 1, 2020

ISSUE: Pension Benefit Overpayment Related to Actuarial Adjustment #P21/101-8038

FUND RULE:
"**Section 6 – Benefit Payment Information**

When Do My Pension Payments Start?

Your pension begins on the latest of the following dates:

- The *first day of the month coincident with or next following the date you satisfy all of the conditions for entitlement to a retirement pension*, including the application requirement; or
- The first day of the month next following receipt of your application for benefit; or
- The first day of the month specified in your application for commencement of your pension."

(Printing Local 72 Industry Pension Plan SPD, Pages 22-23) (emphasis added)

"**Section 4 – Retirement Benefit Eligibility**

When May I Retire?

Normal Retirement
If you are an Active Employee on your Normal Retirement Date, you may retire and receive a normal retirement pension. Your Normal Retirement Date is the later of the date you reach your 65th birthday or complete 5 years of Vesting Service.

Early Retirement
If you are an Active Employee and are between 55 and 65 years old and have a Vested Accrued Pension Benefit (see 'How Do I Become Vested in My Pension Benefits?' in Section 3) and you want to retire before age 65, you may do so and receive a reduced early retirement pension."

(Printing Local 72 Industry Pension Plan SPD, Page 11)

SUMMARY: Notice Issued: August 24, 2021
Appeal Received: January 21, 2022

The **participant** is appealing the recalculation and reduction to his pension benefit.

Fund records indicate the participant began collecting a retirement pension benefit effective September 1, 2020. After a review of his pension record, it was determined that his monthly benefit was overstated. The terms of the Fund's Plan document requires, among other things, that a Participant's benefit be actuarially adjusted based on the Participant's age (years and months) at the time their pension starts. In applying the actuarial adjustment to his pension benefit, the administrator failed to use his actual age to determine the actuarial adjustment applicable to his benefit. Instead, the administrator rounded up his age to the nearest full year, as was historically done by the prior administrator. It was noted that the participant's pension benefit commenced on September 1, 2020, at age 64 and 11 months. The participant turned age 65 on September 2, 2020. This resulted in a partial, but incomplete, reduction of the benefit payable to him under the terms of the Plan.

The participant received a monthly benefit of $1,050.00 beginning September 1, 2020. Consequently, this amount includes an overpayment of $7.00 per month from September 1, 2020 through August 1, 2021, for a total overpayment of $84.00. Effective September 1, 2021, the participant's monthly benefit was corrected to $1,043.00. A letter was mailed to the participant on August 24, 2021, advising of the correction and overpayment. That letter further advised the participant that the Fund is not seeking to recover the overpayment in the amount of $84.00, plus interest, however, the Fund reserves the right to demand such repayment at a later date. The participant's appeal was received on October 21, 2021.

The participant states in summary that when he called to start the process of receiving his pension, he asked if his "full" pension payments were to start in October (2020), and he was advised that his pension payments would begin in September (2020) since his birthday is on the 2nd of September. The participant further states that he moved forth under the direction and advice that he received. The participant states that his pension benefit was rounded up by only one day, not one month, and if he had been given this information at the time, he would not have moved forward with receiving his pension as of September 1, 2020. Lastly, the participant states that he should be entitled to his full pension benefit ($1,050.00) as if he retired at age 65.

ACTION: **Approved** ☐ **Denied** ☐ **Tabled** ☐
COMMENTS: