

## **Pension Deferral Information**

**Category : Benefits**

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### **PENSION DISTRIBUTION - LEAVING PAYROLL BEFORE 12/31/xx**

Prior to 2005; we had 60 days to request a Lump Sum, but today that IS NO LONGER TRUE. The 2004 Collective Bargaining Agreement [Election Period – Page 253/254] eliminated that limitation.

The only limitation we now have electing a lump sum is the need to do so before Age 65.

An Employee can leave the payroll prior to 12/31; and defer their lump sum election until the following year [or after; as long as they do so prior to age 65].

In this case; the employee is entitled to receive the GATT Rate, Age and Mortality Table in effect for the year the lump sum is distributed.

Pension band increases for the following year[s] DO NOT APPLY.

Entitlement to vacation for the following year's DO NOT APPLY.

#### **GATT Rate**

The GATT rate needs to be declared/announced by ATT before it is official. We do not yet have the declared rate and neither does Fidelity.

The 2007 GATT rate was 4.69% - 2008 GATT rate is currently 4.52%

When the GATT rate goes down; lump sum values go up. If the rate goes up; the lump sum value goes down.

**RETIREMENTS 1/1/xx [when possible]** In order to gain next years GATT rate, next years pension band increase and next year's vacation; an employee must declare their last day on payroll as 1/1/xx or after.

#### **RETIREMENTS 12/31/xx [when possible]**

The 12/31/xx date is used as the last day on payroll when the employee wants the current year's GATT Rate and next years vacation\*; however they are not entitled to any band increase for the following year.

\*Vacation Year – Defined in Article 2 as Dec 31 – Dec 30. Legacy SBC policy is that an employee has to work one day into the vacation year to gain access to.

#### **2009 PENSION BAND INCREASE**

There is a pension band increase effective 1/1/09 @ 2.25% + applicable

cola.