

# Applicable Contribution Rates

## Q: What is my applicable contribution rate?

A: In general, your pension benefit will be based on the highest contribution rate under which you earned at least 1200 hours of future service in your Home Local.

Your Home Local is the participating Local in which you earned the greatest number of hours of future service credit. If you leave the jurisdiction of your Home local and work in another local with a higher contribution rate you must earn 3 years (3600 hours) of future service credit in the other local for the higher rate to be used as the basis of your benefit. If you leave your home local for a local with a lower contribution rate there is no effect on your pension. If you work for the same contributing employer in more than one participating local in the same geographic area, it is treated as though all your work has been performed in the same local.

If you have not earned at least 1200 hours of future service at your highest contribution rate, then your benefit will be based on the weighted average of your last 1200 hours of future service.

*Example: John is age 65, vested, and has 25 years of pension credits at the time of his retirement. During his last 1,200 hours of work prior to his retirement, John's local collective bargaining agreement called for contributions of \$.60 per hour and \$.75 per hour. John worked under the \$.60 rate for 400 hours and under the \$.75 rate for 800 hours. The weighted average contribution rate upon which John's pension is based is calculated as follows:*

$$400 \text{ hours} \times .60 = \$240$$

$$800 \text{ hours} \times .75 = \$600$$

$$1200 \text{ hours} = \$840$$

$$\$840 \text{ divided by } 1200 = \$ .70$$

John's weighted average contribution rate = \$.70

Since John is age 65 and has earned 25 years of pension credits, he is entitled to a normal pension equal to \$295.00 a month (see Rate/Benefit Table) John's monthly pension will be less depending on the form of payment.

If you have less than 25 years of pension credit at retirement, your monthly pension will be based on the monthly pension with 25 years of pension credit multiplied by your years of pension credit divided by 25.