

**WESTERN STATES OFFICE AND  
PROFESSIONAL EMPLOYEES PENSION FUND  
SUSPENSION APPLICATION**

**Exhibit 4**

# Western States Office and Professional Employees Pension Fund

## Exhibit 4

### Demonstration that Limits on Individual Suspensions Are Satisfied Pursuant to IRC Sections 432(e)(9)(D)(i) through (iii)

Example #1: Proposed benefit cut for pensioners and non-pensioners, no limitations apply

A. Date of Birth	4/1/1953
B. Date of Retirement	5/1/2015
C. Effective Date of Suspension	12/1/2017
D. Age at Retirement Date	62 years 1 month
E. Age at Suspension Date	64 years 8 months
F. Total Accrued Benefit	\$910.00
G. Total Benefit Credits	14
H. Participant Status	Retiree

#### **Calculation of 110% of PBGC Guarantee**

I. Yearly Accrual Rate for Monthly Benefit ( $F / G$ )	\$65.00
J. PBGC Guaranteed Accrual Rate ( $100\% \times \$11$ ) + ( $75\% \times \$33$ )	\$35.75
K. PBGC Guaranteed Benefit ( $J \times G$ )	\$500.50
L. 110% of PBGC Guaranteed Benefit	\$550.55

#### **Calculation of Monthly Benefit under Proposed Suspension**

M. Reduction Percentage	29%
N. Amount Cut	\$263.90
O. Proposed Monthly Benefit	\$646.10
P. Does Age-based limitation Apply? (Participant over age 75 at Suspension Date)	No
Q. Does disability limitation Apply? (Participant in disabled status, no reduction if disabled)	No
R. Does 110% PBGC limit apply? (Proposed Monthly Benefit less than 110% PBGC Benefit $O < L$ )	No
S. Final Reduction Percentage	29%
T. Final Amount Cut	\$263.90
U. Final Benefit, reflecting proposed suspension and limits	\$646.10

# Western States Office and Professional Employees Pension Fund

## Exhibit 4

### Demonstration that Limits on Individual Suspensions Are Satisfied Pursuant to IRC Sections 432(e)(9)(D)(i) through (iii)

Example #2: Proposed benefit cut for pensioners and non-pensioners, 110% PBGC limit applies

A. Date of Birth	2/1/1945
B. Date of Retirement	
C. Effective Date of Suspension	12/1/2017
D. Age at Retirement Date	
E. Age at Suspension Date	72 years 10 months
F. Total Accrued Benefit	\$350.00
G. Total Benefit Credits	14
H. Participant Status	Active

#### **Calculation of 110% of PBGC Guarantee**

I. Yearly Accrual Rate for Monthly Benefit ( $F / G$ )	\$25.00
J. PBGC Guaranteed Accrual Rate ( $100\% \times \$11$ ) + ( $75\% \times \$14$ )	\$21.50
K. PBGC Guaranteed Benefit ( $J \times G$ )	\$301.00
L. 110% of PBGC Guaranteed Benefit	\$331.10

#### **Calculation of Monthly Benefit under Proposed Suspension**

M. Reduction Percentage	29%
N. Amount Cut	\$101.50
O. Proposed Monthly Benefit	\$248.50
P. Does Age-based limitation Apply? ( <i>Participant over age 75 at Suspension Date</i> )	No
Q. Does disability limitation Apply? ( <i>Participant in disabled status, no reduction if disabled</i> )	No
R. Does 110% PBGC limit apply? ( <i>Proposed Monthly Benefit less than 110% PBGC Benefit <math>O &lt; L</math></i> )	Yes
S. Final Reduction Percentage	
T. Final Amount Cut	5%
U. Final Benefit, reflecting proposed suspension and limits	\$18.90
	\$331.10

# Western States Office and Professional Employees Pension Fund

## Exhibit 4

### Demonstration that Limits on Individual Suspensions Are Satisfied Pursuant to IRC Sections 432(e)(9)(D)(i) through (iii)

Example #3: Proposed benefit cut for pensioners and non-pensioners, disability limit applies

A. Date of Birth	7/1/1969
B. Date of Retirement	4/1/2007
C. Effective Date of Suspension	12/1/2017
D. Age at Retirement Date	37 years 9 months
E. Age at Suspension Date	48 years 5 months
F. Total Accrued Benefit	\$640.00
G. Total Benefit Credits	8
H. Participant Status	Disabled

#### **Calculation of 110% of PBGC Guarantee**

I. Yearly Accrual Rate for Monthly Benefit ( $F / G$ )	\$80.00
J. PBGC Guaranteed Accrual Rate ( $100\% \times \$11$ ) + ( $75\% \times \$33$ )	\$35.75
K. PBGC Guaranteed Benefit ( $J \times G$ )	\$286.00
L. 110% of PBGC Guaranteed Benefit	\$314.60

#### **Calculation of Monthly Benefit under Proposed Suspension**

M. Reduction Percentage	29%
N. Amount Cut	\$185.60
O. Proposed Monthly Benefit	\$454.40
P. Does Age-based limitation apply? ( <i>Participant over age 75 at Suspension Date</i> )	No
Q. Does disability limitation apply? ( <i>Participant in disabled status, no reduction if disabled</i> )	Yes
R. Does 110% PBGC limit apply? ( <i>Proposed Monthly Benefit less than 110% PBGC Benefit</i> $O < L$ )	No
S. Final Reduction Percentage	0%
T. Final Amount Cut	\$0.00
U. Final Benefit, reflecting proposed suspension and limits	\$640.00

# Western States Office and Professional Employees Pension Fund

## Exhibit 4

### Demonstration that Limits on Individual Suspensions Are Satisfied Pursuant to IRC Sections 432(e)(9)(D)(i) through (iii)

Example #4: Proposed benefit cut for pensioners and non-pensioners, age-based limitation applies

A. Date of Birth	3/1/1940
B. Date of Retirement	9/1/2008
C. Effective Date of Suspension	12/1/2017
D. Age at Retirement Date	68 years 6 months
E. Age at Suspension Date	77 years 9 months
F. Total Accrued Benefit	\$2,490.00
G. Total Benefit Credits	36
H. Participant Status	Retiree

#### Calculation of 110% of PBGC Guarantee

I. Yearly Accrual Rate for Monthly Benefit ( $F / G$ )	\$69.17
J. PBGC Guaranteed Accrual Rate ( $100\% \times \$11$ ) + ( $75\% \times \$33$ )	\$35.75
K. PBGC Guaranteed Benefit ( $J \times G$ )	\$1,287.00
L. 110% of PBGC Guaranteed Benefit	\$1,415.70

#### Calculation of Monthly Benefit under Proposed Suspension

M. Reduction Percentage	29%
N. Amount Cut	\$722.10
O. Proposed Monthly Benefit	\$1,767.90
P. Does Age-based limitation apply? (Participant over age 75 at Suspension Date)	Yes
Q. Does disability limitation apply? (Participant in disabled status, no reduction if disabled)	No
R. Does 110% PBGC limit apply? (Proposed Monthly Benefit less than 110% PBGC Benefit $O < L$ )	No
S. Months between Suspension Date and Date Participant turns 80	27 months
T. Applicable percentage of cut (prorated by number of months ( $T / 60$ ))	45.0%
U. Final Reduction Percentage ( $M \times T$ )	13.3%
V. Final Amount Cut	\$324.95
W. Final Benefit, reflecting proposed suspension and limits	\$2,165.06

# Western States Office and Professional Employees Pension Fund

## Exhibit 4

### Demonstration that Limits on Individual Suspensions Are Satisfied Pursuant to IRC Sections 432(e)(9)(D)(i) through (iii)

Example #5: Not suspended due to age over 80

A. Date of Birth	1/12/1935
B. Date of Retirement	12/1/2010
C. Effective Date of Suspension	12/1/2017
D. Age at Retirement Date	75 years 10 months
E. Age at Suspension Date	82 years 10 months
F. Total Accrued Benefit	\$833.00
G. Total Benefit Credits	17
H. Participant Status	Retiree

#### **Calculation of 110% of PBGC Guarantee**

I. Yearly Accrual Rate for Monthly Benefit ( $F / G$ )	\$49.00
J. PBGC Guaranteed Accrual Rate ( $100\% \times \$11$ ) + ( $75\% \times \$33$ )	\$35.75
K. PBGC Guaranteed Benefit ( $J \times G$ )	\$607.75
L. 110% of PBGC Guaranteed Benefit	\$668.53

#### **Calculation of Monthly Benefit under Proposed Suspension**

M. Reduction Percentage	29%
N. Amount Cut	\$241.57
O. Proposed Monthly Benefit	\$591.43
P. Does Age-based limitation apply? ( <i>Participant over age 75 at Suspension Date</i> )	No
Q. Does disability limitation apply? ( <i>Participant in disabled status, no reduction if disabled</i> )	No
R. Does 110% PBGC limit apply? ( <i>Proposed Monthly Benefit less than 110% PBGC Benefit</i> $O < L$ )	0 months
S. Months between Suspension Date and Date Participant turns 80	0%
T. Applicable percentage of cut ( <i>prorated by number of months ( <math>T / 60</math> )</i> )	0%
U. Final Reduction Percentage ( $M \times T$ )	\$0.00
V. Final Amount Cut	\$833.00
W. Final Benefit, reflecting proposed suspension and limits	

# Western States Office and Professional Employees Pension Fund

## Exhibit 4

### Demonstration that Limits on Individual Suspensions Are Satisfied Pursuant to IRC Sections 432(e)(9)(D)(i) through (iii)

Example #6: Proposed suspension lower than 110% PBGC limit

A. Date of Birth	9/12/1949
B. Date of Retirement	10/1/2014
C. Effective Date of Suspension	12/1/2017
D. Age at Retirement Date	65 years 0 months
E. Age at Suspension Date	68 years 2 months
F. Total Accrued Benefit	\$438.00
G. Total Benefit Credits	11
H. Participant Status	Retiree

#### **Calculation of 110% of PBGC Guarantee**

I. Yearly Accrual Rate for Monthly Benefit ( $F / G$ )	\$39.82
J. PBGC Guaranteed Accrual Rate	\$32.61
( $100\% \times \$11$ ) + ( $75\% \times \$2.33$ )	\$358.71
K. PBGC Guaranteed Benefit ( $J \times G$ )	\$394.58
L. 110% of PBGC Guaranteed Benefit	

#### **Calculation of Monthly Benefit under Proposed Suspension**

M. Reduction Percentage	29%
N. Amount Cut	\$127.02
O. Proposed Monthly Benefit	\$310.98
P. Does Age-based limitation apply? ( <i>Participant over age 75 at Suspension Date</i> )	No
Q. Does disability limitation apply? ( <i>Participant in disabled status, no reduction if disabled</i> )	Yes
R. Does 110% PBGC limit apply? ( <i>Proposed Monthly Benefit less than 110% PBGC Benefit</i> $O < L$ )	9.9%
S. Final Reduction Percentage	\$43.42
T. Final Amount Cut	\$394.58
U. Final Benefit, reflecting proposed suspension and limits	