

HOW YOUR PENSION WORKS



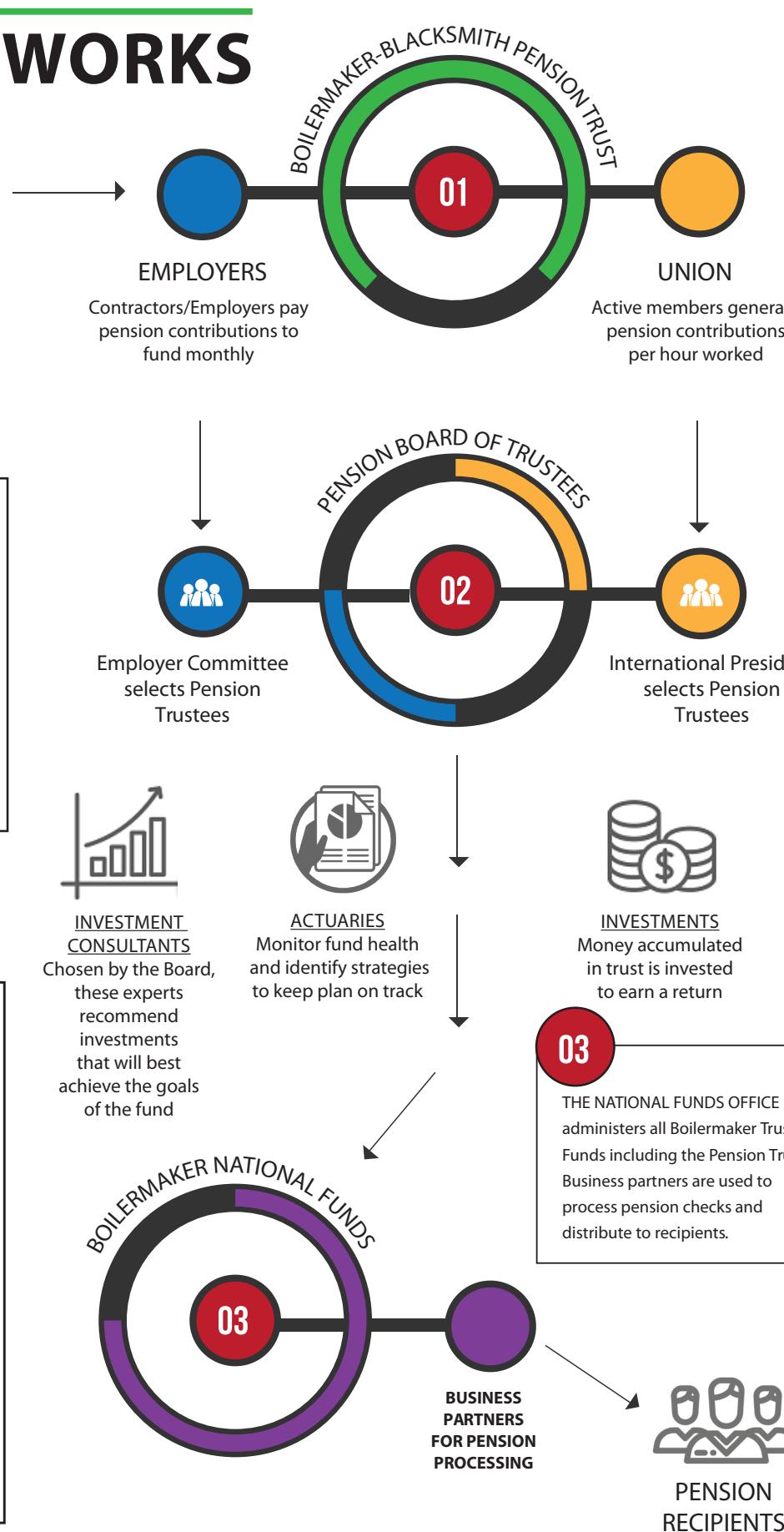
The Union and Participating Contractors/Employers negotiate agreements that fund the Boilermaker Blacksmith Pension Trust

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A TAFT-HARTLEY TRUST is a benefit fund established by multiple employers and a union. It is most common among construction unions where workers frequently work for more than one contractor as they go from job to job. A board of trustees with an equal number of employer and union representatives jointly operate the fund.

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THE PENSION BOARD OF TRUSTEES is made up of Employer representatives and Union representatives. They are **an independent body with legal responsibility to oversee the pension**. Their duties include selecting investment consultants, tracking fund investments, using actuaries to analyze the health of the fund, and ensuring proper reporting to all government agencies charged with pension oversight including the U.S. Treasury Department. They are **the only entity allowed by law to make changes to the plan under the Taft-Hartley Fund rules set forth by the Labor Management Relations Act of 1947**.



FREQUENTLY ASKED QUESTIONS

Q. What is the role of the International in the Pension Trust?

A. The International has no role in the operation of the the Pension Trust (or any other Taft-Hartley trust) beyond assigning union representatives to serve as trustees. The International President does not serve as a trustee and has no vote on any changes. The Employee Retirement Income Security Act (ERISA) governs the operation of the Pension Trust and protects participants.

Q. Who is responsible for making plan changes?

A. The Board of Trustees has sole authority and responsibility to make plan changes. An equal number of employer-selected and union-appointed trustees oversees the pension trust and makes adjustments as financial conditions warrant. Neither the International President nor the employers can change the plan in any way or directly influence the decisions of the trustees. In fact, they are forbidden by law to do so.

Q. Where do pension contributions go?

A. For each hour worked, a participant earns a contribution towards the pension. Each month, employers are required to submit payments to the Funds Office for those hours. The Funds Office accumulates those payments and deposits them in Bank of Labor. A pension processing company then calculates and disburses the benefits to all eligible retirees and beneficiaries. Pension contributions never go to the International and cannot be spent by the union under any circumstances.

Q. What determines the health of the fund?

A. Man-hours worked is the sole generator of contributions. When man-hours don't meet expectations, there may be a shortfall, and the ratio of money coming in to money going out may drop. A plan that is 80 percent or more funded is considered healthy. Investment returns also impact a plan's health and will rise or fall based on financial markets.

Q. What can be done to strengthen the fund?

A. Every missed opportunity for work (absenteeism, no-shows, early quits) results in lost pension contributions. Members should maximize their man-hours wherever possible. Growing union membership will also strengthen the fund, as more members will be contributing. The International Executive Council has launched major initiatives for recruitment and organizing to bring up membership numbers.

Q. Will the pension be there for me?

A. This question is often asked not only for pensions but for Social Security as well. The answer is that nobody can guarantee the future. However, keep in mind that the Boilermaker-Blacksmith National Pension Trust has never missed a payment to retirees and beneficiaries since its founding in 1960. The more man-hours that are generated, the more secure the pension will be.