



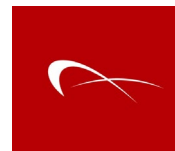
# The Alaska Railroad Corporation Pension Plan

## [PSR RESOURCE GUIDE]

This Resource Guide has been prepared by Atéssa Benefits, Inc. to assist in the day-to-day administration of the Alaska Railroad Corporation Pension Plan.



Deliver the Promise.





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## **HOW TO USE THIS RESOURCE GUIDE**

### ***Purpose***

This Resource Guide has been prepared to assist in the day-to-day administration of the Alaska Railroad Corporation Pension Plan (“Plan”). It describes the important provisions of the Plan and establishes administrative guidelines and step-by-step procedures which must be followed in order to properly administer the Plan. This Resource Guide should be used as a reference guide for personnel familiar with the Plan operation as well as a training tool for any new personnel. The masculine gender, where appearing throughout this Resource Guide, shall include the feminine gender.

This Resource Guide is only a description of the Plan as it is used. In the event of any disparity or ambiguity between this and the Plan document, the legal text of the Plan is controlling.

### ***Organization***

The Resource Guide is organized on an “events” basis, according to the typical events that occur during an employee’s involvement with the Plan, e.g., Participation, Re-employment, Retirement, Separation, Death, etc. Each of these sections contains administrative procedures for handling that event. In addition, there are reference sections containing important information about the Client, the Plan and how the Plan should be administered.

### ***Revisions***

There will be an ongoing need to update and revise the Resource Guide as the Plan document or administrative procedures change. The effective date of this Resource Guide is in the top left corner of the cover page.



## GLOSSARY OF TERMS

The following acronyms may be used frequently throughout the document. Please refer to this section for the long description of any acronym or abbreviation of which you are unsure.

ABD	Applicable Bargaining Date	EURD	Early Unreduced Retirement Date
ARRC	Alaska Railroad Corporation	FAE	Final Average Earnings
BCD	Benefit Commencement Date	J&S	Joint & Survivor Annuity
BIS	Break in Service	LOA	Leave of Absence
CBA	Collective Bargaining Agreement	LS	Lump Sum
COLA	Cost of Living Adjustment	LTD	Long-Term Disability
CPI	Consumer Price Index	NRD	Normal Retirement Date
CS	Credited Service	OGF	Ongoing Feed
CSD	Credited Service Date	PED	Plan Entry Date
C&I	Contributions & Interest	PIA	Primary Insurance Amount
DOB	Date of Birth	PPA	Pension Protection Act of 2006
DOD	Date of Death	RASD	Retroactive Annuity Start Date
DOH	Date of Hire	RBD	Required Beginning Date
DOP	Date of Participation	RMD	Required Minimum Distribution
DOT	Date of Termination	QJSA	Qualified Joint & Survivor Annuity
DOV	Date of Vesting	QOSA	Qualified Optional Survivor Annuity
DRD	Deferred Retirement Date	QPSA	Qualified Pre-Retirement Survivor Annuity
ECD	Employment Commencement Date	SLA	Straight Life Annuity
EOM	End of Month	SSA	Social Security Administration
ERD	Early Retirement Date	VS	Vesting Service
ERF	Early Retirement Factor	VSD	Vesting Service Date



## CLIENT OVERVIEW

### *Plan Facts*

Plan Name:	Alaska Railroad Corporation Pension Plan
Plan Number:	001
Type of Plan:	Qualified Governmental Defined Benefit Retirement Plan
Plan Year:	January 1 – December 31 <sup>1</sup>
Plan Adoption (Effective) Date:	September 1, 1985, as amended and restated effective January 1, 2016
Plan Sponsor and Employer:	Alaska Railroad Corporation
Sponsor's Identification Number:	92-0020624
Funding of the Plan:	The Railroad and its employees make contributions to the Plan
Participant Counts:	As of 12/31/2014, the Plan had 1,242 participants (675 Actives, 371 TVs and 196 participants in pay status)

### *Company History*

**Mission:** Safety, Service, Profitability

**Vision:** Building a Great Railroad across the Great Land

The Alaska Railroad Corporation (“ARRC”) is a public corporation of the State of Alaska. In operation since 1923, the ARRC is a self-sustaining, full-service freight and passenger railroad linking ports and communities to major metropolitan centers such as Anchorage, Fairbanks and other communities throughout Southcentral and Interior Alaska. Primarily, the ARRC conducts business as a regularly scheduled public transportation service in these regions. The routes span across miles of remote and wild landscapes which feature bountiful scenery and spectacular wildlife viewing opportunities for more than 500,000 annual guests. The friendly hospitality, born of Alaska’s frontier spirit, lives on at the Alaska Railroad. The Alaska Railroad is now one of Alaska’s most popular attractions, and is arguably, the best way to see Alaska.

The ARRC is unlike any other State of Alaska agency. It is owned by the state, but is incorporated and run like a private business. The ARRC receives no operating funds from the state, nor are its employees state employees. Rather, the corporation and ARRC employees generate revenue through freight, passenger and real estate services to cover personnel, operations and maintenance expenses. The ARRC generates revenue through real estate holdings, year-round passenger service and freight train service from Seward to Fairbanks-North Pole and communities in between.

Owned by the State of Alaska since 1985, the ARRC is governed by a seven-member Board of Directors appointed by the Governor of Alaska. The Board appoints a 5 member Tax Deferred Savings and Pension

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<sup>1</sup> Section of Plan document: 1.35; Page number: 10





Committee (“Committee”), comprised of 2 management representatives, 2 labor representatives and the Manager, Benefits and Records. The Committee is responsible for the administration of the Plan and Plan interpretation.

The average length of service to the Alaska railroad among its employees is 12 years, compared to a national average of four years. There’s a reason why employees stay with the Railroad for the long haul – a corporate culture that values its employees and their safety. In 2011 the railroad had 685 full-time employees made up of 571 men and 114 women.

### ***Client History***

Atéssa Benefits, Inc. (“Atéssa”) received an unsolicited invitation on August 20, 2014 from Greg Goemer, the Senior Contract Administrator for ARRC, to respond to a Request for Proposal (“RFP”) for Record Keeping Services for the Plan. We delivered our response on September 16, 2014. Finalist presentations occurred on November 18, 2014. Atéssa received an “Intent to Award” letter for the RFP on November 21, 2014 and finalized the contract in January 2015. It was agreed that the target transition date of administration services from The Vanguard Group, Inc. (“Vanguard”) to Atéssa would occur on June 1, 2015. Milliman was the administrator prior to Vanguard. In 2007 web capabilities and services were introduced to ARRC and its plan participants.

Historical participant transaction volume under the prior administrator in 2014:

- 361 calls/30 calls per month average
- 113 calcs / 10 per month average
  - 38 manual calculations
  - Automated calculations
    - 75 phone requests
    - 110 automated, run online

### ***Contact Information***

Contact information for the Actuary, Investment Consultant, Attorney, Trustee, etc. can be found at: [E:\ New Client Folders 2011\ARRC\Participant Services\Resource Guide\Supporting Documentation\ARRC Contact List\\_03-31-15.xls](E:\ New Client Folders 2011\ARRC\Participant Services\Resource Guide\Supporting Documentation\ARRC Contact List_03-31-15.xls)

#### **Alaska Railroad Corporation**

**Physical Address:** 327 W. Ship Creek Ave., Anchorage, AK 99501

**Mailing Address:** P.O. Box 107500, Anchorage, AK 99510-7500

**Telephone:** 907-265-2220 | **Fax:** 907-265-2542

#### **Plan Administrator:**

Tax Deferred Savings and Pension Committee  
Alaska Railroad Corporation  
P.O. Box 107500, Anchorage, AK 99510-7500  
800-321-6518 | 907-265-2300

#### **Claims Administrator:**

Manager, ARRC Retirement Plans  
Alaska Railroad Corporation  
P.O. Box 107500, Anchorage, AK 99510-7500



## CLIENT OVERVIEW

907-265-2273 | 907-265-2346

### **Agent for Legal Process:**

General Counsel  
Alaska Railroad Corporation  
P. O. Box 107500  
Anchorage, AK 99510-7500

### **ARRC Benefits Programs:** 907-265-2437

- Jennifer Haldane, (Role – Senior Contact effective 3/11/19) Director, H.R., 907-265-2518, [HaldaneJ@akrr.com](mailto:HaldaneJ@akrr.com)
- Mike Humphrey, Manager, Records and Benefits (also a member of the Pension and Health Care Trust Committees), 907-265-2537, [humphreym@akrr.com](mailto:humphreym@akrr.com)
- Theresa MacLeod (Role = Daily Contact), Manager, Corporate Retirement Plan, 907-265-2346, [MacleodT@akrr.com](mailto:MacleodT@akrr.com)
- Kristine Stone (Role = HR Assistant), 907-265-4461, [StoneK@akrr.com](mailto:StoneK@akrr.com)
- Jessica Paul (Role = Payroll Contact), 907-265-2221, [PaulJ@akrr.com](mailto:PaulJ@akrr.com)

**Pension Disability Determinations:** WorkCare, Inc.,  
1320 S. Harbor Bay Parkway, Suite 115 Alameda, CA 94503

- **Lilly Kirchhofer**, 540-748-6900, [Lilly.Kirchhofer@workcare.com](mailto:Lilly.Kirchhofer@workcare.com)

### **IT Analysis and Programming:** CTG

4450 Arapahoe Ave., Suite 100, Boulder, CO 80303

- **Dixie Miller**, 720-308-5678, [dixie.miller@ctg.com](mailto:dixie.miller@ctg.com)

### **Plan Trustee:**

*The Trustee transitioned from Wells Fargo to Principal on February 22, 2022. Beginning in April 2022, payments will be issued from Principal Bank. Service and service center phone numbers will remain the same.*

Account Number 14759200

Principal Financial  
205 E. Benson Blvd., Suite 226  
Anchorage, AK 99503

Jonathan (“Jon”) Cannon  
515-878-6066  
[cannon.jonathan@principal.com](mailto:cannon.jonathan@principal.com)

Gigi Villarante  
515-878-6106  
[villarante.gigi@principal.com](mailto:villarante.gigi@principal.com)

Texas Service Center



[PCSTexasCSC@principal.com](mailto:PCSTexasCSC@principal.com)

Tasha Gaither (primary)  
Client Service Specialist – Trust & Custody  
RIS Principal Custody Solutions  
Principal Financial Group | Waco, Texas 76710  
Tel. 254-265-6710 - [pcstexaspsc@principal.com](mailto:pcstexaspsc@principal.com)

Rebecca Hoelscher (back-up)  
Fax: 833-695-2851

Kaba Debra (for really specific benefits reporting questions)  
[kaba.debra@principal.com](mailto:kaba.debra@principal.com)

**Current Actuary (as of April 2015):** Bartel Associates, LLC  
411 Borel Ave., Ste 101, San Mateo, CA 94402

- **Mary Beth Redding**, 650-377-1617, [mbredding@bartel-associates.com](mailto:mbredding@bartel-associates.com)
- **Bianca Lin**, 650-377-1604, [blin@bartel-associates.com](mailto:blin@bartel-associates.com)

**Former Actuary (prior to April 2015):** Gabriel, Roeder, Smith & Company  
7900 East Union Ave., Suite 650, Denver, CO 80237

- **Leslie Thompson**, 720-274-7271, [leslie.thompson@gabrielroeder.com](mailto:leslie.thompson@gabrielroeder.com)
- **Dana Woolfrey**, 720-274-7272, [dana.woolfrey@gabrielroeder.com](mailto:dana.woolfrey@gabrielroeder.com)

**Investment Consultant:** Hyas Group  
108 NW 9th Ave, Suite 203, Portland, OR 97209

- **Scott Faris**, 971-634-1507, [sfaris@hyasgroup.com](mailto:sfaris@hyasgroup.com)

**Attorney:** Stoel Rives LLP  
600 University St, Suite 3600, Seattle, WA 98101

- **Mimi Warner**, 206-386-7628, [mgwarner@stoel.com](mailto:mgwarner@stoel.com)

**Vanguard (Prior Administrator):**

- **Luis Duran**, Client Relationship Administrator, 480-713-8983, [Luis\\_a\\_Duran@vanguard.com](mailto:Luis_a_Duran@vanguard.com)
- **Moira Neuffer**, TRS Manager, 610-503-7927, [Moira\\_m\\_neuffer@vanguard.com](mailto:Moira_m_neuffer@vanguard.com)

## ***Plan Overview***

The Alaska Railroad Corporation (ARRC) Pension Plan (the “Plan”), is a defined benefit plan that covers all regular employees hired after the January 5, 1985 transfer of ownership of the Alaska Railroad from the federal government to the State of Alaska.

This is an active plan. Participation is mandatory and employees contribute 9% of their earnings to the Plan. The ARRC’s contribution is dependent on the results of annual actuarial valuations. The Plan is administered by a Pension Committee comprised of two management representatives, two labor representatives and the Manager, Benefits and Records.



The Plan is comprised of Non-Represented and Represented employees. Non-Represented employees enter the Plan immediately. Represented employees enter the Plan immediately upon hire or after completion of a waiting period, if such a period is specified in their collective bargaining agreement.

A new tier of benefits (“Tier 2”) was negotiated with certain unions as follows:

- The Alaska Railroad Workers (“ARW”) and Transportation Communication Union (“TCU”) for employees first hired on or after July 1, 2015,
- The United Transportation Union, Local 1626, AFL-CIO (UTU) for employees first hired on or after March 4, 2016,
- The Teamsters Union Local 959 of the International Brotherhood of Teamsters (“IBT”) for employees first hired on or after April 26, 2016.
- The American Train Dispatchers Department/International Brotherhood of Locomotive Engineers, AFL-CIO (ATDA) did not initially negotiate the second tier. Their union contract expired May 2017. A new contract was recently ratified by the Board and ATDA employees hired on or after 6/28/19 will participate in Tier 2. Employees hired before the effective date of the Agreement who are not in the Federal Civil Service Retirement Plan will participate in Pension Plan Tier 1.

Tier 2 benefits also apply to non-represented employees first hired on or after July 1, 2015.

There is often movement between the unions and from union to management. Any participant who is not Tier 2 is considered “Tier 1.” Employees in Tier 1 will remain in Tier 1, even if they transfer to one of the Tier 2 covered groups. Employees who are hired as a Tier 2 participant who transfer to one of the unions without Tier 2 will become a Tier 1 member on the date of transfer.

Pension Plan participants do not participate in Social Security (FICA), but participants do contribute to Medicare.

Participants have a vested right to a retirement benefit after completing 5 years of Vesting Service (VS). Participants who terminate prior to vesting are not entitled to a pension benefit, but are entitled to a refund of their own contributions plus interest as of the first day of any month following termination.

The Accrued Benefit is based on a Final Average Earnings (FAE) formula. The FAE is the highest consecutive 3 years of pay earned at any point during the employee’s career<sup>2</sup>. Credited Service (CS) is accrued while the employee is contributing to the Plan.

Normal retirement is the first day of the month coinciding with or next following age 62 (for Tier 1 participants) and age 65 (for Tier 2 participants) and the earlier of completion of five years of VS or the tenth anniversary of his or her Employment Commencement Date (ECD).

Vested Tier 1 participants may retire with an unreduced early benefit at age 58 or commence a reduced benefit as early as age 55. Vested participants who have terminated ARRC employment and reached age 58 will not receive a larger monthly benefit by waiting until they are older to retire. Vested Tier 2 participants may commence a reduced benefit as early as age 60.

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<sup>2</sup> The Memorandum of Understanding (MOU) 2016-02 between ARRC and UTU requires a phantom 3.5% wage increase be factored into FAE for 2016/2017 for the purposes of calculating the pension benefit.



Active participants can defer retirement and continue working past age 62 (Tier 1)/age 65 (Tier 2) while continuing to accrue retirement benefits.

The Pension Plan offers three forms of monthly retirement benefit payments.

- Single Life Annuity – This is the only form of payment available if the participant is not married. It is also an optional form of payment if the participant is married and requires the notarized consent of the participant's spouse. With this form of payment, the participant receives monthly payments for life. If the participant dies after retiring but before receiving the full value of participant contributions plus interest, less the Actuarial Equivalent (per legal council – amount of actual payments received) of any Retirement Benefit paid prior to death, the balance will be paid to the participant's beneficiary in a single lump sum payment. This option provides a higher monthly income than any of the spousal options because it does not pay a pension over the lives of two people.
- 50% Joint and Survivor Annuity – The participant's spouse is the joint annuitant for this form of payment. It is the automatic (default) form of payment if the participant is married. With this form of payment, the monthly benefit equals 90% of the amount the participant would receive as a Single Life Annuity. After the participant's death, the surviving spouse will receive monthly payments for life equal to 50% of the amount the participant was receiving. This continued benefit will only be paid if the participant is survived by the spouse to whom the participant was married at the time of retirement and these monthly payments will be paid as long as he or she lives. If the spouse dies before the participant dies, the participant will continue to receive the same reduced monthly payments during his/her lifetime and no benefits will be payable after the participant's death. If both the participant and spouse die before receiving the full value of participant contributions plus interest at the time of retirement, less the Actuarial Equivalent of any Retirement Benefit paid prior to death, the balance will be paid to the beneficiary in a single lump sum payment.
- 100% Joint and Survivor Annuity – The participant's spouse is the joint annuitant for this form of payment. It is also an optional form of payment if the participant is married. With this form of payment, the monthly benefit equals 80% of the amount the participant would receive as a Single Life Annuity. After the participant's death, the surviving spouse will receive monthly payments for life equal to 100% of the amount the participant was receiving. This continued benefit will only be paid if the participant is survived by the spouse to whom the participant was married at the time of retirement and these monthly payments will be paid as long as he or she lives. If the spouse dies before the participant dies, the participant will continue to receive the same reduced monthly payments during his/her lifetime and no benefits will be payable after the participant's death. If both the participant and spouse die before receiving the full value of participant contributions plus interest at the time of retirement, less the Actuarial Equivalent of any Retirement Benefit paid prior to death, the balance will be paid to the beneficiary in a single lump sum payment.

In the event of a pre-retirement death, a survivor annuity is only payable to a spouse if the participant was vested. Tier 2 surviving spouses may also elect, in lieu of monthly death benefits, to receive a death benefit equal to the value of the participant's account balance paid in a single lump sum.

In the event of a post-retirement death, a survivor annuity may only be payable to a spouse in accordance with the form of annuity payment elected by the participant. In all other death cases where no annuity is payable upon death, a beneficiary is due a refund of the value of the participant's



accumulated contributions with interest. In all death cases where an annuity was payable and there is no survivor annuity or the survivor is also deceased, a beneficiary is due a refund if the value of the annuity benefits paid to the participant and/or the spouse is less than the value of the participant's accumulated contributions with interest at death.

Disability benefits from the Plan are coordinated with Long-Term Disability (LTD) benefits, if any, and other income benefits.

The Plan provides for an annual Cost-of-Living Adjustment (COLA) for all retirement, death and disability annuity benefits for Tier 1 Participants/Surviving Spouses/Alternate Payees only. There is no COLA for Tier 2 Participants/Surviving Spouses/Alternate Payees.

### **Plan Documents**

***NOTE: Per ARRC Legal Counsel, generally, an amendment is effective on the date stated within the amendment.***

[E:\ New Client Folders 2011\ARRC\Legal Documents](#)

Folder includes [IRS Determination Letter](#), [Restated Plan Documents](#), [Amendments since restatements](#), [Summary Plan Descriptions](#), [Resolutions](#), [Union Contracts](#), etc.

### **Plan Adoption**

- September 1, 1985 [Original Plan Document](#)
- September 1, 1985 [First Amendment \(Spouse's Death Benefit; Disability Benefits\)](#)
- September 1, 1985 [Second Amendment](#) (Beneficiary; Credited Service; Earnings; Eligible Employee; Employee Commencement Date; Final Average Earnings; Employees in a Bargaining Unit; Termination and Reemployment; Limitation on Benefits; Maximum Annual Benefit; Domestic Relations Orders; Administration of the Plan; Employee Contributions; Refund Prior to Retirement; Limitation on Voluntary Contributions)
- September 1, 1985 [Third Amendment](#) (Unused Sick Leave; Earnings; Eligible Employee; Employee Contributions)
- January 1, 1987 [Fourth Amendment](#) (Disability; Final Average Earnings; Maximum Annual Benefit)
- January 1, 1989 [Fourth Amendment](#) (Earnings; Commencement of Payment)
- September 1, 1985 [Fifth Amendment](#) (Credited Service; Earnings; Eligible Employee; Period of Service; Period of Severance; Severance from Service Date; Temporary Termination)
- August 15, 1985 [Additional Notes Regarding the 1985 Plan Document](#)

### **IRS Determination Letter**

- [October 21, 2011](#) Applicable for amendments executed on 10/17/01, 12/30/02, 7/3/03, 10/1/04, 10/31/05, 12/22/05, 12/7/06, 5/15/07, 8/22/07, 12/13/07, 12/27/10
- [February 21, 2012](#) Applicable for amendments executed on 10/17/01,12/30/02, 7/31/03, 10/1/04, 10/31/05, 12/22/05, 12/7/06, 5/15/07, 8/22/07, 12/13/07, 12/27/10



## 1994 Plan Restatement

- December 28, 1994 [Restatement of Plan Document](#)

## 1999 Plan Restatement

- January 1, 1999 [Restatement of Plan Document](#)
- October 17, 2001 [First Amendment](#) (Reemployment After Military Leave; Eligible Employees; Leased Employees and Independent Contractors; Maximum Annual Benefits Payable; USERRA; Refund Prior to Retirement. All various effective dates.)
- December 30, 2002 [Second Amendment](#) (Actuarial Equivalent; Earnings; Reinstatement of Credited Service; Maximum Annual Benefits Payable; Rollovers. All various effective dates.)
- July 28, 2004 [Third Amendment](#) (Repayment of Contributions)
- October 31, 2005 [Fourth Amendment](#) (Cashout of Small Benefit)
- January 1, 2006 [Fifth Amendment](#) (Credited Service; Accrued Benefit; Interest Rate)
- December 7, 2006 [Sixth Amendment](#) (Same Sex Partners)
- May 15, 2007 [Seventh Amendment](#) (QDROs)
- August 22, 2007 [Eighth Amendment](#) (Union Probationary Periods)
- December 1, 2007 [Ninth Amendment](#) (Rollovers)
- January 1, 2008 [Tenth Amendment](#) (Limitations on Benefits)

## 2011 Plan Restatement

- January 1, 2011 [Restatement of Plan Document](#)
- November 10, 2011 [First Amendment](#) (ATDA Eligibility)
- January 20, 2012 [Second Amendment](#) (UTU Eligibility)
- March 8, 2013 [Third Amendment](#) (Committee Authority/Powers)
- June 1, 2015 [Fourth Amendment](#) (Disability Death Benefit, Buy-Back Provisions)

## 2015 Plan Restatement

- July 1, 2015 [Restatement of Plan Document](#)

## 2016 Plan Restatement

- January 1, 2016 [Restatement of Plan Document](#)
- March 4, 2016 [First Amendment \(Tier 2 includes ARW, TCU and UTU; UTU interest rate\)](#) Memorandum of Understanding (MOU) 2016-02 (UTU FAE)
- April 25, 2016 [Second Amendment \(Tier 2 includes IBT\)](#)
- October 1, 2017 [Third Amendment \(PRSB distribution timing for vested married participants, No interest on forfeitures, Uncashed checks, QDROs\)](#)
- September 18, 2019 [Fourth Amendment \(No waiting period for TCU as of 4/25/19\)](#)
- September 18, 2019 [Fifth Amendment \(ATDA employees hired on or after 6/28/19 are Tier 2\)](#)
- February 14, 2020 [Sixth Amendment \(Eligible Employees\)](#)

## 2023 Plan Restatement

- January 1, 2023 [Restatement of Plan Document](#)
- September 22, 2023 [First Amendment \(Forfeit Clarification\)](#)
- September 27, 2024 [Second Amendment \(Repayment Election\)](#)



### **Summary Plan Description (SPD)**

- [August 2007](#)
- [December 2013](#)
- [July 2015](#)
- [August 2015](#)
- [January 2016](#)





## PLAN PROVISIONS

### *Bargaining Units*

Union indicators for each participant are provided on the ongoing feed.

Member Status Code	Union Name	Date of Credited Service	Date of Vested Service	Eligibility Waiting Period
AFGEB	Alaska Railroad Workers/American Federation of Government Employees, , AFL-CIO, Local 183 (ARW) – Blue Collar	05/10/87	01/06/85	None
AFGEW	Alaska Railroad Workers/American Federation of Government Employees, , AFL-CIO, Local 183 (ARW) – White Collar	05/10/87	01/06/85	None
ATDA	American Train Dispatchers Department/International Brotherhood of Locomotive Engineers, AFL-CIO (ATDA)	05/24/87	01/06/85	None
TMSTR	Teamsters Union Local No. 959 of the International Brotherhood of Teamsters (IBT)	04/16/87	01/06/85	None
TCU	Carmen’s Division of Transportation, Communication International Union, Lodge No. 6067, AFL-CIO, CLC (TCU)	05/10/87	01/06/85	1,056 subject-to-retirement hours before 4/25/19; None starting 4/25/19
UTU	United Transportation Union, Local 1626, AFL-CIO (UTU)	05/24/87	01/06/85	None
NONRP	Non-Represented	09/01/85	N/A	N/A

NOTE: The International Association of Machinists and Aerospace Workers, Lodge 1735 (IAM) was the predecessor union to the International Brotherhood of Teamsters (IBT).



## ***Beneficiaries***

If single, participant can name anyone as beneficiary for pre-retirement death benefit or contributions and accumulated interest if applicable. Participant can change primary and contingent beneficiary at any time prior to death.

If married, the spouse is automatically primary beneficiary and cannot choose another beneficiary to receive benefit. May name a contingent beneficiary in the event that Spouse is deceased; can change contingent beneficiary at any time prior to death.

If participant dies before commencing benefit without naming a beneficiary, any lump sum payment of Account Balance (Employee Contributions plus Interest) will be paid to the following in the order named: 1) Spouse or 2) Estate. The requirement to try to locate the participant's descendants, parents and siblings has been removed effective July 1, 2015.

Recent court decisions have granted same-sex partners the right to marry in the State of Alaska. The Plan had previously provided survivor benefits to same-sex partners, because they were not eligible to marry. As that is no longer the case, same-sex partner language was removed from the Plan Document in the July 1, 2015 Plan Restatement.

In the case where a joint and survivor annuity is elected, when a retiree predeceases the joint annuitant, the Plan provides that upon the joint annuitant's death, the death benefit is paid to the contingent Beneficiary that was named by the Participant. In other words, the surviving joint annuitant does not designate the Beneficiary for the death benefit.

If the Participant's primary Beneficiary dies, then the Participant's secondary Beneficiary shall receive the Participant's death benefit. If there is no secondary Beneficiary, the death benefit would be paid to the Participant's estate (because the spouse in this scenario is deceased.)

NOTE: The first sentence in the third paragraph of Section 12.3, which provides that the death benefit is to be paid "upon the Participant's death," is inconsistent with the second paragraph of Section 12.3 and the Plan's operations, because the Plan does not pay the death benefit until the death of the surviving joint annuitant. This section will be flagged as needing a clarifying amendment, to be included when the Plan is next amended.

## ***Breaks in Service/Rehires***

It is possible to earn vesting service for periods of unpaid absence, including periods not in service due to a leave of absence or temporary termination if the participant returns to work within 1 year, and periods of military service. Credited Service is not earned while on an unpaid absence. Participant can purchase Credited Service for period of military service, if timely reemployed.

If rehired as an eligible employee, participant will resume participation and start making contributions when eligible to participate. If a union employee, participant will have to satisfy any eligibility period required by the union contract.

If a participant leaves and is rehired, and left contributions in the Plan, the benefits and service earned prior to the break will be restored. Benefit will take into account all Credited Service and Earnings before and after reemployment.



If a participant withdraws contributions and is rehired, Credited Service and Earnings will be restored only if prior contribution withdrawal is repaid, including interest, within 5 years of reemployment. Participant will not lose vesting service accrued prior to termination. If employment is terminated or participant dies before repaying the full amount, or otherwise fails to repay the full amount due, participant will receive pro-rated credited service. (Keep in mind that participant must be vested with five years of vesting service in order to receive a monthly pension benefit under the Plan.)

If a participant retires, and is rehired, the participant will continue to receive the monthly pension benefit. When the participant retires again, benefit will be recalculated based on total Credited Service and Earnings, and then it will be reduced by the actuarial value of the benefits previously paid. The benefit paid upon initial retirement will continue to be paid in the same form of payment, and the additional benefit earned during reemployment will be paid in the form of payment elected following subsequent termination.

### ***Cost-of-Living Adjustment (COLA)***

The Plan provides for an annual Cost-of-Living Adjustment (COLA) for all retirement, death and disability annuity benefits for Tier 1 Participants (and their Surviving Spouses/Alternate Payees) only. The annual COLA increase, if applicable, is effective January 1 (adjustment is made for the February payment with a retroactive payment for January). The formula is based on CPI: the lesser of 50% of increase in CPI-U OR 6%.

There is no annual Cost-of-Living Adjustment (COLA) for Tier 2 participants.

### ***Deferred Non-Vested (also known as Terminated Non-Vested (TNV))***

Eligibility: Termination of employment prior to completion of 5 years of Vesting Service.

Benefit: Refund of employee contributions. 4.5% interest for Tier 1 participants. For Tier 2, the interest rate is the 3 Month U.S. Treasury Constant Maturity Yield, adjusted semi-annually (6/30 and 12/31), and capped for *UTU participants only* at 4.5%.

### ***Deferred Retirement Date (DRD)***

See: [Past Normal Retirement Date \(NRD\)](#)

### ***Deferred Vested (DV)***

Eligibility: Termination of employment after completion of 5 years of Vesting Service.

Benefit: Either the benefit accrued to the date of termination payable at Normal or Early Retirement Age OR a refund of contributions with 4.5% interest for Tier 1 participants. For Tier 2, the interest rate is the 3 Month U.S. Treasury Constant Maturity Yield, adjusted semi-annually (6/30 and 12/31), and capped for *UTU participants only* at 4.5%.

### ***Disability***

Eligibility: Disability benefits from the Plan are coordinated with Long-Term Disability (LTD) benefits, if any, and other income.

Qualified Committee-appointed physician diagnosis; active employee prior to Normal Retirement Date; 5 years of vesting service; no criminal act; Eligible 1st of month following 6 months of disability



If dies prior to NRD, surviving spouse is entitled to death benefit. If survives to NRD, starts receiving Normal Retirement Benefit with elected survivor option or single life annuity.

Tier 1 Benefit (Until age 62 NRD): Greater of: 0.40 \* Final Average Earnings OR 0.40 \* 1/12 \* Last Full Year of Pay Prior to Disability – Other Income

Tier 2 Benefit (Until age 65 NRD): 2% \* Final Average Earnings x Credited Service - LTD Benefits and Other Income

### ***Early Retirement (ER)***

#### Tier 1:

Eligibility: Age 55 and 5 years of Vesting Service.

Benefit:

- After Age 55 but Before Age 58: Reduced 0.005 for each full or partial month Early Retirement Date precedes age 58.
- After Age 58: No monthly reduction. Also known as Early Unreduced Retirement Date (EURD). A Participant that terminates prior to the attainment of age 55 after completing 5 years of VS may commence an Early Unreduced Retirement benefit at age 58, provided that the Participant does not elect to receive a refund of his or her Employee Contributions.

#### Tier 2:

Eligibility: Age 60 and 5 years of Vesting Service.

Benefit: Reduced 0.005 for each full or partial month Early Retirement Date precedes age 65.

Periods of Service prior to and following reemployment are considered for purposes of satisfying requirements for Early Retirement.

Early Retirement Benefit equals the Vested Accrued Benefit as of the Severance from Service Date, multiplied by the Early Retirement Percentage according to the table below (interpolated in 0.5 percent increments for each full or partial month that the ERD precedes the NRD, and adjusted for form of payment.

Years Prior to NRD	<b><i>Early Retirement Percentage</i></b>			
	<b>Tier 1</b>		<b>Tier 2</b>	
	<b>Age</b>	<b>Percentage</b>	<b>Age</b>	<b>Percentage</b>
<b>0</b>	62	100%	65	100%
<b>1</b>	61	100%	64	94%
<b>2</b>	60	100%	63	88%
<b>3</b>	59	100%	62	82%
<b>4</b>	58	100%	61	76%
<b>5</b>	57	94%	60	70%
<b>6</b>	56	88%	N/A	N/A
<b>7</b>	55	82%	N/A	N/A



### **Earnings**

Up to 2,080 hours per year or 2,160 hours in year with 27 pay periods. An hour of overtime pay is counted as one hour of straight time pay for purposes of applying the 80 hour per pay period cap.

Includes: Straight Time Hours, Administrative Leave, Annual Leave, Court Leave, Holidays, Military Leave, Reimbursed Union Leave, Shift Differential, Sick Leave, Travel Time, Union guarantee pay in lieu of time worked, Union Negotiation Leave, Contributions to this Plan, Salary Reduction Contributions to any other ARRC Benefit Plan, and Differential Wage Payments for Certain Uniformed Service.

Does *Not* Include: Employer Contributions to this Plan or other Benefit Plans, Cost of Living Allowances, Cash-out of Accumulated Sick Leave or Annual Leave, or Severance or Release Pay.

### **Eligibility**

Eligible participants include all non-represented permanent employees and employees of collective bargaining units which have an agreement to participate in the Plan.

Non-represented: Eligible Employees are eligible to participate at Date of Hire. Employment Commencement Date (ECD) and the Date of Participation (DOP) are equal to the DOH.

Represented: Eligible Employees are eligible to participate upon completing the eligibility requirement as specified by the applicable bargaining unit. Those requirements are as follows:

<b>Entity</b>	<b>Eligibility Waiting Period</b>
Management/Non-Represented	None
Alaska Railroad Workers/American Federation of Government Employees, AFL-CIO, Local 183 (ARW)*	None
American Train Dispatchers Department/International Brotherhood of Locomotive Engineers, AFL-CIO (ATDA)	None
Teamsters Union Local No. 959 of the International Brotherhood of Teamsters (IBT)	None
Carmen’s Division of Transportation, Communication International Union, Lodge No. 6067, AFL-CIO, CLC (TCU)	1,056 subject-to-retirement hours for employees hired BEFORE 4/25/19; None on or after 4/25/19
United Transportation Union, Local 1626, AFL-CIO (UTU)	None

Upon successful completion of the probationary period, the Eligibility Date is the date the probationary period is completed. The date of participation is the first day of the next pay period when the Participant begins contributing to the Plan.

For Represented Employees in unions where participation is not immediate, ARRC will make the actual determination of the date the eligible employee becomes a participant in the Plan. Atessa will receive the participant as a new hire, along with the Employment Commencement Date, only after the completion of the probationary period on the ongoing feed.



**\*NOTE:** The 2002 ARW contract pension plan section on eligibility established a probationary period of 273 days (9 months) of cumulative active service in a seniority department. The 2007 contract changed to date of hire. There have been no changes to eligibility since that contract.

**Check with ARRC for any distribution actions requested by their “seasonal” workforce, just to make sure of the vesting and credited service credits.**

Ineligible: The following employees are NOT Eligible Employees and will not be sent to Atéssa on the ongoing feed:

- Employees covered by the Civil Service Retirement System.
- Represented employees covered by a collective bargaining unit whose agreement with ARRC does not provide for benefits under this Plan.
- Special Service Employees
- Mr. F.G. Turpin (former President of ARRC)
- Independent contractors or leased employees

### ***Employee Contributions***

**Mandatory.** Each participant must contribute 9% of Base Earnings through payroll deduction. Not subject to federal income taxes. No Social Security (FICA) tax will be withheld from participant’s pay, but participant will contribute to Medicare.

Tier 1 participant accounts are credited with 4.5% annual interest for participant contributions (until participant begins receiving benefits), compounded annually. *NOTE:* Prior to 1/1/2006 crediting rate was 7%.

For Tier 2, employee contributions (until participant begins receiving benefits) are credited with interest monthly, compounded annually based on the 3 Month U.S. Treasury Constant Maturity Yield, adjusted semi-annually (6/30 and 12/31). UTU Tier 2 participants receive the lesser of 4.5 percent per annum or the 3 Month U.S. Treasury Constant Maturity Yield.

Whether vested or not, participants are entitled to a refund of all of their own contributions plus interest in the event they terminate employment. If contributions are withdrawn, participant will NOT be entitled to a monthly retirement benefit

### ***Employer Contributions***

Employer contributions are an actuarially determined amount sufficient to fund the Plan in accordance with the funding policy to meet the Plan’s projected benefit obligations.

### ***Entry Date***

Non-represented employees enter the plan immediately. Union employees enter the plan upon meeting the eligibility requirement specific to the respective bargaining unit. The only bargaining unit with a waiting period (also referred to as a probationary period) is the Transportation and Communication Workers Union (TCU), which has a 1,056 subject-to-retirement hours waiting period for employees hired before 4/25/19. There is no eligibility waiting period for TCU employees hired on or after 4/25/19.



### ***Final Average Earnings (FAE)***

The FAE is the highest consecutive 3 calendar years of pay earned at any point during the employee’s career, divided by 3 and multiplied by 1/12.

NOTE: Per the Memorandum of Understanding (MOU) 2016-02 between ARRC and UTU, if 2016 and/or 2017 would have been one of the three high consecutive years of compensation *for the purposes of calculating the pension benefit* IF the employee had received the 3.5% wage increase (which was frozen in reality), then the Plan will retroactively pay the appropriate wage rates for 2016 and/or 2017 hours under the original pay schedule, and attribute those earnings to 2016 and/or 2017.

If less than 3 consecutive years of participation: The lesser of the most recent 3 Plan Years (whether consecutive or not), OR total Credited Service (CS). If total CS is less, the average is determined by taking the applicable earnings divided by the CS.

- Plan Years with partial Earnings are included, but not annualized.
- Plan Years with no Earnings are included, and the years before and after the 0 year are not considered consecutive with each other.
- If participant receives a refund of contributions and rehires without repayment, earnings in years prior to refund are not included in FAE.
- 401(a)(17) limits apply.

### ***Forms of Payment***

<b>Forms of Payment</b>	<b>Normal</b>	<b>Normal</b>	<b>Optional</b>	<b>Optional</b>
<b>Benefit Form</b>	<b>Single</b>	<b>Married</b>	<b>Single</b>	<b>Married</b>
Single Life Annuity (SLA)	X			X
50% Qualified Joint & Survivor (QJSA)		X		
100% Qualified Joint & Survivor (QJSA)				X
Lump Sum (LS)* other than Mandatory Cashout			X	X

### ***Normal Retirement Date (NRD)***

Tier 1 Eligibility: 1<sup>st</sup> of the month coinciding with or following attainment of age 62 and earlier of 5 years of Vesting Service or 10th anniversary of employment commencement date.

Tier 1 Benefit: 2% of Final Average Earnings, multiplied by years of Credited Service during all periods, plus 0.5% of Final Average Earnings multiplied by years of Credited Service in excess of ten years, but only for those years earned after December 31, 2005.

Tier 2 Eligibility: 1<sup>st</sup> of the month coinciding with or following attainment of age 65 and earlier of 5 years of Vesting Service or 10th anniversary of employment commencement date.

Tier 2 Benefit: 2% of Final Average Earnings, multiplied by years of Credited Service during all periods.

NOTE: Retroactive make-up payments *without* any interest adjustment are made for missed payments after NRD due to Plan administrative processing.

NOTE: No retroactive make-up payments are made following an election to defer commencement.



## ***Past Normal Retirement Date (NRD)***

Active participant working past Normal Retirement Date (NRD):

- Government Plan: Suspension of Benefits (SOB) notices is not mailed.
- Deferred Retirement Date (DRD) must be 1st of month following or coinciding with Severance from Service Date. NOTE: Participant must request kit!
- Cannot be later than April 1 following the later of the date the participant attains age 70½ or the Severance from Service Date.
- Service and Earnings beyond NRD are taken into consideration; benefit will **NOT** be actuarially increased.

May elect to commence benefits at a date later than the DRD, but:

- Cannot be later than April 1 following the later of the date the participant attains age 70½ or the 1<sup>st</sup> of the month following or coinciding with Severance from Service Date.
- Monthly payments from the DRD until the elected commencement date are suspended.
- No retroactive make-up payment made following an election to defer commencement; benefit will not be actuarially increased.

## ***Pre-Retirement Survivor Benefit (PRSB)***

Non-vested: Beneficiary will receive refund of participant contributions plus interest in a single lump sum payment.

Vested, Single: Beneficiary will receive refund of participant contributions plus interest in a single lump sum payment. Must be distributed no later than the last day of the plan year following the plan year of the participant's death.

Vested, Married: A death benefit is payable to the Spouse. **However, if a Surviving Spouse beneficiary dies before death benefits commence, no death benefit is payable.**

### Tier 1 Participants:

Still employed with ARRC or receiving a disability benefit: Spouse receives a lifetime monthly benefit:

- Prior to NRD, monthly benefit equals 40% of the greater of: FAE or Earnings during the last calendar year preceding the year of death multiplied by 1/12. Paid monthly from 1<sup>st</sup> of month coinciding with or following the participant's death through the 1<sup>st</sup> of the month preceding the earlier of the participants NRD or the date of the Spouse's death.
- If the Spouse survives to the participant's NRD, the Spouse receives the amount participant would have received if participant retired on NRD (or date of death, if later) with a 100% Joint and Survivor Annuity, with cost of living increases from the date of death until the date death benefits commence. Benefits will begin effective the first of the month coinciding with or following NRD (or date of death, if later).

If no longer employed with ARRC and is not receiving a disability benefit: Spouse receives a lifetime monthly benefit equal to the amount participant would have received if participant had survived and commenced receiving a 100% Joint and Survivor Annuity on the earliest Early Retirement Date following date of death. Thus, benefits are available from the first of the month





following the later of date of death or participant's 55th birthday. However, Spouse can elect monthly payments to start any time after that date up to participant's NRD.

Tier 2 Participants:

Still employed with ARRC or receiving a disability benefit:

- Spouse receives a lifetime monthly benefit equal to the amount participant would have received if participant had survived and commenced receiving a 100% Joint and Survivor Annuity on the Normal Retirement Date following date of death. Paid monthly from 1<sup>st</sup> of month coinciding with or following the participant's death through the 1<sup>st</sup> of the month preceding the date of the Spouse's death.
- In lieu of monthly death benefits, Spouse can elect lump sum payment of participant's account balance. Must be paid within 5 years of participant's death.

If no longer employed with ARRC and is not receiving a disability benefit:

- Spouse receives a lifetime monthly benefit equal to the amount participant would have received if participant had survived and commenced receiving a 100% Joint and Survivor Annuity on the earliest Early Retirement Date following date of death. However, Spouse can elect monthly payments to start any time after that date up to participant's NRD.
- In lieu of monthly death benefits, Spouse can elect lump sum payment of participant's account balance. Must be paid within 5 years of participant's death.

### ***Post-Retirement Survivor Benefit***

If benefits prior to death were being paid in the form of a Joint & Survivor Annuity: Death benefits will be paid to the surviving spouse, based on the form of benefit payment selected when benefits commenced. If both the participant and surviving spouse die before the total of the benefits paid is actuarially equivalent to the amount of the participant's contributions plus interest, the difference will be paid to the contingent beneficiary in a single lump sum payment.

If benefits prior to death were being paid in the form of a Single Life Annuity: No death benefits will be paid. However, if the participant dies before the total of the benefits paid is actuarially equivalent to the amount of the participant's contributions plus interest, the difference will be paid to the beneficiary in a single lump sum payment.

### ***Reemployment/Rehires***

For vesting purposes, all periods of service before and after a period of severance are aggregated.

Periods of Service prior to and following reemployment are considered for purposes of satisfying requirements for Early Retirement.

If a vested participant receives a distribution of his or her contributions plus interest upon initial termination and is reemployed/rehired:

- and commenced annuity payments, the annuity payments continue during the reemployment period;



- upon subsequent retirement, the initial benefit will continue to be paid in the initial form of payment elected, and the additional benefit earned during reemployment will be paid in the form of payment elected following the subsequent termination;
- the accrued benefit upon the subsequent termination is based on total credited service at earnings at the time of the subsequent termination and is offset by the actuarial equivalent value of prior distributions (cannot be reduced below amount payable upon initial termination).

If a vested participant receives a distribution of contributions and interest upon initial termination and is reemployed/rehired:

- credited service preceding the termination is forfeited and disregarded, earnings paid prior to termination are forfeited, and any accrued benefit prior to termination is forfeited;
- if the participant does not elect to repay the prior distribution, earnings prior to rehire are disregarded for determining Final Average Earnings for the subsequent accrued benefit;
- if the participant elects but does not complete repayment of the prior distribution, forfeited accrued benefit is partially reinstated and repayments are applied to restore a portion of the credited service and earnings;
- vesting service is retained.

### ***Refund of Employee Contributions***

Participants are eligible to receive their employee contributions any time after date of termination, but prior to their benefit commencement date. Pension benefits will be forfeited, but can be repurchased upon re-hire.

### ***Severance from Service Date***

The earliest of the date on which an employee quits, retires, is discharged or dies; or the first anniversary of the date the employee is absent for any other reason.

### ***Small Sum (\$1,000)***

If at termination a participant does not have a vested right to his or her Accrued Benefit, and the value of the Participant's Account Balance (including interest) is \$1,000 or less, administratively the ARRC currently pays out the Account Balance upon termination. The distribution must be made within 6 months following the date of termination.

### ***Tier 1 Participants***

A Tier 1 Participant is anyone who is not a [Tier 2 Participant](#). An individual who is a Tier 1 Participant at any time shall never become a Tier 2 Participant. Employees in Tier 1 will remain in Tier 1, even if they transfer to one of the Tier 2 covered groups.

There are important differences between Tier 1 and Tier 2 benefits, including Vesting, Normal Retirement Date, Early Retirement Date, Accrued Benefit, Death Benefit, Disability, Interest Rate, and Cost of Living Adjustment.

### ***Tier 2 Participants***

A new tier of benefits ("Tier 2") was negotiated with the Alaska Railroad Workers ("ARW") and Transportation Communication Union ("TCU") for employees first hired on or after July 1, 2015, with the



United Transportation Union, Local 1626, AFL-CIO (“UTU”) for employees first hired on or after March 4, 2016 and with the Teamsters Union Local 959 of the International Brotherhood of Teamsters (“IBT”) for employees first hired on or after April 26, 2016, and with American Train Dispatchers Department/International Brotherhood of Locomotive Engineers, AFL-CIO (“ATDA”), for employees first hired on or after June 28, 2019.

Tier 2 benefits also apply to non-represented employees first hired on or after July 1, 2015.

There is often movement between the unions and from union to management.

If a Tier 2 Participant later transfers to a position covered by a Union, where new hires who are covered members of the Union are not defined as Tier 2, the participant shall cease to be a Tier 2 Participant and shall become a Tier 1 Participant upon the date of transfer.

There are important differences between Tier 1 and Tier 2 benefits, including Vesting, Normal Retirement Date, Early Retirement Date, Accrued Benefit, Death Benefit, Disability, Interest Rate, and Cost of Living Adjustment.

## ***Vesting***

**Vesting Schedule:** 5-year cliff. A Tier 1 Participant with less than 5 years of vesting service would become vested upon attaining age 58 (age 65 for Tier 2 Participants) and the completion of the tenth anniversary of his or her Employment Commencement Date (ECD), provided the Participant is an employee on such date.

**Vesting Service (VS):** Elapsed time method: Measured as total number of days where vesting service is credited.

- VS begins with the later of 1/6/1985 or the date employed by the Railroad and ends on severance from service date. If there is a break in vesting service, non-successive periods of vesting service are aggregated to determine total vesting service.
- For Represented employees, VS does not include:
  - any probationary period of employment pursuant to that Collective Bargaining Agreement (CBA), and any period of termination if the employee has not completed the probationary period;
  - any period of layoff; or
  - periods of termination in 1985 & 1986
- VS includes Temporary Termination, which is any absence not specifically excluded in the above information on Represented employees; provided that the employee is rehired within 1 year. Temporary Termination includes layoff for Non- Represented employees.
- VS does not include service as an Ineligible Employee, even if employee was previously employed or is subsequently hired as an Eligible Employee.

**Vesting Service Date (VSD):** VSD is equal to the Date of Participation (DOP) if there is no interruption in Vesting Service (VS). If the Participant has a break in VS, the VSD is adjusted forward by the number of days for which the Participant receives no VS.

- **Initial Period of Service:** VSD to Severance from Service Date
- **Subsequent Period of Service:** Rehire Date to Severance from Service Date
- **Final Period of Service:** Sum of VS for each Period of Service



## FREQUENTLY ASKED QUESTIONS

### *What is the toll-free number that ARRC Plan participants can use to reach Atéssa?*

1-888-309-0041

### *What status change codes are transmitted to Atéssa on the bi-weekly payroll feed?*

- Benefit Plans:
  - PENSION Tier 1 plan
  - TCUPENS Tier 1 plan, TCU employees only
  - PENSION2 Tier 2 plan
  - TCUPENS2 Tier 2 plan, TCU employees only
- Status Change Types:

Status Change Code	Active or Terminated	Paid or Unpaid	Temp Term?	Description
0 Active	Active	Paid	N/A	
1 LOA (Leave of Absence)	Active	Unpaid	Yes	
2 LAY (Layoff) and INV07 (Layoff-Probation)	Active	Unpaid	No	LAY = Seasonal and INV07 = Hasn't completed the probationary period; doesn't have same recall rights
3 LWC (Workers' Comp)	Active	Unpaid	Yes	
4 MIL (Military)	Active	Unpaid	Yes	May be paid or unpaid; ARRC only sends Atéssa unpaid
5 LMD (Medical LOA)	Active	Unpaid	Yes	
6 SUS (Suspension)	Active	Unpaid	Yes	
8 FLO (Family LOA)	Active	Unpaid	Yes	
T Terminated	Terminated			

- NOTES:
  - Unpaid = No Service Credit
  - Atéssa only receives new hires in the feed when they become eligible in the Plan (completed probationary period)
  - Terminated status triggers work for Atéssa (e.g., TNV Letter, DV Letter, Mandatory Small Sum Packet)
  - Vesting Implications:
    - Layoff and Layoff-Probation are not included in vesting service
    - Periods of Temporary Termination are included in vesting service if the participant returns to service within 1 year
- Status Reason Codes:
  - 001 New hire
  - 002 Re-hire



- 011 New Hire, TCU union

See [ARRC Pension Reporting File Specifications Ver 0.6, 4/23/2015](#) for more details.

### ***What financial institution issues the pension payments?***

Wells Fargo (replaced Vanguard as of the June 2015 payment):

- Trust Account Name: AK RR Pension Plan DB
- Trust Account Number: 14759200

### ***When are checks issued?***

Monthly; payable on the 25<sup>th</sup> of the month.

- **Checks:** Checks from Wells Fargo are issued on the 25<sup>th</sup> of each month and mailed 3 business days prior to the 25<sup>th</sup> of the month. Lump sum checks are typically mailed 1-3 business days prior to the payment date.
- **Direct Deposit/ACH:** Wells Fargo deposits the monthly payment into the bank account on the 25<sup>th</sup> of each month (it typically posts the first business day following the 25<sup>th</sup> of each month). If the 25<sup>th</sup> is not a business day the ACH will post to the account on the following business day. The direct deposit confirmation/advice is mailed approximately 3 business days prior to the 25<sup>th</sup> of the month and should arrive the same day or very close to the participant's payment date.

### ***Where can I get help regarding setting up transactions in the Trust?***

[Wells Fargo Client Payment Manual last updated Nov 2015.pdf](#)

The [Wells Fargo Secure Email External User Quick Reference Guide 2013](#) provides instruction for secure email.



### What is the benefit payments processing schedule?

## 2024 Principal® Custody Solutions BENEFIT PAYMENTS DEADLINE CALENDAR

Regular periodic payment entry and approval is due by 12:00 a.m. CT on the date listed.

	2024 Benefit payment frequency								
	1 <sup>st</sup> Payments	5 <sup>th</sup> Payments	10 <sup>th</sup> Payments	15 <sup>th</sup> Payments	20 <sup>th</sup> Payments	25 <sup>th</sup> Payments	26 <sup>th</sup> Payments	28 <sup>th</sup> Payments	Last business day/Last Day of the month
January 2024	Dec 20 2023	Dec 29 2023	Jan 4	Jan 8	Jan 12	Jan 19	Jan 22	Jan 22	Jan 24
February	Jan 24	Jan 30	Feb 5	Feb 9	Feb 13	Feb 16	Feb 20	Feb 21	Feb 21
March	Feb 21	Feb 28	Mar 4	Mar 11	Mar 14	Mar 19	Mar 20	Mar 21	Mar 22/Mar 25
April	Mar 21	Apr 1	Apr 4	Apr 9	Apr 15	Apr 19	Apr 22	Apr 23	Apr 23
May	Apr 23	Apr 30	May 6	May 9	May 14	May 20	May 20	May 21	May 22
June	May 22	May 30	June 4	June 10	June 13	June 18	June 20	June 21	June 21/June 25
July	June 21	June 28	July 3	July 9	July 15	July 19	July 22	July 22	July 24
August	July 24	July 30	Aug 5	Aug 9	Aug 14	Aug 19	Aug 20	Aug 22	Aug 23
September	Aug 23	Aug 29	Sep 4	Sep 9	Sep 16	Sep 19	Sep 20	Sep 23	Sep 23
October	Sep 23	Sep 30	Oct 4	Oct 8	Oct 11	Oct 21	Oct 21	Oct 22	Oct 23
November	Oct 23	Oct 30	Nov 4	Nov 8	Nov 14	Nov 19	Nov 20	Nov 21	Nov 21
December	Nov 21	Nov 29	Dec 4	Dec 9	Dec 16	Dec 18	Dec 19	Dec 19	Dec 19
Weekly and bi-weekly payments: Four business days prior to the payment date.									

Prior to the first-of-the-month payments' deadline, **Special Periodic Payments**, such as retroactive payments, are automatically dated the second business day after entry and approval. After the deadline, special periodic payments are issued on the second of the following month even if the regular periodic payments are not issued on the first.

**Lump sum payment** entry and approval is due by 10:30 a.m. Pacific Time/ 11:30 a.m. Mountain Time/ 12:30 p.m. Central Time/ 1:30 p.m. Eastern Time when Requested Payment Date is the following business day.

**Principal Custody Solution Holidays** are non-payment days for lump sums

2024: January 1 New Year's Day / January 15 Martin Luther King Jr Day / March 29 Good Friday / May 27 Memorial Day / June 19 Juneteenth / July 4 Independence Day / September 2 Labor Day / November 28 Thanksgiving / November 29 Day after Thanksgiving / December 24 Christmas Eve / December 25 Christmas



***What are the collective bargaining agreements that provide for Plan Participation?***

<b>Member Status Code</b>	<b>Union Name</b>	<b>Participant Count as of 3/20/15</b>	<b>Effective Date for Credited Service</b>	<b>Date of Vesting Service</b>	<b>Eligibility Waiting Period</b>
AFGEB	Alaska Railroad Workers/American Federation of Government Employees, AFL-CIO, Local 183 (ARW) – Blue Collar	594	05/10/87	01/06/85	None
AFGEW	Alaska Railroad Workers/American Federation of Government Employees, AFL-CIO, Local 183 (ARW) – White Collar	245	05/10/87	01/06/85	None
ATDA	American Train Dispatchers Department/Internation Brotherhood of Locomotive Engineers, AFL-CIO (ATDA)	18	05/24/87	01/06/85	None
TMSTR	Teamsters Union Local No. 959 of the International Brotherhood of Teamsters (IBT)	91	04/16/87	01/06/85	None
TCU	Carmen’s Division of Transportation, Communication International Union, Lodge No.6067, AFL-CIO (TCU)	87	05/10/87	01/06/85	For Eligible Employees hired before 4/25/19: 1,056 subject-to-retirement hours  For Eligible Employees hired on or after 4/25/19: None
UTU	United Transportation Union, Local 1626, AFL-CIO (UTU)	294	05/24/87	01/06/85	None



NONRP	Management/Non-Represented	474	09/01/85	N/A	N/A
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NOTE: The International Association of Machinists and Aerospace Workers, Lodge 1735 (IAM) was the predecessor union to the International Brotherhood of Teamsters.

***Tier 2 benefits have been negotiated with which unions?***

- Alaska Railroad Workers (“ARW”), for employees first hired on or after July 1, 2015
- Transportation Communication Union (“TCU”), for employees first hired on or after July 1, 2015
- United Transportation Union, Local 1626, AFL-CIO (“UTU”), for employees first hired on or after March 4, 2016
- Teamsters Union Local 959 of the International Brotherhood of Teamsters (“IBT), for employees first hired on or after April 26, 2016
- American Train Dispatchers Department/International Brotherhood of Locomotive Engineers, AFL-CIO (“ATDA”), for employees first hired on or after June 28, 2019

All Tier 2 participants have been coded “PENSION2” on the Payroll feed. However, TCU employees hired before 4/25/19 have a required eligibility waiting period while everyone else is eligible on their date of hire. Therefore, to differentiate them they are coded “TCUPENS2.” TCU employees hired on or after 4/25/19 have no eligibility waiting period. UTU negotiations extended the UTU contract and Teamsters have a new contract. Since they do not have a waiting period, all of these Tier 2 employees will come over as “PENSION2” also.

**NOTE:** Tier 2 benefits also apply to non-represented employees first hired on or after July 1, 2015.

***Are benefits insured by the PBGC?***

Benefits are NOT insured by the Pension Benefit Guaranty Corporation (PBGC), a Federal agency, because this Plan is a governmental plan. The PBGC does not insure the benefits of governmental plans. Benefits are payable only to the extent the assets of the trust are adequate to provide them. The Railroad does not guarantee that the assets will be sufficient.

***Are benefits taxed?***

Since participants have not paid taxes on either their own contributions or those ARRC has made to the Plan, participants will be taxed on these contributions when they start receiving their monthly retirement benefits.

If the participant elects to take a refund of his or her own contributions plus interest after leaving the Railroad, the refund will be considered taxable earnings.

***How do benefits coordinate with Social Security benefits?***

Social Security is not withheld during participation in the ARRC pension plan (but participants do contribute to Medicare). A Participant’s eligibility for Social Security benefits as a result of employment other than at ARRC has no impact on the benefit payable from this Plan.

However, if the participant is eligible for Social Security retirement or disability benefits based on work other than at Alaska Railroad and is receiving a retirement benefit from the Plan, the participant’s Social Security benefit may be reduced. That is because the Plan is a government pension plan and Social





Security is not withheld during the participant's participation in the Plan. There are two provisions in Social Security under which benefits might be reduced:

1. Windfall Elimination Provision: when you receive a pension from work where Social Security taxes are not withheld, a modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit. There are exceptions to this provision. See: <http://www.socialsecurity.gov/pubs/EN-05-10045.pdf>
2. Government Pension Offset: applies if you receive a government pension and are eligible for Social Security benefits as a spouse or widow(er). Your Social Security benefit may be reduced by two-thirds of the amount of your government pension. However, there are several exceptions to the rule. See: <http://www.socialsecurity.gov/pubs/EN-05-10007.pdf>

The Participant should contact the Social Security Administration (SSA) at 1-800-772-1213 or visit their website at [www.socialsecurity.gov](http://www.socialsecurity.gov) to determine if this provision applies to them.

### ***Does the Plan accept rollovers?***

The Plan does not accept a transfer of assets on behalf of an Employee from another qualified plan, and does not accept a rollover amount which was distributed from another qualified plan or conduit Individual Retirement Account (IRA), except in the case of repayment of employee contributions following rehire.

### ***What is the Appeals Process if a claim for benefits is denied?***

A claim is considered filed when a written request is submitted to the ARRC Human Resources Department or Atéssa. Participants will be notified in writing or electronically within a reasonable period of time (typically 90 days) after the claim is filed if the claim is denied. The notice of denial will include the specific reasons for denial, references to the relevant Plan provisions on which the denial was based, an explanation of the appeal process, a description of any additional material or information necessary to perfect the claim, and an explanation of its necessity. Appeals must occur within 60 days after receiving a denial. A copy of the final decision will be provided to the participant, with an explanation of the specific reasons for the decision and the specific Plan provisions on which it is based.

### ***How often does Atéssa receive data feeds from the Client?***

Bi-weekly

### ***How often is accrued interest on account balances credited?***

At least monthly

### ***What are the historical three month U.S. Treasury Constant Maturity Yield Rates for Tier 2 participants?***

Tier 2 employee contributions are credited with interest monthly based on the three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30. Therefore, the interest rate may change every six months.

NOTE: Union participants covered under the UTU collective bargaining agreement receive the **lesser of** 4.5% per annum or the three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30.



Effective Date	3 Mo	UTU Only
06/28/2024	5.48	4.50
12/29/2023	5.40	4.50
06/30/2023	5.43	4.50
12/30/2022	4.42	
06/30/2022	1.72	
12/31/2021	0.06	
06/30/2021	0.05	
12/31/2020	0.09	
06/30/2020	0.16	
12/30/2019	1.57	
06/30/2019	2.12	
12/31/2018	2.45	
06/29/2018	1.93	
12/29/2017	1.39	
06/30/2017	1.03	
12/30/2016	0.51	
06/30/2016	0.26	
12/31/2015	0.16	
06/30/2015	0.01	

***What is the frequency of Defined Benefit Statements for Participants?***

Annually (draft in February, mailed by April 15)

***What are the historical Cost of Living Adjustments (COLA)?***

Effective Date	CPI Change	COLA Increase %
01/01/2024	3.40%	1.70%
01/01/2023	6.50%	3.25%
01/01/2022	7.00%	3.50%
01/01/2021	1.40%	0.70%
01/01/2020	2.30%	1.15%
01/01/2019	1.90%	0.95%
01/01/2018	2.10%	1.05%
01/01/2017	2.10%	1.05%
01/01/2016	0.70%	0.35%
01/01/2015	0.80%	0.40%
01/01/2014	1.50%	0.75%
01/01/2013	1.70%	0.85%
01/01/2012	3.00%	1.50%
01/01/2011	1.50%	0.75%
01/01/2010	2.70%	1.35%
01/01/2009	0.10%	0.05%
01/01/2008	4.10%	2.05%



01/01/2007	2.50%	1.25%
01/01/2006	3.40%	1.70%
01/01/2005	3.30%	1.65%
01/01/2004	1.90%	0.95%
01/01/2003	2.40%	1.20%
01/01/2002	1.60%	0.80%
01/01/2001	3.40%	1.70%
01/01/2000	2.70%	1.35%
01/01/1999	1.60%	0.80%
01/01/1998	1.70%	0.85%
01/01/1997	3.30%	1.65%
01/01/1996	2.50%	1.25%
01/01/1995	2.70%	1.35%
01/01/1994	2.70%	1.35%
01/01/1993	2.90%	1.45%

***When is Vested Service granted for a Leave of Absence (LOA)?***

ARR Status Description	ARR Status Code	VS during LOA
Approved Leave	LOA	Up to 1 year VS
Family Leave w/o Pay	LFM	Up to 1 year VS
Represented Layoff	LAY	No additional VS
Leave w/o Pay	LWO	Up to 1 year VS
Qualified Military Leave	MLP	VS for duration of Leave
Unpaid Medical Leave	LMD	Up to 1 year VS
Worker’s Comp Leave	LWC	Up to 1 year VS

***Windfall Elimination Provision***

The ARRC pays all of the retirement benefits accrued at the Railroad. They do not impose a penalty on a participant’s retirement because of Social Security benefits. The Social Security Administration office is the only entity that can assist with Social Security inquiries and also explain any penalties. They are the entity that has been keeping track of all of social security earnings and are the only ones that can perform/confirm social security retirement calculation and applicable death benefits. Generally speaking, it appears that if you have 30 years of substantial earnings, the Social Security benefit would not be reduced. Plan participants are encouraged to contact Social Security to answer questions regarding the Windfall Elimination at 1-800-772-1213 and/or use the calculator (link provided below). Making a physical appointment with the Social Security Administration may be the best bet to get definitive and specific answers to whether or not their Social Security draw may be impacted. The ARRC recommends that everyone make an appointment with Social Security, have them answer any questions and perform a retirement estimate so the ARRC retiree can walk out of the appointment with it in hand.

If a prospective retiree is leaning towards taking an annuity, we should encourage them to request their application ASAP and get into pay status as they would miss out on full monthly benefits that cannot be recovered (as one must retire prospectively). If a prospective retiree is delaying because they are leaning towards taking a lump sum, that is another story.

Resources:



[Social Security Windfall Elimination Provision PDF](#)

Social Security Administration Windfall Elimination Provision (WEP) Online Calculator: [Benefits Planner: Retirement | Windfall Elimination Provision \(WEP\) Online Calculator | SSA](#)

## STANDARD PARTICIPANT COMMUNICATIONS

Benefit Estimate, Cash-out Notification	Estimate letter generated at participant request where the only payment form calculated was a cash-out if the participant terminated at the projected date.
Benefit Estimate Notification	Estimate letter generated at participant request.
Buy-back of Contributions	Letter (and associated forms) provided to participant to address buy-back of contributions. Typically handled in-house by ARRC.
Death, Cash-out Notification	Letter written to beneficiary(ies) of a newly deceased participant where the benefit will be paid as a mandatory lump sum; should include sympathy/condolences language.
Death, Deferred Notification	Letter written to beneficiary(ies) of a newly deceased participant with a benefit amount in excess of the cash-out threshold where the benefit is not payable until a later date; should include sympathy/condolences language.
Death Estimate Notification	Letter written to beneficiary(ies) of a newly deceased participant with a benefit amount in excess of the cash-out threshold where the benefit is payable immediately; should include sympathy/condolences language .
Death, No Benefit Notification	Sympathy letter written to beneficiary(ies) of a newly deceased participant where no benefit is payable.
Disability Estimate Notification	Estimate letter generated upon approval of a disability claim. Includes forms required to begin disability payments. Typically handled in-house by ARRC.
Early Retirement Notification	Letter written to terminated vested participants approaching age 58 notifying participant of eligibility to draw early unreduced benefit.
In-Pay, Beneficiary Predeceases Participant Notification	Letter written to an in-pay participant when Atéssa is notified that their beneficiary has died.
In-Pay, Beneficiary and Participant Deceased Notification	Letter written to the estate of an in-pay participant when Atéssa is notified that the participant and all beneficiaries on file have died. <i>It is not required that Atéssa send this letter, but it is an opportune time to send a sympathy letter with a new beneficiary form.</i>
In-Pay Survivor Notification	Letter written to the beneficiary of an in-pay participant when Atéssa is notified that the participant has died.
Normal Retirement Notification	Letter written to a terminated participant who has not yet started receiving benefit payments reminding them that their normal retirement date is approaching.
Overpayment Status Notification	Notification letter written to participant that benefit is being suspended due to overpayment.
Plan Entry Notification	Letter written to new entrants in the plan explaining their entry to the plan and contact information.
QDRO Estimate Notification – Alternate Payee	Letter written to alternate payee of a newly divorced participant estimating the benefit payments and amounts due. Typically handled in-house by ARRC.



QDRO Notification – Participant	Letter written to newly divorced participant acknowledging the divorce and the benefit split. Typically handled in-house by ARRC.
QDRO Cash-out Notification – Alternate Payee	Letter written to alternate payee of a newly divorced participant where the only form of payment available is a mandatory lump sum. Typically handled in-house by ARRC.
Reemployment Benefits Notification	Letter written to a rehired participant who was receiving benefit payments informing them that their existing payments will continue and will be adjusted once they terminate again to reflect the period of reemployment. Per ARRC, this is a rare occurrence.
Required Minimum Distribution Notification	Letter written to active or terminated participant who has not yet started receiving benefit payments and will meet the criteria for receiving Required Minimum Distributions in the coming year. Generated once annually and includes forms to start receiving payment.
Retirement Estimate Notification	Estimate letter generated at participant request. Includes forms to start receiving payment.
Termination, Deferred Notification	Letter written to a newly terminated participant acknowledging the termination and informing them that their benefit cannot be paid until a future date.
Termination, Immediately Eligible Notification	Letter written to a newly terminated participant acknowledging the termination and informing them that their benefit is eligible to be paid immediately and they should contact Atéssa for an estimate and forms to start receiving payment.
Termination, Not Eligible for Benefit Notification (Cash-out under the Limit and Cash-out over the Limit)	Letter written to a newly terminated participant acknowledging the termination and informing them that they are not eligible to receive any benefit from the plan.

**FAQs**

- Use Atéssa letterhead for all participant communications.
- Per ARRC, no letter is written to active participants at normal retirement date detailing the plan rules for benefit postponement until termination.
- Participant Communication Matrix

	Letter	Participant Information Form	Account Balance	Estimate	Packet
<b>SLS≤\$1K</b>				N/A	x
<b>TNV&gt;\$1K</b>					
Active to Terminated Report				N/A	x
Approaching NRD Report	x	x		N/A	



TV>\$1K					
Active to Terminated Report:					
• Pre-ERD	x		myAtessa FAQs	myAtessa FAQs	
• ERD (Tier 1 Age 55, Tier 2 Age 60)	x		myAtessa FAQs	myAtessa FAQs	
• EURD/NRD (Tier 1 Age 58, Tier 2 Age 65)					X BCD is month following DOT
Approaching EURD/NRD (Tier 1 Age 58, Tier 2 Age 65)	x	x			



## PROCESSES

### ***AUTHENTICATION OF CALLER***

#### **Objectives**

The objectives of this process are:

- To strike an appropriate balance between security (preventing unauthorized disclosure of private and confidential information) and quick provision of a friendly agent to greet the caller and immediately start addressing his/her needs.
- To obtain sufficient identifying information to access the caller's record in IntelliPlan, and
- To verify that the basic contact information we have on file remains current.

#### **Timing**

This procedure is followed when answering each incoming call.

#### **Policy**

##### ***Authorization***

- PSRs are only authorized to release information to the following:
  - Employee / Participant
  - Power of Attorney (ONLY if we have an approved POA document on file)
- The Employee/Participant MUST join or conference into the call, validate their identity, and give permission for PSR to speak freely before any information can be provided to anyone other than the authorized representatives.
- A participant may provide ongoing permission to speak with (his spouse/child/other designated representative) regarding his benefit on his behalf, provided that the participant completes Atéssa's Authorization Form for the Release of Information and that document is saved in the participant's record.

##### ***Authentication***

- Primary Authentication Identifiers:
  - Full Name
  - Full Social Security Number (SSN) or Employee Number (active employees)
- Secondary Authentication Identifiers:
  - Last 4 digits of SSN
  - Date of Birth

Note: If the Participant is unwilling or unable to provide the Secondary Authentication Identifiers, or if the provided information is inaccurate, politely explain that we cannot release any information over the phone to anyone not authorized and identified, so we will need to terminate the call.

##### ***Verification of Contact Information***

- Address
- Daytime Phone Number
- Email Address

#### **During the Call**



- Authenticate the caller: Good morning/afternoon. My name is \_\_\_\_\_. May I have your name and Social Security Number or Employee Number?
  - If the caller is unwilling to provide his/her full Social Security Number and/or is unable to provide his Employee Number, ask for the secondary authentication identifiers: *May I have your date of birth and the last 4 digits of your Social Security Number instead?*
  - If the Employee/Participant is unwilling or unable to provide the secondary authentication probes, terminate the call: *To prevent unauthorized disclosure of private and confidential information I am required to obtain this information before speaking with you further.*
- Verify that the caller's contact information on file remains current: *What phone number would you like us to use if we need to call you back? May I also confirm your address and email? Thank you. How may I help you today?*
- Open a new journal and document the request/inquiry.

### **Fulfillment**

- If the contact information has changed:
  - And the caller is an active employee, advise the caller that changes to his address or demographic information will be provided to Atéssa by the Alaska Railroad Human Resources Department and to please notify them if he has such changes.
  - And the caller is in pay status or deferred vested, initiate the [Address Change Requests process](#).
- If the caller is not in IntelliPlan, initiate the [Orphan Participant process](#).

### **FAQs**

- Can an employee/participant provide *ongoing* permission to speak with (his/her spouse/child/other designated representative) on his/her behalf? Yes, with signed Authorization Form for the Release of Information.

## **ADDRESS CHANGES**

### **Objective**

The objective of this process is to ensure that employee/participant demographic data is accurately maintained and timely synchronized between IntelliPlan, the Client and the Trust Company.

### **Timing**

Typically completed by the monthly trust cutoff if received 3 days prior.

### **Policy**

- Active employees are advised to update their address with their employer. IntelliPlan address updates for active employees will occur during bi-monthly (every two weeks) payroll upload from the Client.
- For Terminated or In-Pay Plan Participants: A signature is required to process address changes.
- Suggested form: Personal Information Change Form
- Acceptable method of transmission:
  - Terminated: Scanned signature acceptable with electronic transmission (e.g., fax or e-mail) or original signature through mail
  - In-Pay: Mail only with original signature





## During the Call

- Check the box in IntelliPlan for “Suspect Address.”
- Determine employee/participant status (active, terminated, in-pay) in IntelliPlan.
  - Active Employees:
    - Advise the caller that changes to his address or demographic information will be provided to Atéssa by the Alaska Railroad Human Resources Department and to please notify them if he has such changes.
  - Terminated and In-Pay Participants:
    - Ask for new address.
    - Inform caller that request must be in writing and signed by the participant.
    - Depending on employee/participant status, advise whether submission can be electronic (terminated or in-pay) or if the original must be mailed (in-pay status only).
    - Inform caller that a Personal Information Change Form can be provided via email, mail, or through download from the website ([www.myatessa.com](http://www.myatessa.com)) and ask caller how they want it to be provided.
    - If the caller is in-pay status and there has been a change to the state of residence, new State Tax Withholding Elections may also need to be provided.
    - As applicable, provide Personal Information Change Form, State Tax Withholding Form (Periodic Payments), Principal State Tax Withholding Options (Periodic Payments).
- Open a "BAD ADDRESS" journal to document request and fulfillment.
  - Put new address in journal notes.
  - As required, assign the journal to the appropriate PSR. The journal must be kept open for anyone in-pay status until the new address is provided but should be documented and closed for terminated participants.

## Fulfillment

- When supporting documents are received from Terminated and In-Pay Participants:
  - Journal:
    - Terminated only: Open new “COA” journal.
    - In-Pay only: Open existing “BAD ADDRESS” journal.
  - Check that the Participant signed authorization. If signed by agent, check that approved Power of Attorney documents are on file.
  - Update address in IntelliPlan. Maintain address history.
    - Update End Date field for old address.
    - Add new address, including Start Date field.
    - Remove check for Suspect Address.
  - Terminated only:
    - Attach documentation of COA to journal, update journal notes, close journal.
  - In-Pay only:
    - Update address with the Trust Company.
    - If change of state of residence, update tax withholding with the Trust Company:
      - If State Tax Withholding Form was provided, update elections.
      - If no State Tax Withholding Form was provided, update elections to the Default. If the default has any withholding, provide State Tax Withholding Form to Participant and advise that default for state



(specify default in correspondence) will be used until new elections are received.

- Update journal notes, save completed checklist with associated documentation in appropriate electronic scan box, original must be included in physical file in scan box, close journal.

## FAQs

- A verbal notification (meaning phone call or email) from ARRC about a DV/Retiree address change would trigger the opening of a new “case.” Atessa would subsequently mail correspondence to the participant at the address ARRC provided requesting the participant’s written signature / confirmation of the address change.

## ADDRESS SEARCHES

### Objectives

The objectives of this process are to:

- Flag participants in IntelliPlan as having a known bad address;
- Identify the current mailing address for any participant in pay status or approaching Normal Retirement Date (NRD) with invalid mailing addresses; and
- Initiate the [Suspension of Benefit \(Bad Address\) process](#) when we have exhausted all efforts to identify a current mailing address.

### Timing

This process is initiated on an ad hoc basis as required for participants in pay status or approaching NRD, and as requested and approved by the Client for all participants flagged in the system as having a bad address.

### Policy

- If there is doubt whether payments are being received by the participant, notify the participant, by registered mail addressed at the last known address, that all future benefit payments will be withheld until the participant submits evidence that he or she is still living and the proper mailing address.

### During the Call

N/A

### Fulfillment

For any participant in pay status or approaching Normal Retirement Date (NRD) with invalid mailing addresses:

- Flag the participant in IntelliPlan as having a bad address.
- Conduct search for current address:
  - Free Electronic Search Tools
  - Third party provider (PBI)
    - PBI Reference Code | Description = ARR | Alaska Railroad Corporation
  - Related Plan and Employer Records
  - Phone call or Letter to Beneficiaries and/or Friends and Family (only in case of death)
  - Complete Death Search



- Initiate [Address Changes process](#) with possible addresses obtained through search.

For participants approaching NRD with invalid mailing address:

- If unable to locate after three attempts, notate record as a bad address, document the file and flag for 6 month follow-up.

For participants in pay status (e.g., returned earning statements/checks):

- Mail 1st Change of Address Request
  - If new address is on returned statement mail Change of Address Request to new address
  - Use free searches on internet to determine if the participant has a new address
  - If beneficiaries on file try to reach them to advise the participant's address needs to be updated
  - After 30 days, mail 2<sup>nd</sup> Change of Address Request (place 2<sup>nd</sup> REQUEST RESPONSE REQUIRED on header)
  - After an additional 30 days, 3<sup>rd</sup> attempt should be sent US Mail Certified/Return Receipt (place FINAL REQUEST RESPONSE REQUIRED on header).
  - If still unable to locate, notate record as a bad address, flag for 6 month follow-up and escalate to benefit administrator to suspend/inactivate the benefit in the system (see [Suspension of Benefit \(Bad Address\) process](#)).
- For additional guidance see: <http://www.dol.gov/ebsa/regs/fab2014-1.html>

## ***BENEFICIARY DESIGNATIONS – PRE-RETIREMENT***

### **Objective**

To ensure that beneficiary designations are timely and accurately updated.

### **Timing**

Typically updated within 10 days of receipt of completed form.

### **Policy**

If participant passes away prior to a lump sum distribution or annuity start, accumulated contributions plus interest will be paid to beneficiary(ies) in a single lump sum payment as soon as administratively possible.

Completed Pre-Retirement Beneficiary Designation Forms must always be mailed; original signatures must be obtained and retained.

If single, the participant can name anyone as beneficiary(ies).

If married, Spouse is automatically primary beneficiary and cannot choose another beneficiary to receive pre-retirement benefit. May name a contingent beneficiary in the event that Spouse passes away.

Can change beneficiary(ies) at any time prior to death, lump sum distribution or annuity start. If participant dies before commencing benefit without naming a beneficiary, any lump sum payment of Account Balance (Employee Contributions plus Interest) will be paid to the following in the order named: 1) Spouse or 2) Estate.



SPECIAL CIRCUMSTANCES: If a beneficiary form names the spouse and pre-dates an eventual divorce AND the divorce decree does not provide for a division of pension plan benefits, the beneficiary designation is revoked by Alaska State statute, AS 13.12.804. See David Harris as an example.

[Alaska Statutes § 13.12.804 \(2020\) - Effect of divorce, annulment, and other changes of circumstances on probate and nonprobate transfers. :: 2020 Alaska Statutes :: US Codes and Statutes :: US Law :: Justia](#)

### **During the Call**

- Mail/fax/email Pre-Retirement Beneficiary Designation Form as required

### **Fulfillment**

- Check for required signed authorization/date
- If married, check that primary beneficiary is spouse
- Update IntelliPlan with beneficiary information
- Notate and complete journal; original must be in scan box and attached to journal

## ***BENEFICIARY DESIGNATIONS – POST-RETIREMENT***

### **Objective**

To ensure that beneficiary designations are timely and accurately updated.

### **Timing**

Entered into IntelliPlan when Retirement Application is processed or, if thereafter, typically updated within 10 days of receipt of completed form.

### **Policy**

Applicable for all benefit payment elections EXCEPT a lump sum refund of contributions and interest. When participant (and/or spouse, if applicable and a Joint & Survivor option is elected) pass away, a calculation will be performed to determine if the total of the benefits paid out is equivalent to the amount of contributions plus interest at retirement. Any remaining contributions and interest will be paid to beneficiary(ies) in a single lump sum payment as soon as administratively possible.

Completed Post-Retirement Beneficiary Designation Forms must always be mailed; original signatures must be obtained and retained.

- If single, the participant can name anyone as beneficiary(ies) and change beneficiary(ies) at any time prior to death.
- If married:
  - and Single Life Annuity, spouse must be primary beneficiary unless spouse consents. If spouse provides consent, retiree can change beneficiary(ies) at any time in the future until death and without notifying the spouse.
  - and Joint & Survivor Annuity, beneficiary cannot be spouse as spouse is joint annuitant.
    - Only the retiree can specific beneficiary(ies). In other words, a surviving joint annuitant does *not* designate the Beneficiary for the death benefit.

If participant dies before commencing benefit without naming a beneficiary, any lump sum payment due will be paid to the following in the order named: 1) Spouse or 2) Estate.



### **During the Call**

- Open a journal to mail/fax/email a Post-Retirement Beneficiary Designation Form as required

### **Fulfillment**

- Check for required retiree signed authorization/date
- If married:
  - and Single Life Annuity – if spouse is not primary beneficiary, check for spousal consent and notarization (if changes, check scanned retirement file for previous spousal consent)
  - and Joint & Survivor Annuity – check that spouse is not a beneficiary
- Update IntelliPlan with beneficiary information
  - Beneficiary Effective Date must be the later of Benefit Commencement Date or date of retiree signature)
- Notate and complete journal; original must be in scan box and attached to journal

## ***BENEFIT COMMENCEMENT PAPERWORK REQUESTS***

### **Objectives**

The objective of this process is timely issuance of retirement kits.

### **Timing**

Benefit requests must be received at least 30 days, but not greater than 90 days prior to (first of month) benefit commencement date for terminated vested participants.

Active participants may commence at first available BCD, which can be as early as the first of the following month. Benefit calculations will typically be completed and mailed within one month of receipt of request. Rush calculations (billed as non-standard calculations) may be requested by the Client.

If paperwork is received by the 10<sup>th</sup> of the month, participants will be set up for payment in that month.

### **Policy**

If a participant is retiring from active service, benefit values are estimated and will be finalized based on final earnings and credited service and communicated to the participant in the initial check letter. Per ARRC, it can take 2-4 weeks for final pay/hours to be reflected in the system. Final calculation will occur upon finalization of pay/hours (participant will show up as moving from “active” to “terminated” in the feed). Participant will not re-sign their commencement paperwork; rather, the check letter will include the finalized dollar amounts.

### **During the Call**

Authenticate the Participant/Caller:

- Inquire/confirm the Current Address
- Determine the employment status (active or inactive participant)
- Ask them when they wish to commence benefits:
  - Must be the first day of a month and at least 30 days, but not greater than 90 days prior to benefit commencement date for terminated vested participants
  - Can be first day of month following or coincident with date of termination for active participants



Obtain/document the pertinent information:

- Termination date (Employment end date)
- Benefit commencement date
- Beneficiary name, date of birth and SSN
- Inquire/confirm hire date (employment start date)
- If the participant was ever divorced previously, request QDRO document
- Verify if termed due to disability and if YES, follow “Disability” Process
- Verify if it was a Union or Non-Union position

Open a “BPE EARLY/NRD” journal and assign to PSR

### **Fulfillment**

Once case is assigned:

- If the participant is not eligible for a retirement benefit at their requested benefit commencement date, the PSR will call and explain the participant’s options and document the participant’s request.
- If the participant requires additional forms or requests a second benefit commencement date, the PSR will follow the “ESTIMATE” process.

Data collection:

- Review the participant data and verify there is no missing, incomplete, or inconsistent data.
- A request for additional information will be mailed to the participant if necessary. The case will be put on hold and a call back to the participant will be requested if additional completion time is needed.
- Verify eligibility for commencing vested benefit. If not eligible, a letter will be mailed to participant.
  - Benefit Request must be the first day of a month and at least 30 days, but not greater than 90 days prior to benefit commencement date for terminated vested participants
  - Benefit Request can be first day of month following or coincident with date of termination for active participants

Calculation

- In Intelliplan, Calculation Analyst will run the calculation
- If we complete a calculation for the first time and will be billing for it, please make sure to email the Client (and update our [tracking spreadsheet](#)) so they are aware they will be invoiced for the calculation: [E:\ New Client Folders 2011\ARRC\Participant Services\Resource Guide\QDRO\Atessa ARRC QDRO Tracking File.xls](#) Print calculation worksheet
- Produce participant correspondence

Checking

- Review any calculation/data updates for accuracy
- Review calculation results for compliance with plan provision, accuracy and reasonableness
- Review all correspondence
- Complete and document the check-review process



## Fulfillment

- The PSR will have all applicable correspondence mailed to participant
- Update the case with the mail date and type of information mailed in the journal notes

## FAQs

- For active employees who are retiring, we typically confirm the Date of Termination with our clients via email when processing the retirement application. Would you prefer that we continue this practice or wait for the data feed? *Our normal practice is for the record keeper to receive the information on the data feed and we would then confirm any discrepancies or clarifications by email. We would like to continue with this practice. However, if there is a circumstance wherein a termination date needs to be confirmed, please don't hesitate to reach out to us.*

## ***BENEFIT COMMENCEMENT PAPERWORK RECEIPT***

### **Objectives**

The objectives of this process are to provide timely payment of benefits.

### **Timing**

In no instance shall a benefit payment be issued until after the seven-day waiting period. The payment of benefits shall commence no later than 60 days after the later of the retirement date or receipt of completed benefit application and supporting documentation.

### **Policy**

- Packets expire after 90 days from date of mailing.
- Spousal consent must be witnessed by a Plan representative or notary public.
- Spousal consent is not required if:
  - a married participant elects a 50% or 100% J&S Annuity Option with the spouse as the joint annuitant,
  - a married participant is receiving a mandatory small lump sum,
  - the participant has effectively proven that the spouse cannot be located (use the Inability to Locate Spouse Generic Form), or
  - the participant provides a court order demonstrating that the participant is legally separated or has been abandoned (unless a QDRO provides otherwise).
- If the spouse is legally incompetent to give consent, the spouse's legal guardian (even if the guardian is the participant) can give consent.
- Theresa Macleod at ARRC has asked to review all divorce decrees. Notify her of all divorces we become aware of.

### **Fulfillment**

Initial Processing Election Forms Received:

- Paperwork is date stamped upon arrival, and typically within 2 business days of the paperwork, the PSR will confirm that the paperwork is complete.
  - If the PSR requires additional information to process the benefit request, they will document the missing information in a journal note and call the Participant. If the



participant needs an additional form, the PSR will create an incomplete letter and mail the form.

- If tax withholding forms for annuities are NOT returned by the participant, the trustee defaults will apply: (Federal default is Married/3 allowances)(State defaults vary by states. See: [E:\\\_New Client Folders 2011\ARRC\Participant Services\Checklists\Wells Fargo State Tax Withholding - Qualified Periodic Plan Payments.doc](E:\_New Client Folders 2011\ARRC\Participant Services\Checklists\Wells Fargo State Tax Withholding - Qualified Periodic Plan Payments.doc))

Update IntelliPlan Database:

- Confirm Plan Status screen has been updated to Retired status– after last day worked.
- Confirm information in IntelliPlan agrees with the information provided by the Participant in the returned retirement package forms.
- Update payment directive with the applicable information to provide Trust with payment setup information such as: benefit commencement date, payment monthly amount, lump sum amount, benefit type, payment form, beneficiary information, tax withholding, direct deposit, etc.
- Once the documents/proofs are provided and the check list is complete, enter and/or verify in IntelliPlan:
  - Participant's date of birth
  - Participant's phone number
  - Birth Certificate
  - Desired benefit commencement date (BCD)
  - For beneficiaries, either the spouse's or non-spouse beneficiary's name, SSN, and date of birth (no proof documentation required for date of birth)
    - For married participants, a copy of the marriage certificate will be requested in the retirement paperwork for proof of name change if applicable. We do not need to enter the date of marriage into the database.

Trustee Notification:

- PSR will update the Wells Fargo trust with the appropriate information using the Payment Setup Process.
  - NOTE: Code all annuity payments as 07.

Correspondence

- Initial Check Letter will be completed and mailed to the participant once the process is complete.

## ***BENEFIT ESTIMATES***

### **Objectives**

The objectives of this process are to:

- Introduce the option of running an estimate online and assist the requestor in running the estimate himself, or
- If the requestor has no access to a computer, is not able to run the estimate on his own, or does not want to run the estimate online, fulfill the request manually.





## Timing

Estimates will typically be completed and mailed within 10 business days of request. Online requests are fulfilled immediately, barring any flags for data or other issues.

## Policy

- Estimates will be run for up to 3 benefit commencement dates.

## During the Call

- Open an "ESTIMATE" journal to document request and fulfillment.
- Inform caller that estimates can also be run on the website ([www.myatessa.com](http://www.myatessa.com)) and ask if he would like you to walk him through the process.
- Confirm requestor status (active, deferred vested) in IntelliPlan.
- Confirm information in IntelliPlan:
  - Address, phone number, email
  - Date of birth
  - Marital Information:
    - Marital Status (Married, Divorced, Never Married, Widowed)
      - Do not accept Single
    - Spouse Name, date of birth, Social Security Number
    - QDRO (Yes, No)
- Obtain desired benefit commencement dates (up to 3) from the caller.

## Fulfillment

- Audit the participant record.
- Perform the calculation.
- If we complete a calculation for the first time and will be billing for it, please make sure to email the Client (and update our [tracking spreadsheet](#)) so they are aware they will be invoiced for the calculation: <E:\ New Client Folders 2011\ARRC\Participant Services\Resource Guide\QDRO\Atessa ARRC QDRO Tracking File.xls> Print and mail the Benefit Estimate Notification.
- Update the journal notes.

## FAQs

- [INSERT QUESTION AND ANSWER]

## ***BENEFIT FORFEITURE***

### Objective

This process is to enforce Plan provisions regarding required distributions for Required Minimum Distributions (RMD), Mandatory Small Sum Cashouts, Pre-Retirement Death Benefits for Surviving Spouse (PRSB) or Death Benefit distributions of employee contributions accumulated with interest.

### Timing

Typically fulfilled within 10 business days following failure of Address Search process for required distributions.

### Policy

- In the event a distribution is required to commence to a participant or beneficiary for Required Minimum Distributions (RMD), Mandatory Small Sum Cashouts, Pre-Retirement Death Benefits



for Surviving Spouse (PRSB) or Death Benefit distributions of employee contributions accumulated with interest, and good faith efforts to locate the participant or beneficiary have failed, the benefit shall be forfeited as of the last day of the Plan Year in which the distribution was required to commence. Must attempt to locate the Participant, Beneficiary, or Alternate Payee through appropriate means, including registered mail and a search on the Internet using no-cost services.

- **If participant comes forward, reissue benefit payment checks online and advise Principal of this by responding with Code RPP listed for each item handled in this manner.**

Code RPP	Stop and reissue of check handled via online system.
Code 1a	Stop payment on the check and return the funds to the original plan.
Code 1b	Stop payment on the check and redirect the funds to a related account within the plan. Please type the name and account number directly on the report.
Code 2	Stop payment and reissue the check to the same payee. If possible, provide the payee’s direct deposit information instead of reissuing the payment by check. Type the bank name, ABA number, account number on the report and indicate whether it is a Checking or Savings account. If a check is to be issued to a new address, enter the new information on the report.
Code 3	Allow the check to remain on the outstanding check list for one additional quarter.

- No adjustments will be made to taxes withheld and reported in a prior calendar year for stopped checks, though you may request the tax form be corrected for deceased persons.

**During the Call**

N/A

**Fulfillment**

- Coordinate closely with ARRC.
- Suspend the benefit in the Trust.
- Add the participant to the Benefit Forfeiture Log.
- When a proper mailing address is provided, initiate the [Reinstatement of Benefit process](#).

***BUY-BACK***

**Objective**

The Plan allows participants to restore forfeited Credited Service and related Earnings if they repay the prior distribution of their Employee Contribution Account plus interest from the date of the original distribution through the date the repayment is completed (the “Buy-Back Option”). The applicable interest rate shall be the interest rate used for funding in the most recent actuarial report for the Plan issued prior to the date of rehire. Repayment must be completed within five years following reemployment or prior to the Participant’s Retirement Date, whichever occurs first.

**Timing**



Begins once the Participant completes, signs and returns the “Decision and Method to Purchase and Restore Forfeited Credited Service” form to ARRC. Five-year repayment period.

### **Policy**

- The Participant may elect to repay a prior distribution in any of the following methods:
  - Direct (after-tax) repayment by check, in a lump sum or periodic installments;
  - Direct rollover of pre-tax or after-tax funds, excluding any amounts that are designated Roth accounts, from an Eligible Retirement Plan;
  - Trustee to trustee transfer from an Eligible Retirement Plan pursuant to Code Section 457(e)(17), Code Section 401(a)(31), or Code Section 403(b)(13);
  - After-tax payroll deductions. A Participant may only make one buy-back payroll deduction election; if they stop the deductions, they may not later resume or re-elect this payment option.
- Repayments shall be treated as an Employee Contribution and shall be allocated to the Participant’s notional Employee Contribution account if pre-tax, or a separate account if after-tax. Payments shall not be considered an annual addition pursuant to Code Section 415(k)(3).
- When the Participant submits a check or a rollover for the entire indebtedness, there will be a full reinstatement of the forfeited Credited Service and prior Earnings to be used in calculating the Participant’s final Accrued Benefit under the Plan.
- If the Participant commences repayment and then Terminates or dies prior to repayment in full, or otherwise fails to repay the full amount due within five years from rehire, prorated partial Credited Service shall be calculated by the Plan’s actuary and added to the Participant’s pension record by the Plan record keeper. However, a Participant who Terminates may pay the balance due in one or more lump sum payments on an after-tax basis within 60 days after Termination in order to have their full prior Credited Service credit reinstated and prior Earnings recognized under the Plan.

### **During the Call**

- Inform the caller that this request must be submitted in writing and provide an overview of the process.

### **Fulfillment**

TBD

## ***CLAIMS***

### **Objective**

This process is to ensure claims for benefits are administered in accordance with the Plan provisions.

### **Timing**

Typically fulfilled within 90 business days following receipt of the request.

### **Policy**

- Claims must be submitted in writing.
- The [Claims Administrator](#) will make the claim determination.
- Written notice will be provided any time a claim for benefits is wholly or partially denied.



- The participant has 60 days from receipt of denial notice to request a review in writing.
- A copy of the final and binding decision will be furnished to the claimant.

### **During the Call**

- Inform the caller that claims must be submitted in writing and provide an overview of the process.

### **Fulfillment**

Escalate to Participant Service Center Manager and the ARRC Claims Administrator.

## ***CORRECTION OF SOCIAL SECURITY NUMBER (SSN)***

### **Objective**

This process is for correcting a SSN in IntelliPlan and the Trust.

### **Timing**

Typically fulfilled within 10 business days following receipt of the request.

### **Policy**

N/A

### **During the Call**

- If active employee, direct participant to notify ARRC. Changes will be fed to Atessa on the ARRC payroll feed.
- If retired or deferred vested Inform participant that request must be made in writing with their original signature and must be accompanied by a copy of the participant's Social Security card or Social Security Statement and sent to Atessa.

### **Fulfillment**

Update the SSN in IntelliPlan and the Trust.

## ***DEATH (PRE-RETIREMENT SURVIVOR BENEFIT (PRSB))***

### **Objective**

This process is for handling a notification of death for a participant who has not commenced benefits.

### **Timing**

An information packet will typically be mailed to the beneficiary within 5 business days immediately following the notification of death.

### **Policy**

Atessa must communicate closely with ARRC before any information goes out after a death, especially for active employees who are handled very delicately. Theresa MacLeod at ARRC will be the contact to coordinate all of the benefits on their side.

### **During the Call**

A beneficiary or family member usually initiates the pre-retirement death event, or ARRC may notify us of the death.



#### Authenticate the Participant/Caller

- Verify the caller is the surviving spouse, beneficiary or POA
- Verify deceased participant information
- Inquire/confirm the day time Phone Number
- Inquire/confirm the Current Address

#### Obtain/document the pertinent information:

- Date of death
- Spouse's SSN and date of birth, if appropriate
- Open a "REPORT DEATH" journal
- Inquire if the participant has a QDRO
- Document the call in the journal
- Assign the journal to the PSR for completion

#### **Fulfillment**

- Coordinate closely with ARRC (especially for active employees) – ARRC wishes to be notified of all deaths.
- Note any plan specific eligibility requirements (spousal vs. non-spousal beneficiary elections)
- Review the case file record for additional information
- Create a folder with death checklist and scan sheet
- Add a note documenting the request in journal
- Determine eligibility for a death benefit
- Create death letter and submit for review

#### Calculation:

- Calculate death benefit if applicable with a benefit commencement date of:
  - First day of the month  $\geq$  30 business days after the notification date but  $\leq$  90 days prior to the benefit commencement date
  - At the participant's normal retirement age
- Produce the appropriate pre-retirement correspondence for the beneficiary

#### Checking:

- Review any calculation/data updates for accuracy
- Review calculation results for compliance with plan provision, accuracy and reasonableness
- Review all correspondence
- Complete and document the check-review process

#### Fulfillment:

- Mail applicable correspondence to the surviving spouse.
- Update journal notes to document the mail date and type of information mailed
- If eligible for immediate commencement, place the request on hold until the beneficiary returns the requested information
- If ineligible for immediate commencement, place the journal on a 30 day "follow up". If information is not received after 30 days close journal



Once Paperwork is received:

- Confirm all required paperwork and a copy of the death certificate have been received
- Create a new record in IntelliPlan with the beneficiary's information
- Add the beneficiary to the Wells Fargo trust system using the Payment Setup Process (if payment is being setup).
- Create Initial Check Letter advising payments have been setup, or general letter advising beneficiary is eligible for a benefit if deferring the payment
- Give file to manager for check-review

## ***DEATH (POST-RETIREMENT)***

### **Objective**

To outline the process for handling a notification of death for a participant in pay status.

### **Timing**

Initial information will typically be mailed to the beneficiary within 10 business days immediately following receipt of the request.

### **Policy**

- Atessa must communicate closely with ARRC before any information goes out after a death, especially for active employees who are handled very delicately. Theresa MacLeod at ARRC will be the contact to coordinate all of the benefits on their side.
- For vested participants with non-spouse beneficiary(ies), any lump sum distribution must be made no later than the last day of the plan year following the plan year of the participant's death.

### **On the Call**

- Authenticate the Participant/Caller
  - Verify the relationship of the caller and obtain the contact information (phone number and address of the caller)
- Obtain the following information:
  - Date of death for deceased participant information
  - SSN and date of birth of surviving spouse (if applicable)
- Request a copy of the death certificate
- If we are notified more than 30 days after the end of the month in which the death occurred, inform the caller we will need to recoup any overpayments made to the participant by either canceling checks or recouping funds from direct deposit
- Open a "REPORT DEATH" journal
- Document the call in your journal adding the information above
- Assign the case to the PSR for completion.

### **Fulfillment**

- Coordinate closely with ARRC – ARRC wishes to be informed of all deaths.
- Confirm if overpayments were made to the participant (if yes, go into Wells Fargo trust system and stop checks or recoup overpayments which are direct deposited)
  - If payments are unable to be recouped, request from the family or estate repayment of all funds due, payable to Wells Fargo.



- Note: Atessa will request repayment of overpayment of benefits (three letters per individual). Third letter is sent certified return receipt. If unsuccessful after all three attempts we will forward all information to ARRC to resolve.
- Create a folder with death checklist and scan sheet
- Review the case file record to determine if benefits are payable to a beneficiary
  - Confirm the form of payment elected by the participant and whether the beneficiary is entitled to a survivor benefit
  - Confirm that the beneficiary inquiring about the survivor benefits is the same beneficiary the participant designated at the benefit commencement date
- If benefits are payable:
  - Calculate any applicable survivor benefits based on the form of payment elected at benefit commencement
  - Add needed forms to letter and mail package
- When paperwork is received
  - Confirm all required paperwork and a copy of the death certificate have been received
  - Create a new record in IntelliPlan with the beneficiary's information
  - Add the beneficiary to the Wells Fargo trust system using the Payment Setup Process.
  - Create Initial Check Letter advising payments have been setup
  - Give file to manager for check-review

## ***DIRECT DEPOSIT***

### **Objective**

To timely update the Trust with participant's direct deposit election.

### **Timing**

Typically completed by the monthly trust cutoff if received 3 days prior.

### **Policy**

Requests must be made in writing. Provision of voided check or deposit slip is encouraged, but optional.

### **During the Call**

N/A

### **Fulfillment**

- If needed, send Direct Deposit form to the participant.
- Verify signature.
- Update the Trust.

## ***DISABILITY***

This process has historically been handled in-house by ARRC personnel. ARRC will notify Atessa upon approval of a disability claim. Work closely with ARRC on estimate letter and forms required to begin disability payments.

The actuary, Bartel, advised that they require the pension start date for the disability retirees in the Val Data. They use the dates to estimate if any refund of employee contributions are due upon the retirees' death and in their data summaries to show average retirement age. ARRC indicated that the Pension



Start Date for Disabilitants would be the date pension benefits commence following the disability being established for 6 months. For example:

Disabilitant	Date of Employee Disablement
Focht, Robert	12/01/2013
Karras, Geoffrey	01/01/2012
Ferguson, Brent	11/01/2013
Higbie, Lee	09/08/2000
O'Connor, Steven	12/01/2010
Clark, Rick	05/01/2007

Regarding Higbie (date is not the first of the month), ARRC advised to stick with the 9/8/2000 date even though the file mentions 3/29/2002 because no way to reach out to AETNA on these folks.

## ***DUPLICATE 1099-R***

### **Objective**

To provide timely reissuance of 1099-R.

### **Timing**

Typically fulfilled within 10 days of request.

### **Policy**

Wells Fargo De Minimis Amounts: If the total aggregate distributions paid to a benefit recipient from a plan do not meet the amounts listed below, 1099s will not be generated unless federal and/or state tax is withheld.

- |                        |  |
|------------------------|--|
| • <b>Tax Form Type</b> | <b>Tax Form is generated and reported for:</b> |
| • 1099-DIVIDEND        | Total payment(s) of \$10.00 or more            |
| • 1099-INT             | Total payment(s) of \$10.00 or more            |
| • 1099-MISC            | Total payment(s) of \$600.00 or more           |
| • 1099-R               | Total payments of \$10.00 or more              |

### **During the Call**

Verify address and any need for a Change of Address form.

### **Fulfillment**

Contact Wells Fargo to request a duplicate 1099-R form be mailed to participant.

### **FAQs**

- Client confirms that the proper form for ARRC Payees is the 1099-R. ARRC Payees will not receive a Form RRB-1099-R tax statement, which is issued by a different entity, the U.S. Railroad Retirement Board (RRB).

## ***ORPHAN PARTICIPANTS***

### **Objective**





The objective of this process is to determine whether the prospective participant is an eligible participant in the Plan.

### Timing

This procedure is followed when we are unable to identify a prospective participant in IntelliPlan. A response to the prospective participant will typically be completed and mailed within 30 business days of the request.

### Policy

- Check with Client before denying eligibility.
- If research supports eligibility, Client approval is required before updating IntelliPlan.

### During the Call

- Create a new journal under the Orphan Participant Social Security Number (SSN) (888-88-8888).
- Ask the prospective participant to provide the following information and document responses in the journal notes:
  - Did the participant terminate prior to 1985? If yes, they may be eligible for a benefit under the Civil Service Office of Personnel Management (OPM)? 888-767-6738 or retire@opm.gov.
  - What prompted the prospective participant to reach out to Atéssa:
    - What prompted you to reach out to us?
    - Do you have any copies of correspondence from your previous employer stating that you are entitled to a benefit? (If yes, please fax/mail/email to Atéssa)
  - Employment Information:
    - Full name of the company where he worked
    - Name and/or number of the plan and/or collective bargaining unit
    - Dates of Employment (date of hire, date of termination)
  - Contact Information:
    - Full name(s) used while an employee
    - Full SSN
    - Date of birth
    - Current address
    - Daytime phone number
    - Email address
- Advise the caller additional research is needed and we will call back in 10 business days (set a follow-up reminder in the journal). Call the prospective participant every 10 business days with a status update (set a follow-up reminder in the journal).

### Fulfillment

- Research (historical records, client records) and document findings:
  - As needed, mail the participant a Need More Information Letter with a Participant Information Form to obtain further documentation. Set a follow-up reminder in the journal for 30 days.
    - If no response within 30 days, close the journal with journal note “no response.”
  - Verify eligibility for a vested benefit.
    - If non-vested, obtain client approval to mail a non-vested letter and close the journal.



- If vested:
  - Submit research findings to Manager and Client for approval to add the participant record in IntelliPlan.
  - Populate the record. If there is any missing or incomplete data, mail a letter requesting the missing information. The journal will be on hold till data is received. If no response within 30 days, close the journal with journal note “no response.”
  - If not eligible to commence, mail a letter to explain and close the journal.
  - If eligible to commence benefit, initiate the **Benefit Commencement process**.

### FAQs

- What is the contact information for the Civil Service Office of Personnel Management (OPM)? 888-767-6738 or retire@opm.gov

## ***POWER OF ATTORNEY (POA)***

### **Objective**

The objective of this process is to conduct a good faith examination of the Power of Attorney that has been presented to Atessa by an agent for the participant or beneficiary with respect to decisions on behalf of the named participant or beneficiary regarding transactions under their pension plan.

### **Timing**

Once the POA is received, it is typically examined by a manager within 3-5 business days.

### **Policy**

- A POA must be approved by a Manager before processing the requested transaction.
- The good faith examination will ensure:
  - The Agent has provided a complete and full copy of all pages of the Power of Attorney.
  - The Power of Attorney appears on its face to be valid.
  - The Power of Attorney names the participant and is signed by the participant.
  - The Power of Attorney includes a notary public's certificate of acknowledgment or is signed by two witnesses.
  - The purpose of the Power of Attorney covers the requested transaction. For example:
    - Select and change payment options.
    - Powers of collection and payment; banking powers.
    - Change or name beneficiary.
    - Agent may name self as beneficiary.
- The examination will NOT address nuances of whether the Power of Attorney is validly executed in a specific jurisdiction/state (e.g. how many witnesses are required, etc.).
- Atessa will escalate to the client for guidance where the provided documentation is unclear.

### **Fulfillment**

- Utilize the POA checklist.



## ***QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)***

### **Objective**

The objectives of this process are to:

- Provide participants with the appropriate contact for handling a request for qualification of a Domestic Relations Order (DRO), and
- Split the benefit as directed by the Qualified Domestic Relations Order (QDRO).

### **Timing**

Once the approved QDRO is received, the calculation is typically completed within 30 business days.

### **Policy**

- Participants with QDROs will be flagged in IntelliPlan.
- Participants with a QDRO flag are unable to use the on-line estimate or calculator tools.
- ARRC has a [procedure packet \(model template\)](#) for Pre-Retirement and for Retired Participants which has been provided to Atéssa.
- ARRC will continue to handle the qualification of the DRO and forward the QDRO with a Letter of Direction to Atéssa to apply the terms of the QDRO to the Participant's pension benefit.
  - If within 18 months after a separate account is established the DRO has not been qualified, the amount in the separate account shall be distributed to the individual who would have been entitled to such amount if there had been no DRO.
  - Payments to an alternate payee pursuant to a QDRO may commence only at the time that benefit payments to the participant commences.
  - No benefits are payable upon the death of an alternate payee. All benefits revert back to the participant in the event of an alternate payee's death.
  - PRSB: If the deceased participant has remarried prior to the time of death, the benefit shall be divided between the alternate payee and the new spouse. The amount paid to each will be a prorated amount based on the years of Credited Service during each marriage.
- Atéssa will perform QDRO estimates and calculations.

### **During the Call**

- If the participant does not have a qualified DRO yet and would like a free copy of the Plan's written procedures, or if the participant has any other questions regarding his/her QDRO, direct the participant to:

Theresa MacLeod, Manager, ARRC Retirement Plans or Pam Reil, Retirement Specialist  
Alaska Railroad Corporation  
P.O. Box 107500  
Anchorage, AK 99510-7500  
907-265-2273 or 907-265-2346

- If the participant has a Qualified Domestic Relations Order (QDRO) on file, an adjusted benefit calculation can be requested over the phone. Explain that the participant will not be able to use the online estimate or calculator tool.

### **Fulfillment**

- If a DRO is received by mail, forward to ARRC for review and qualification.



- Upon notification of a DRO:
  - Flag the record.
  - Establish a separate account under the Plan for any alternate payee pending qualification.
  - Set a future dated event for 18 months in case the DRO is not qualified.
- Once the QDRO is received:
  - Audit the participant record and create/update the Alternate Payee's record/information in IntelliPlan.
  - Verify eligibility for vested benefit.
  - Perform the benefit split calculation per the QDRO.
    - If we complete a calculation for the first time and will be billing for it, please make sure to email the Client (and update our [tracking spreadsheet](#)) so they are aware they will be invoiced for the calculation: [E:\\\_New Client Folders 2011\ARRC\Participant Services\Resource Guide\QDRO\Atessa ARRC QDRO Tracking File.xls](#)
  - Produce and mail the appropriate correspondence:
    - QDRO Notification – Participant Letter written to newly divorced participant acknowledging the divorce and the benefit split.
    - QDRO Estimate Notification – Alternate Payee: Letter written to alternate payee of a newly divorced participant estimating the benefit payments and amounts due.
    - QDRO Cash-out Notification – Alternate Payee Letter written to alternate payee of a newly divorced participant where the only form of payment available is a mandatory lump sum.

## FAQs

- When the DRO is qualified ARRC normally only sends a qualification letter; they do NOT send a calculation right away (they wait until an estimate is requested).
- ARRC provided a spreadsheet of current ARRC QDROs (as of 5/12/16): [E:\\\_New Client Folders 2011\ARRC\Participant Services\Resource Guide\QDRO\Copy of QDRO Tracking File\\_05.12.2016.xls](#)

## ***RECOUP OVERPAYMENT***

### **Objectives**

The objective of this process is timely recovery of Trust funds.

### **Timing**

This process is typically fulfilled within 10 days of process initiation.

### **Policy**

In the event an incorrect amount is paid to a Participant or Beneficiary, any remaining payments may be adjusted to correct the error and any other action deemed necessary and equitable to correct any such error may be taken. [See Plan Document Section 9.7(i), page 41]

Usually this occurs when a participant dies and we are not notified in time to stop any future payments after the date of death, or if the bank account has been closed and funds cannot automatically be returned to the Trust. Also, this may occur if administrator error has occurred (e.g., a payment option



expired and the system was not properly flagged with a Stop Date or when a person was quoted a larger benefit than entitled to) (these are usually discovered during a routine audit).

## During the Call

N/A

## Fulfillment

- Recouping an overpayment due to a death:
  - The first reminder goes with the death letter. See **Death process**.
  - The second reminder is usually mailed out 30-45 days after the first one, if there is no response.
  - The third reminder is mailed Via Certified Mail (within 60-90 days) and this letter advises the person for the decedent's estate that if repayment is not received within 15 days, their information will be referred to the Plan's Legal Department for handling.
  - If the 15 days elapse and no attempt to repay the trust is made, a copy of the 3 attempts are scanned and emailed to the Client.
  - Notate file and journal accordingly.
- Recouping an overpayment due to administrative error:
  - Same steps as a death recoup, the only difference is that a re-payment plan is offered to:
    - Correct this overpayment on a prospective basis, and
    - Recover the total amount of the benefit overpayments made to the participant from the Plan.
  - Under applicable Internal Revenue Service guidelines, there are several possible methods of correcting the benefit overpayment.
    - Temporarily Suspend Benefit (100%)
    - Temporarily Reduce Benefit (50%)
    - Lump-sum Repayment
    - Actuarial adjustment of the benefit (must be approved by ARRC on a case-by-case basis pending discussion with legal counsel)
  - ARRC charges interest on overpayment recoveries, which increases the recoument amount.
  - The participant may elect the method that best suits his financial need as outlined in the letter.
- Once any recoup check has been received by Atéssa, it must be forwarded to the Trust for redeposit into the Plan. Once the payment has been re-deposited, the participant's payment records will be updated by the Trust and a revised Form 1099-R may be issued accordingly.
  - Complete cover letter and/or Trust Company Personal Check Redeposit Form (secure check to Redeposit Form).

## FAQs

N/A

## ***REFUND OF EMPLOYEE CONTRIBUTIONS (LUMP SUM DISTRIBUTIONS)***

### Objectives

The objectives of this process are to:



- Timely fulfill voluntary requests for refund of employee contributions.
- Timely fulfill mandatory distributions of employee contributions.

## Timing

It can take 2-4 weeks for final pay/hours to show up in the system.

As soon as administratively possible after the close of the quarter for non-vested participants who have terminated employment and whose accumulated employee contributions plus interest is less than or equal to \$1,000 at the time of distribution.

Refunds will typically be processed within 2 months of receipt of ad hoc request.

## Policy

- For Lump Sums \$150,000 and over, notify ARRC 1-2 weeks in advance of the date the Lump Sum will be distributed to ensure that there are sufficient reserves/funds.
- Mandatory Distributions:
  - Lump sum distributions of small benefits (defined as accumulated Employee Contributions plus interest less than or equal to \$1,000 at the time of distribution) should be made six months following the date of termination for Participants who at termination do not have a vested right to his or her Accrued Benefit and who have Terminated employment during that Plan Year. See [Small Sum Mandatory Cashout process](#).
- Death Benefits: See **Death process**.
- Voluntary Distributions:
  - A Participant is eligible to take a refund of his or her Account Balance as a lump sum at any time after termination (including if the participant is receiving a disability benefit).
  - The Participant must be terminated. A Participant on layoff or leave of absence status is not eligible to get a refund.
  - Partial refunds or withdrawals are not allowed.
  - Requests must be made via written application at least 30 days prior to withdrawal.
  - For all Participants, a refund results in a forfeiture of Credited Service accrued up to the refund date.
  - Spouse consent is required for married Participants, whether the Participant is vested or not. No death benefits are payable thereafter to the participant's beneficiary.
  - In the case of a Vested Participant, such refund shall be in lieu of the Participant's Normal Retirement Benefit (i.e., an election to take the Lump Sum results in the forfeiture of the pension benefit).
- The Lump Sum is a refund of the value of the Account Balance as of the Benefit Commencement Date. It is not based on the present value of the accrued benefit under the Plan. If the Participant elects the Lump Sum, the Participant receives only the Employee Contributions with Interest (C&I) payable in one lump sum from the Plan. The actual Lump Sum shall include interest through the first of the month that includes the payment date.
- Tier 1 employee contributions are credited with 4.5 percent annual interest compounded annually from the end of the Plan Year in which made, to the first of the month prior to the refund date. Note: Pre-1/1/06 the interest rate was 7% per annum.
- Tier 2 employee contributions are credited with interest monthly compounded annually from the end of the Plan Year in which made, to the first of the month prior to the earlier of the Pension Starting Date, disability commencement date, or refund date. The interest is the



- three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30. Therefore the interest rate may change every six months. NOTE: Union participants covered under the UTU collective bargaining agreement receive the **lesser of** 4.5% per annum or the three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30.
- Historical Account Balance information for all Participants that have received Lump Sum payments is maintained in case these Participants rehire in the future. See **Repayment of Contributions upon Reemployment process**.

### During the Call

- Open a "REFUND" journal to document request and fulfillment.
- Inform caller that distribution requests can also be run on the website ([www.myatessa.com](http://www.myatessa.com)) and ask if he would like you to walk him through the process.
- Confirm information in IntelliPlan:
  - Address, phone number, email
  - Date of birth
  - Marital Information:
    - Marital Status (Married, Divorced, Never Married, Widowed)
    - Do not accept Single
    - Spouse Name, date of birth, Social Security Number
    - Date of Marriage
    - Date of Divorce
    - QDRO (Yes, No)
- Obtain desired benefit commencement date from the caller.
- Assign the journal to the appropriate PSR to mail the Kit.

### Fulfillment

- Audit the participant record.
- Perform the calculation.
- Mail the Kit.
- After Kit is returned by the participant:
  - Review completed paperwork. Mail correction letter as necessary.
  - Update record in IntelliPlan as required.
  - Process the refund in the Trust.
    - If over \$150,000 notify the client 1-2 weeks in advance of the lump sum distribution.
  - Update the journal notes.

### FAQs

- ARRC is clarifying & revising the Buy-Back provisions. This will be addressed in the 2015 Plan Restatement
- Keep track of AFTER TAX amount for employees who pay back their contributions. There is nobody in that situation right now. It has all been pre-tax money. ARRC doesn't think there has ever been anyone after tax.

## ***REINSTATEMENT OF BENEFIT (DUE TO BENEFIT FORFEITURE)***

### Objectives



The objective of this process is to reinstate the participant's (or beneficiary's) forfeited benefit when the participant or beneficiary has been located and a proper mailing address has been provided.

### **Timing**

This process is typically completed within ten days of provision of the updated address.

### **Policy**

- The Plan shall reinstate and pay the benefit to which the participant was entitled as of the date of the forfeiture (the last day of the Plan Year in which the distribution was required to commence).
- Subject to IRC Section 415 limits in the year in which the benefit was forfeited (NOT distributed). NOTE: This may not apply to the ARRC Plan (waiting on further instruction from ARRC).
- The retroactive payment shall be paid in a single make-up payment, without interest.

### **During the Call**

- N/A

### **Fulfillment**

- Reinstate the benefit and process the make-up payment in the Trust.
- Update the Benefit Forfeiture Log.
- Mail a "Reinstatement of Benefit" letter to the participant.

### **FAQs**

[INSERT QUESTION AND ANSWER]

## ***REISSUE/REVERSE CHECK***

### **Objectives**

The objective of this process is to reissue and/or stop payment on a participant's benefit check.

### **Timing**

This process is typically completed within 10 days of process initiation.

### **Policy**

- Checks will be reissued no earlier than 5 business days of the Payable Date (the 25<sup>th</sup> of the month) to allow for postal delays.
- Reissued payments will be mailed to the address currently listed on their record unless Atéssa receives a signed address change request form.

### **During the Call**

- Confirm the mailing address.

### **Fulfillment**

- Reissue or reverse payment on the check in the Trust as applicable.
  - Access the View History screen through Search for a Participant to stop payment on a check or ACH.
  - Reissue a check by clicking the Reissue Payment button on that page.
  - You may request a copy of a canceled check by contacting the [Wells Fargo representative](#).





## FAQs

[INSERT QUESTION AND ANSWER]

## ***REPAYMENT OF EMPLOYEE CONTRIBUTIONS (BUYBACK)***

### **Objectives**

The objective of this process is to establish the repayment method and schedule and ensure repayment of contributions is captured accurately in the system.

### **Timing**

- Repayment must be made within five years following reemployment or prior to the participant's retirement date, whichever occurs first
- If repayment is not completed due to death or termination, the participant or beneficiary must repay the full balance due within 60 days after death or termination in order to receive full reinstatement of forfeited benefits

### **Policy**

- Forfeited accrued benefit and credited service can be reinstated if the participant is rehired and repays in full any prior distribution together with interest, from the date of the forfeiture through the date repayment is completed
  - Use the interest rate used for funding stated in the most recent actuarial reports for the Plan issued prior to the date of rehire
- Repayment is treated as an employee contribution and is allocated to the participant's account balance
  - NOTE: If the participant makes direct payment, this after-tax contribution must be separately accounted for
  - Repayments are not considered annual additions
- Approved methods of repayment of prior distributions:
  - Direct repayment, by check, in a lump sum or periodic installments
  - Direct rollover of pre-tax or after tax funds from an eligible retirement plan (excluding Roth accounts)
  - Trustee-to-trustee transfer from an eligible retirement plan
  - Payroll deductions designated as employee contributions which are paid by the employer and which are "picked-up" contributions
- Cannot elect to repay a prior distribution with a combination of direct repayments and payroll deductions (but other combinations of methods are acceptable)
- Election to repay a prior distribution is irrevocable and must specify the method(s) of repayment and schedule of repayments
- Each prior distribution requires a separate repayment election
- If repayment is not completed due to death or termination, the forfeited accrued benefit is partially reinstated, and repayments are applied to restore a portion of the credited service and earnings beginning with the earliest credited service and earnings that were forfeited and ending with the latest

### **During the Call**

- Direct participant to ARRC.

### **Fulfillment**



- Coordinate closely with ARRC. There is currently no one actively repaying. Forms need to be updated by ARRC.

### FAQs

- Only 3-4 Participants have ever been in repayment (all pre-tax).
- ARRC cautioned Atéssa to ensure that we keep track of AFTER TAX amount for employees who pay back their contributions.

## ***REQUIRED MINIMUM DISTRIBUTIONS (RMD)***

### **Objectives**

The objective of this process is to comply with minimum distribution rules.

### **Timing**

Required minimum distributions are required on April 1 of the year following the calendar year in which you reach age 70½ (if you were born before July 1, 1949), age 72 (if you were born after June 30, 1949), age 73 (if you were not 72 on or before December 31, 2022), or after death, and for each year after the required beginning date, the required minimum distribution must be withdrawn by December 31.

Sample: Nancy Graham 519-52-8057

### **Policy**

- There is not a notice requirement like the Statement of Required Minimum Distributions for qualified plans like the Alaska Railroad Corporation.
- Plan section 9.7(k)(ii) addresses required distributions. Under this section, if distributions are required to commence under the Plan and the recipient cannot be located after a reasonably diligent search, "such person's benefit shall be forfeited as of the last day of the Plan Year in which the search is completed." If a participant, alternate payee or beneficiary who reaches their required beginning date (RBD) cannot be located:
  - Do they forfeit the entire benefit subject to restoration, or only the RMD due?
    - The entire benefit is forfeited, subject to restoration. On restoration, benefit is reinstated and missing payments made in a single make-up payment without interest.
  - When does the forfeiture occur?
    - The forfeiture occurs as of December 31 of the plan year in which the required beginning date occurs (if RBD is April 1, then forfeit as of December 31 of that year).
- IRS Guidance for Minimum Distributions for Missing Participants and Beneficiaries of Retirement Plans
  - [Minimum Distributions for Missing Participants and Beneficiaries of Retirement Plans | Internal Revenue Service \(irs.gov\)](#)
- ARRC does not provide for in-service distributions.
- Benefit is payable on the first of the month following actual date of termination.
- Interest on payments after the Required Beginning Date (RBD) is required by the IRS as a method of correcting failures to pay timely RMDs. ARRC does not feel this is applicable under a Government Plan. The Plan experience with RMDs has been limited and no Participants have been in an RMD situation. The ARRC, as a Government Plan, is not familiar with the IRS



requirement for interest on payments after RBD and is deferring to their legal team for an opinion.

- RMD Calculation Formula:  $RMD = \text{Distribution} / \text{Life Expectancy} \times 2$
- Tables to calculate the RMD:
  - Uniform Lifetime Table (for participants who don't have a spouse and who isn't more than 10 years younger than them)
  - Joint Life and Last Survivor Expectancy Table (for participants whose spouse is more than 10 years younger than them)

### **During the Call**

- N/A

### **Fulfillment**

- Coordinate closely with ARRC.
- Provide Required Minimum Distribution Notification – letter written to active or terminated participant who has not yet started receiving benefit payments and will meet the criteria for receiving Required Minimum Distributions in the coming year. Generated once annually and includes forms to start receiving payment.
- Set up payment in the Trust.
- Mail Initial Check Letter.

### **FAQs**

- What happens if the participant dies before commencement? Follow Death Benefits process.
- ARRC currently has 4-5 people working past age 70 ½.

## ***RETURN TO WORK (RTW) RETIREES***

### **Objectives**

The objective of this process is to suspend the participant's benefit if there is reasonable doubt whether payments are being received by the participant.

### **Timing**

This process is initiated if there is no participant response after three address inquiries are mailed 30 days apart, with the final request sent certified mail/return receipt.

### **Policy**

- See Section 4.5 Reemployment , (a) Vested Participant in the Plan Document.
  - The Participant's Accrued Benefit upon the subsequent Termination shall be based on the Participant's total Credited Service and Earnings at the time of subsequent Termination and shall be offset by the Actuarial Equivalent value of prior distributions, but shall not be reduced below the amount payable upon initial termination. For purposes of this offset, the Actuarial Equivalent definition shall apply.
- ARRC Determination (Example: Theodore Lombard):
  - Lump Sum Distribution – Allow the RTW Retiree to receive a lump sum distribution, plus interest, of the "new contributions submitted since returning to work"
  - Engage the Plan Actuary to perform the RTW calculation upon re-retirement to determine if the "new piece earned" results in an improved/higher monthly retirement benefit. Then allow the Retiree to elect the additional "payment form" of their choice.



This requires the calculation to be sent to the Actuary each time to determine the “value of the benefit payments already received/paid out.”

- Determination is no benefit increase due to the additional service.
  - Only 1.35 years of additional credited service after rehire and his earnings were not high enough to increase his final average earnings. Offsetting that, the value of benefit payment received during that time is quite large. So, there is no increase to the benefit.
  - FAE was calculated by considering both periods of employment together. Therefore the highest earnings period is 2013-2015. Earnings for 2017-2020 were not annualized since he didn't earn a full year of service in any of those calendar years.

## ***SUSPENSION OF BENEFIT (BAD ADDRESS)***

### **Objectives**

The objective of this process is to suspend the participant's benefit if there is reasonable doubt whether payments are being received by the participant.

### **Timing**

This process is initiated if there is no participant response after three address inquiries are mailed 30 days apart, with the final request sent certified mail/return receipt.

### **Policy**

- If there is doubt whether payments are being received by the participant, notify the participant, by registered mail addressed at the last known address, that all future benefit payments will be withheld until the participant submits evidence that he or she is still living and the proper mailing address.

### **During the Call**

- N/A

### **Fulfillment**

- Before suspending a benefit, use all available means to contact the participant. If we have phone numbers or email addresses on file, use them. Perform a paid address search.
- Notify the Client of the upcoming suspension, and ask if they have contact information that we perhaps don't.
- Be sure the address is marked as suspect in IntelliPlan.
- Suspend the benefit in the Trust (i.e., inactivate the participant).
- Add the participant to the Suspension of Benefits Log ([E:\\\_New Client Folders 2011\ARRC\Participant Services\Reporting\Suspension of Benefits\ARRC Suspension of Benefits Log.xls](E:\_New Client Folders 2011\ARRC\Participant Services\Reporting\Suspension of Benefits\ARRC Suspension of Benefits Log.xls))
- Update Payment Amounts in IntelliPlan.
  - Date Ceasing = the first of the month in which the benefit will be suspended. Status = Suspended.
- Add a Future Dated Event in Outlook calendar ix months forward to re-initiate the [Address Search process](#).

### **FAQs**



[INSERT QUESTION AND ANSWER]

## ***TAX WITHHOLDING***

### **Objective**

To timely update the Trust with participant's tax withholding elections.

### **Timing**

Typically completed by the monthly trust cutoff if received 3 days prior.

### **Policy**

Requests must be made in writing.

### **During the Call**

N/A

### **Fulfillment**

- If needed, send Federal W-4P and/or State withholding forms to the participant.
- Update the Trust
  - Use the appropriate Wells Fargo State Tax Withholding Guidelines for allowable options and defaults where no instruction is given:
    - [Qualified Periodic Payments](#)
    - [Qualified Lump Sum Payments](#)
  - The Federal default is Married, 3. State defaults vary.

### **FAQs**

## ***VERIFICATION OF INCOME/PENSION BENEFITS***

### **Objective**

The objective of this process is to provide timely and accurate verification of a participant's income from their pension benefit.

### **Timing**

This process is typically completed within 10 business days of the request.

### **Policy**

- Participants, Nursing Homes, and Assisted Living Facilities often call, mail or fax us benefit verification forms and requests. It is very important not to release this information unless the participant requests it or signs and dates an authorization of release form. Power of Attorney's (POA) can also make this request. Please note: before we accept the Power of Attorney's request, we must have a copy of the court appointed Power of Attorney documentation on file.
- ARRC does not require a participant signature/release when responding to government agencies (e.g., Alaska Department of Labor and Workforce Development)

### **During the Call**

Request participant mail or fax documentation to Atessa the request including an authorization to release information signed by the participant or a power of attorney (note: If being mailed to address on file written request is not needed).



## Fulfillment

- Confirm authorization:
  - Participant request via telephone.
  - Third party requests must include current signed and dated Authorization of Release by Participant or Power of Attorney request with approved POA Documentation on file.
- Audit the participant's casefile to confirm the benefit in IntelliPlan. If there is no casefile, contact the client to see if they have a paper file to scan and send to us.
- Verify the benefit amount in the Trust.
- Complete the request, either the form or written letter of verification.
  - Insert COLA clause for Tier 1 participants ONLY
  - Insert J&S clause (as applicable depending on payment type)
- Give to an administrator to review. Upon administrator approval, mail or fax the request as instructed.

## ***VERIFICATION OF BIRTH/NAME CHANGE***

### Objective

The objective of this process is to obtain acceptable evidence of the participant's date of birth and name of the participant and/or their spouse/beneficiary as required in order to process retirement benefits.

### Timing

This process is initiated during the **Benefit Commencement process**.

In order to process retirement benefits, evidence of the participant's date of birth is required. Various types of acceptable evidence of date of birth are listed below in order of preference. Participant must submit the most preferential type of evidence obtainable, along with their BPE. An original or certified/notarized copy of these documents is required. Once the retirement benefit has been processed, mail the documents back to the participant.

### Policy

- Acceptable evidence of date of birth includes any **ONE** of the following documents:
  - Birth Certificate (public record of birth made at the time of birth)
  - Passport
  - Certificate of Naturalization
  - Certificate of Citizenship
  - Immigration Document
  - Military Release or Discharge record (DD Form 214)

If unable to provide any one of the above listed documents, must provide **TWO** of the following documents:

- Hospital birth record or certificate
- Physician's or midwife birth record
- Adoption Decree
- Church record of birth, baptism or similar foreign record
- Marriage Certificate
- Census Bureau notification of registration of birth



- Social Security Statement (including current name, birth date and social security number)

If unable to provide sufficient evidence of date of birth based on the documents listed above, may request a certified copy of birth certificate from the local Office of Vital Records of the Department of Public Health Services where born.

#### IF THE PARTICIPANT IS MARRIED:

In order to process the participant's retirement benefit, we require verification of all name change(s) from birth to present for the participant and spouse. We require original or certified/notarized copy of all current and/or previous:

- Marriage Certificates
- Divorce Decrees (must be complete Divorce Decree, including Property Settlement Agreement and Findings of Fact & Conclusions of Law or Dissolution of Marriage)
- Qualified Domestic Relations Orders (QDROs) (with certified raised seal or original ink stamp)

Once the participant's retirement benefit has been processed, mail the Marriage Certificate(s) and/or Divorce Decree(s) back to the participant. We are required to retain the original or certified/notarized copy of QDRO(s) on file.

#### **During the Call**

N/A

#### **Fulfillment**

See the **Benefit Commencement process**.

**REPORTING AND BATCH EVENTS**

<b>Name of Report</b>	<b>Frequency</b>	
<a href="#">Cost of Living Increase (COLA) Calculation</a>	Annually, January 15	
Valuation Data Extract	Annually, February 28	
<a href="#">Benefit Statement Production &amp; Mailing</a>	Annually, April 15	Mailing
<a href="#">Required Minimum Distributions (RMD) Report</a>	Annually, October 31	Mailing
<a href="#">Stale Dated Check Report</a>	Quarterly	Mailing
<a href="#">Small Sum Mandatory Cashout</a>	Quarterly	Mailing
<a href="#">Account Balance Accrued Interest Calculation</a>	Bi-Annually (Rates): December 31 June 30 Monthly: IntelliPlan	
<a href="#">Approaching Normal Retirement Date (NRD) Notice</a>	Monthly	Mailing
<a href="#">Termination Reports &amp; Letters</a>	Monthly	Mailing
<a href="#">Reconciliation Report</a>	Monthly	
Suspension of Benefits Log	Monthly	
Change Reports	Bi-Weekly	Up and Down
Open Journal Report	Daily	Internal to PSR
<a href="#">Address Search Report</a>	Ad Hoc	Special Project
<a href="#">Death Search Report</a>	Ad Hoc	Special Project





## ***ACCOUNT BALANCE ACCRUED INTEREST CALCULATION***

### **Objectives**

The objective of this process is to credit participants' notional accounts with interest on their employee contributions.

### **Timing**

This process is conducted monthly.

### **Policy**

- Interest shall be credited to the Participant's Account:
  - Tier 1 employee contributions are credited with 4.5 percent annual interest compounded annually from the end of the Plan Year in which made, to the first of the month prior to the earlier of the Pension Starting Date, disability commencement date, or refund date. For periods prior to January 1, 2006, the interest crediting rate was 7 percent per annum.
  - Tier 2 employee contributions are credited with interest monthly compounded annually from the end of the Plan Year in which made, to the first of the month prior to the earlier of the Pension Starting Date, disability commencement date, or refund date. The interest is the three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30. Therefore, the interest rate may change every six months. Union participants covered under the UTU collective bargaining agreement receive the **lesser of 4.5% per annum** or the three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30.

### **Fulfillment**

- Tier 1: Update the account balances of Tier 1 participants in IntelliPlan with the interest credit adjustment monthly.
- Tier 2:
  - Look up the three month U.S. Treasury Constant Maturity Yield for the most recent December 31 or June 30:
    - Go to: <http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield>
    - Select type of Interest Rate Data = Daily Treasury Yield Curve Rates
    - Select Time Period = (current year, e.g., 2017)
    - Click "Go"
    - Scroll down in the 3 Mo column to the appropriate June 30 or December 31 rate
  - Provide the interest rate to ARRC in an email every 6 months (June 30 and December 31), so that they can confirm/sign-off on Atessa's findings.
  - Upon client approval:
    - Update the account balances of Tier 2 participants in IntelliPlan with the appropriate interest credit adjustment at the end of each month.
    - Update the Resource Guide with the most current rate: [Frequently Asked Questions/What are the historical three month U.S. Treasury Constant Maturity Yield Rates?](#)



## ***ADDRESS SEARCH REPORT***

### **Objectives**

The objective of this process is to conduct a periodic address search of all or a portion of participant records flagged as having a bad address in the system.

### **Timing**

This process is conducted on an as-requested basis by the client. It is billed as a special project. PBI's cost is passed through to the client.

### **Policy**

Atéssa uses PBI (Pension Benefit Information) for large address searches.

### **Fulfillment**

- Upload a Microsoft Excel file of participant data to the PBI site.
- Download the results.
- Update IntelliPlan.
- Initiate participant mailing as applicable.

*Note: The PBI Address Search is a pass through cost.*

## ***APPROACHING NORMAL RETIREMENT DATE (NRD) NOTICE***

### **Objectives**

The objectives of this process are to:

- Notify terminated employees, if entitled to a vested retirement benefit, 90 days in advance that they are approaching their Normal Retirement Date (NRD), and
- Allow sufficient time to locate terminated vested employees so that benefit commencement is timely executed.

### **Timing**

The Approaching NRD Report is run at the beginning of each month for Terminated Vested Employees retiring in 90 days. For example, the Approaching NRD Report will be run at the beginning of May for participants eligible for normal retirement in August.

### **Policy**

- This report does *not* include active or non-vested participants.
- Notices will be sent to participants 3 months prior to their attainment of age 58 for Tier 1 participants and age 65 for Tier 2 participants.

### **During the Call**

- N/A

### **Fulfillment**

- Run the Approaching NRD Report monthly to identify anyone who has a NRD in 90 days.
- For each prospective Terminated Vested participant, use [Approaching NRD Checklist](#) to:
  - Audit individual record and case file in IntelliPlan:
    - Status code = Deferred Vested



- Employment Dates
- Marital Status
- Prior DV Letter
- Vesting Service Requirements
- Mail Approaching NRD Notice and Prospective Participant Form to the address on file.
  - Open a journal to document request and fulfillment, set follow-up reminder for 30 days.
  - Initiate [Address Searches process](#) as required.
- After Prospective Participant Form is received:
  - Update record in IntelliPlan as required.
  - Assign calculation to initiate Benefit Commencement process.

## FAQs

[INSERT QUESTION AND ANSWER]

## ***BENEFIT STATEMENT PRODUCTION & MAILING***

### **Objective:**

Produce and mail individual statements after the end of the plan year:

### **Timing:**

- Provide a draft electronic file of statements to ARRC by February for review.
- Produce the final electronic file of statements and mailing by April 15.

### **Policy:**

ARRC currently provides annual statements to all Participants in the Plan who have their Contributions & Interest (C&I) remaining in the Plan:

- 1) Active vested
- 2) Active not vested
- 3) Terminated vested
- 4) Terminated Not Vested
- 5) Disabilitants

All variations of the statement show the Employee's Account Balance at the start of the year, the C&I during the year and the ending balance.

The statements for vested Participants also show the Accrued Benefit at year-end.

The statements for Participants for whom a QDRO has been received and whose record has been flagged must contain additional verbiage that the QDRO was not yet considered and may affect the provided pension estimates. Alternate Payees (APs) are not mailed a statement.

### **Link: Sample Statements**

- [Non-Vested Benefit Statement Sample](#)
- [Vested Benefit Statement Sample](#)

### **Plan Sponsor Guidance:**

- Will Atessa produce Statements? Yes.
- What is the frequency of the Statements (i.e. annually, quarterly ...)? Annually



- Are there any populations specifically excluded (i.e. disabilities, locations)? No. Statements are mailed to all DV and Active Employees. Do not send to disability participants with zero balance (e.g., Mark Parker).
- At what dates shall the benefits be displayed (i.e. earliest retirement date, NRD, specific ages)? Accrued Benefit payable at NRD. The annuity benefit will not be displayed for non-vested participants.
- What assumptions will be made for future benefits (i.e. earnings increase, 415 and 401(a)(17) limits)? N/A
- What additional information, if any, should be displayed on the statement (i.e. service, FAE, optional forms)? FAE, total CS including unused sick leave, vesting status, current year Earnings.

## ***COST OF LIVING INCREASE (COLA) CALCULATION***

### **Objectives**

The objective of this process is to calculate and process the annual Cost-of-Living Adjustment (COLA) for all retirement, death, and disability annuity benefits.

### **Timing**

This process is conducted annually for all Tier 1 participants/surviving spouses/alternate payees/disability payees in pay status with a Benefit Commencement Date (BCD) in December of the prior year or earlier. The CPI-U Rate is generally posted in mid-January. Due to the timing of the COLA announcement, adjustment is generally made in the February check, retroactive to January (no interest).

### **Policy**

- Only Tier 1 participants/surviving spouses/alternate payees/disability payees are eligible for a COLA. Tier 2 participants/surviving spouses/alternate payees/disability payees do not receive a COLA.
- As of the first day of each Plan Year, all retirement, death and disability benefits which are in pay status shall be increased by increasing the amount paid in December of the immediately preceding year by the lesser of: 50% of the change on the average U.S. Consumer Price Index for all urban consumers (CPI-U) from the second prior year to the prior year, or 6%.
- Any payment that ends in January due to death is due an adjustment for January as a result of the COLA.
- The minimum COLA increase would be 0%. If the CPI-U change is zero or negative, there would be no COLA increase for that year.

### **Fulfillment**

- Source of data:
  - The United States Department of Labor, Bureau of Labor Statistics, publishes the Consumer Price Index. The CPI-U Rate is generally posted mid-January for December at <https://www.bls.gov/cpi/home.htm>.
    - <https://www.bls.gov/news.release/pdf/cpi.pdf>
    - Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, December 2019
    - Tables for the COLA calculation are found at: <http://www.bls.gov/cpi/#tables>.
    - Click on CPI Detailed Report (complete text and tables) December YYYY (PDF).



- Find "Table 24. Historical Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, all items." <https://www.bls.gov/cpi/tables/historical-cpi-u-201712.pdf>
- Obtain the December rates for the most recent year and the year prior.
- <https://www.bls.gov/data/>
- Determine the COLA adjustment (see the COLA Calculation spreadsheet at: [E:\\\_New Client Folders 2011\ARRC\Plan Services\COLA\COLA Calculation.xlsx](E:\_New Client Folders 2011\ARRC\Plan Services\COLA\COLA Calculation.xlsx)).
  - Determine the percent change between the December rates for the most recent year and the year prior (round to the nearest tenth).
    - If the CPI-U change is positive, the COLA increase is the LESSER of 50% of the change OR 6%.
    - If the CPI-U change is zero or negative, there will be no COLA increase for participants.
- Submit the adjustment to the client for review, for example:

2015	236.525
2016	241.432

CPI Change = 2.0746% Round to the nearest tenth = 2.1%  
COLA Increase = 2.1% \* 50% = 1.05%

*Source: United States Department of Labor, Bureau of Labor Statistics, CPI Detailed Report, Data for December 2016, Table 24. Historical Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, all items*

- Once approved:
  - Add the current year's data points in this [Resource Guide: Frequently Asked Questions/What are the historical Cost of Living Adjustments \(COLA\)](#).
  - Perform the batch COLA calculation for:
    - Participants, Surviving Spouses, Alternate Payees receiving retirement, death and disability benefits.
    - NOTE: Any payment that ends in January due to death is due an adjustment for January as a result of the COLA.
  - Perform batch update to the Trust.
    - See [E:\\\_New Client Folders 2011\ARRC\Participant Services\Resource Guide\Supporting Documentation\Annual COLA Wells Fargo Trust Update Process.doc](E:\_New Client Folders 2011\ARRC\Participant Services\Resource Guide\Supporting Documentation\Annual COLA Wells Fargo Trust Update Process.doc)
  - Perform batch update IntelliPlan (Participant Data/Payment Amounts).
    - Evan Raso uses the COLA spreadsheet uploaded to WF to import into SQL Server. From there he pulls some data together into a temporary table so that he can insert new records into the tb\_PensionSources. Ultimately, he creates new records for the participants listed on the WF file. The Payment Amounts table in IntelliPlan will reflect the adjusted payment and will include a description stating that the adjustment is due to the COLA increase.

## FAQs

- For 2016 COLA Increase (see: [E:\\\_New Client Folders 2011\ARRC\Plan Services\COLA\2016](E:\_New Client Folders 2011\ARRC\Plan Services\COLA\2016)):



- Retirees received their normal January and February payments, unadjusted for the COLA increase.
- A separate retro payment was issued for the January COLA increase in early March.
- The March payment included their normal benefit plus the COLA increase for February and March.
- The April payment reflected their full updated benefit, including the COLA.
- For 2017 COLA Increase, the increase was reflected in their January checks

## ***DEATH SEARCH REPORT***

### **Objectives**

The objective of this process is to conduct a periodic death search of all or a portion of participant records in the system.

### **Timing**

This process is conducted on an as-requested basis by the client. It is billed as a special project. PBI's cost is passed through to the client.

### **Policy**

- Atessa uses PBI (Pension Benefit Information) for large death searches.

### **Fulfillment**

- When using PBI (Pension Benefit Information) for client-approved large death search special projects:
  - Upload a Microsoft Excel file of participant data to the PBI site.
  - Download the results.
  - Update IntelliPlan.
  - Initiate participant mailing as applicable.

### **FAQs**

## ***OUTSTANDING CHECK REPORT (STALE-DATED)***

### **Objectives**

The objectives of this process are to:

- Ensure that the participant has actually received his/her check and that the check has not been lost, stolen or otherwise destroyed.
- Stop payment on the outstanding check if it is not cashed/deposited within a reasonable period of time.
- Discontinue the benefit (and recoup any overpayments) if it is determined that the check(s) remain uncashed due to a death we have not been previously notified of.
- Suspend the benefit if we cannot reach the participant to prevent unlawful misappropriation of the participant's benefit.

### **Timing**

This report is run quarterly for checks that are outstanding for 90 days or more.

### **Policy**



- Wells Fargo has a standard five-business day waiting period after the issue date on lost checks.
- Stop payments cannot be processed by Wells Fargo until one business day after the issue date has passed.
- A check is considered to be stale dated by Wells Fargo 90 days after it was written. After 90 days, Wells Fargo has the option of refusing to deposit or cash any stale-dated checks.
- Once a stop payment is placed on the check, the benefit shall be paid only after the participant provides a current address and requests payment of the funds.
- Tax reporting occurs at the time of initial distribution and shall not be reversed.

### During the Call

N/A

### Fulfillment

- On a monthly basis, run the Stale-Dated/Outstanding Check report through the Wells Fargo system:
  - From Retirement Plan Payments (RPP), click on Reports/Standard Reports
  - Choose Report Name = Outstanding Checks Report
  - Select timeframe (6/1/15 through beginning of current mont)
  - Run Report
  - Save report in: [E:\\\_New Client Folders 2011\ARRC\Plan Services\Reports\Outstanding Checks Reports](E:\_New Client Folders 2011\ARRC\Plan Services\Reports\Outstanding Checks Reports)
- For any checks that are more than 90 days old, or if there are 3 consecutive months of uncashed checks, call the participant to notify them that check(s) are still outstanding and to confirm his/her mailing address.
- If we are unable to reach the participant:
  - Run a death search for each participant. If deceased, journal and initiate the **Death process**.
  - Confirm the participant's address in Wells Fargo matches the participant's address in IntelliPlan. If not:
    - Review journal notes and case file to see if error has been made in updating a recent change of address.
    - Mail a change of address form to both address to confirm which is correct.
- Depending on the outcome of the above steps:
  - Initiate the **Reissue Check process** as required. Mail a "check reissued" letter to participant (include a direct deposit form).
  - Mail a "stale-dated check" letter to participant monthly for no more than 3 months until the check(s) are cashed.
    - Initiate the **Address Search process** as required
- If all above are unsuccessful, initiate the **Suspension of Benefit (Bad Address) process**.
- Codes used for Wells Fargo tracking purposes:
  - Code 1a: Stop payment on the check and return the funds to the original plan
  - Code 2: Stop payment and reissue the check to the same payee
  - Code 3: Allow the check to remain on the outstanding check list for one additional quarter

### FAQs



- What happens if a participant makes it a habit of holding his/her checks for several months and then cashing them all at once? Update IntelliPlan to reflect these notes.

## ***RECONCILIATION REPORT (Client)***

### **Objectives**

The objective of this process is to reconcile setups/payments recorded in IntelliPlan with the Trust.

### **Timing**

This process is conducted on a monthly basis, by the 15<sup>th</sup> of each month.

### **Policy**

- TBD

### **Fulfillment**

- File Path E:\\_New Client Folders 2011\ARRC\Participant Services\Reporting\Reconciliations\
  - Payment registers and various change reports are provided to clients via Trust Information Delivery (TID), an online service within Wells Fargo's Commercial Electronic Office® (CEO®) business portal. Clients receive an email from Wells Fargo prior to the end of each month announcing that the reports are ready for viewing online. Download the Monthly Statement for our records.
  - The Alaska Railroad Corp Pension Plan monthly Benefit report and monthly Lump Sum report includes all the following in one PDF document. Use the Bookmarks icon on the document to find the Table of Contents:
    - The Payment Register shows active paid payees for the current payment cycle or for the cycle requested.
    - The Change Report details changes made during this payment cycle, new payments added and special payments.
    - The Change Report Totals page summarizes all monetary changes made to an account during the payment cycle.
    - Changes coming due for benefits and deductions in the next three months (as indicated by start or stop dates on the Wells Fargo Trust Payment System) will be shown on the Benefit and Deduction Scheduled Changes Report.
  - Save in current month as Payment Registry and Lump Sum report
  - Copy Monthly Pension Report excel file from previous month into current month folder
  - Update excel file; back out disability numbers (code 3)
  - Compare with IntelliPlan/Client Reports/Recent Setups and Deaths.
  - Reconciliation Reports are filed in E:\\_New Client Folders 2011\ARRC\Plan Services\Monthly Trust Payments

### **FAQs**

## ***REQUIRED MINIMUM DISTRIBUTIONS (RMD) REPORT***

### **Objectives**

The objective of this process is to comply with minimum distribution rules.

### **Timing**





This process is initiated annually for participants who are active employees approaching age 70½ and terminated vested participants approaching age 70½ who have not yet started their benefit.

### Policy

- Once a participant becomes subject to minimum distribution rules, each calendar year the participant must receive at least a required minimum amount from the Plan.
- Participants in governmental plans must begin receiving required minimum distributions (RMDs) by the April 1st of the calendar year following the later of:
  - Age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), after age 73 (if you were not 72 on or before December 31, 2022) or after death
  - The calendar year in which the participant retires.
- Participants turning 70½ could choose to receive a distribution by December 31st. Alternately, if a participant elects to delay the initial RMD until April 1st of the calendar year following that in which the participant turned 70½, the result is receipt of two payments in one year: the delayed payment from the year the participant reached age 70½ and the minimum for the following year.
- RMDs for the second and subsequent years must be distributed by December 31.
- Interest on payments after the Required Beginning Date (RBD) is required by the IRS as a method of correcting failures to pay timely RMDs. ARRC does not feel this is applicable under a Government Plan. The Plan experience with RMDs has been limited and no Participants have been in an RMD situation. The ARRC, as a Government Plan, is not familiar with the IRS requirement for interest on payments after RBD and is deferring to their legal team for an opinion.
- In the event the participant cannot be located, the benefit shall be forfeited as of the last day of the Plan Year in which the distribution was required to commence.

### Fulfillment

- Coordinate closely with ARRC.
- Run the report annually in October or November.
- Provide Required Minimum Distribution Notification – letter written to active or terminated participant who has not yet started receiving benefit payments and will meet the criteria for receiving Required Minimum Distributions in the coming year. Generated once annually and includes forms to start receiving payment.
- Follow up with the participant in October. Initiate the [Address Searches process](#) as necessary.
  - In the event the participant cannot be located, initiate the **Benefit Forfeiture process**.
- Process forms.
- Set up payment in the Trust.
- Mail initial check letter.

### FAQs

What happens if the participant dies before commencement? Follow **Death Benefits process**.

## ***SMALL SUM MANDATORY CASHOUT***

### Objectives

The objective of this process is to comply with Plan provisions to pay out small benefits within 6 months following the date of termination.



## Timing

Current administrative practice is to perform monthly lump sum distributions of small benefits for Participants for whom such benefits are payable and who have Terminated employment during that Plan Year.

## Policy

- If at termination a participant does not have a vested right to his or her Accrued Benefit, and the value of the Participant's Account Balance is \$1,000 or less (including interest), administratively the ARRC currently pays out the Account Balance upon termination.
- Spousal consent is not required.
- Individuals with balances under \$200 are not eligible to roll over their funds, so they will need to take a direct payment.
- If no response within 60 days, cut a check to the address on record (must be mailed registered mail).
- If check is returned undeliverable, a good faith effort must be made to locate the payee, including registered mail and a search on the internet using no-cost services. Notate in the participant's record that his/her benefit is forfeited as of MM/DD/YY (the last day of the plan year in which the distribution was required to commence). If the Participant later comes forward and provides a proper mailing address, reinstate and pay the benefit to which the participant was entitled *as of the date of the forfeiture, as Single make-up payment, without interest.*
- Distribution of small benefits must occur within 6 months following the date of termination.

## Fulfillment

- Review account balances monthly.
- Mail Termination, Cash-out Notification Letters and payment option election kits to participants whose account balance is \$1,000 or less (including interest): Letter written to a newly terminated participant acknowledging the termination and informing them that their benefit will be paid out as a mandatory lump sum.
- Process lump sum distributions in the Trust.

## ***TERMINATION REPORTS AND LETTERS***

### Objectives

The objectives of this process are to:

- Identify new terminated non-vested participants whose Participant's Account Balance value is \$1,000 or less, and initiate the [Refund of Employee Contributions process](#) to pay out the Account Balance upon termination.
- Identify new terminated non-vested participants whose Participant's Account Balance value is greater than \$1,000, and mail a Termination Letter providing the amount of their account balance and options.
- Provide a Benefit Eligibility Notice to new terminated vested participants who are not eligible to immediately commence benefits.

## Timing



Monthly processing of TV Benefit Eligibility Notices will commence following the final payroll feed for the applicable month.

### Policy

- If at termination a Participant does not have a vested right to his or her Accrued Benefit, and the value of the Participant's Account Balance is \$1,000 or less, administratively the ARRC currently pays out (at least once per plan year) the Account Balance upon termination. See [Small Sum Mandatory Cashout process](#).

### During the Call

- N/A

### Fulfillment

- Identify new terminations based on the monthly feed.
- For each prospective Term Vested participant:
  - Audit individual record and case file in IntelliPlan to verify there is no missing, incomplete or inconsistent data. Contact the participant or ARRC as required.
- Run the batch calculations.
  - Verify eligibility for vested benefit.
  - Run calculations.
  - Produce participant correspondence as applicable
- Do-check-review, mail, scan.

## ***WELLS FARGO PAYMENT REGISTRY (IntelliPlan Wells Fargo Payment History)***

### Objectives

The objective of this process is to ensure the IntelliPlan Payment History table is in sync with the Wells Fargo Trust Payments.

### Timing

This process is conducted on a monthly basis, at the beginning of each month.

### Policy

- TBD

### Fulfillment

- Download the ARRC Payment Registry file from the Trust:
  - Log in to Wells Fargo
  - Access CEO Services / Retirement Plan Payments / Reports / Custom Reports
  - Click the radio button for ARRC Payment Registry under Public Custom Templates
  - Click Run Report
  - Payment Date Range should always have a start date of 6/1/15 and the end date should be the first business day of the current month
  - Select CSV Format
    - Date Format = MM/DD/CCYY
    - Quotes = No Quotes
    - Include Column Headers = Yes
    - Mask Tax ID & Deposit Account Numbers = No



- Click Run Report
- Right click on the report and make sure the CSV formatting is okay (i.e., there are column headers, etc.)
- Save in E:\\_New Client Folders 2011\ARRC\Plan Services\Monthly Trust Payments
- Navigate to D:\IntelliPlan - Implementation\8\_IntelliPlan - Payroll\Payroll Files\Import\_Trust\_Payments on the SQL server
  - Rename the existing ARRC\_Payment\_Registry CSV file to the previous month (e.g., ARRC\_Payment\_Registry\_MM\_YY)
  - Copy and paste the current payment registry file from E:\\_New Client Folders 2011\ARRC\Plan Services\Monthly Trust Payments to D:\IntelliPlan - Implementation\8\_IntelliPlan - Payroll\Payroll Files\Import\_Trust\_Payments on the SQL server and rename it generically to ARRC\_Payment\_Registry
  - Run the ARRC\_Import\_Trust\_Payments SSIS package. This will import the Wells Fargo Payment Registry trust file (the download of all payments to ARRC participants) and override all other records in the system.
- Payments are displayed in the IntelliPlan Payment History table.
- Recent setups are displayed in the Client Reports/Recent Setups & Deaths report.

## VERSION CONTROL

Date	Revision(s) made
4/20/15	Incorporated feedback from A. Schulenberg review: <ul style="list-style-type: none"> <li>● Corrected Past Normal Retirement Date (NRD) plan provision section to state that benefit will NOT be actuarially increased.</li> <li>● Clarified Death (Post-Retirement) process language where payments are unable to be recouped.</li> <li>● Reworded Beneficiary Designation process to state that single participants can change their beneficiary any time prior to death; also changed “children” to “descendants, per stirpes” in the order of payment for lump sum section.</li> </ul>
4/23/15	Updated the FAQs section to change the Wells Fargo payable date from the last day of the month to the 25 <sup>th</sup> of each month.
4/24/15	Updated the Contact Information section to add additional contact information for Jeff Orcutt and Lindsey Bagby at Wells Fargo as well as her manager Ashley DeLeon.
4/30/15	Added the Wells Fargo State Tax Withholding guidelines to the Tax Withholding process. Added the Trust Account Name and Number to the FAQ: What financial institution issues the pension payments? Reviewed and updated processes A-P with ARRC.
5/1/15	Completed review of remainder of Resource Guide processes with ARRC.
5/8/15	Created Resource Guide v2.
5/27/15	Incorporated ARRC edits/revisions per Pam Reil’s 5/7/15 email.
6/8/15	Incorporated ARRC edits/revisions per Theresa MacLeod’s 6/2/15 email. Created Resource Guide v3.
6/12/15	Created Resource Guide v4.
6/23/15	Incorporated July 1, 2015 Plan Restatement changes.
7/16/15	Created Resource Guide v5. Added 7 day minimum waiting period to Benefit Commencement Paperwork Receipt process. Removed requirement for <i>proof</i> of date of



	birth for spouse from Benefit Commencement Paperwork Receipt process. Removed requirement in Benefit Estimates process to ask for dates of marriage/divorce. Added bullet Benefit Commencement Paperwork Receipt process that spousal consent is not required in cases of mandatory lump sum refunds.
8/4/15	Modified the Approaching NRD process and added an Approaching ERD process. Added a table in the FAQ to capture Tier 2 interest rates; modified the Account Balance Accrued Interest Calculation process to include requirement to gain client approval semi-annually for interest rates. Modified the Verification of Birth Date and Name Changes section to include requirement for original or certified/notarized copies of proof documents.
8/6/15	Added ARRC Org Chart and Mike Humphrey's information to the Contact Information Section. Updated the Benefit Verification process.
8/11/15	Updated Address Change process. Incorporated ARRC edits/revisions per Theresa MacLeod's 7/23/15 email.
8/13/15	Added link to 2015 SPD. Removed from retirement kits requirement for spouses to sign and notarize confirmation that the 30-day notice is being waived. Removed references to the Notice to Defer from forms.
8/18/15	Updated Verification of Birth Date and Name Change from Birth to Present to indicate that original certified Divorce Decrees will be returned to participant after benefit is processed.
9/2/15	Per Theresa McLeod's 9/19/15 email, removed the "Non-expired Driver's License and the "Non-expired state issued Non-driver Identification Card" as acceptable documents from Resource Guide and applicable forms.
12/23/15	Added hyperlink to August 26, 2015 SPD
1/8/16	Updated COLA process. Removed requirement for participant notification of adjustment. Added detail to process fulfillment. Added a reminder to update the Table in the FAQ section with the most recent Tier 2 interest rate.
1/19/16	Added Annual Retiree Certification process.
1/26/16	Updated Tier 1 COLA and Tier 2 Interest tables in FAQ Section with client-approved adjusted rates for Dec 2015.
2/12/16	Created Resource Guide v6.
2/25/16	Updated Wells Fargo IRT Service Team (Texas) contact information
4/19/16	Updated Benefit Statement process.
4/26/16	Updated WF Retirement Plan Payments Deadline Calendar
5/2/16	Incorporated Second Amendment (IBT Tier 2) into Resource Guide
5/27/16	Added payroll feed/status code info to FAQ section; added UTU to Tier 2 benefits
6/6/16	Added ARRC request to review/be notified of all divorce decrees to the Benefit Commencement process.
6/17/16	Added additional detail to QDRO references.
6/22/16	Created Resource Guide v7. Added links to 1 <sup>st</sup> amendment and resolution; updated references to Tier 2 participants and Tier 2 interest rate for UTU
7/5/16	Updated FAQs with three month U.S. Treasury Constant Maturity Yield for June 30; rate approved by client 7/6/16
7/8/16	Incorporated ARRC edits to Resource Guide v6, which is now considered approved. Deleted Annual Retiree Certification Process; which will be handled internally by ARRC going forward.
7/19/16	Added hyperlinks to the 9/1/85, 1/1/94 and 1/1/16 Plan Restatements and various amendments.



8/4/16	Added RMD table names in place of the table.
8/24/16	Added link to SPD updated January 2016.
1/4/17	Added Participant Communication Matrix.
1/5/17	Updated FAQs with the approved 12/30/16 three month U.S. Treasury Constant Maturity Yield Rate for Tier 2 participants
1/18/16	Updated FAQs with the approved 1/1/17 CPI Change and COLA Increase
1/26/17	Updated the definition of Final Average Earnings to address the UTU MOU regarding the phantom 3.5% wage increase in 2016/2017 for calculating FAE.
1/26/17	Updated the Direct Rollover/Lump Sum Distribution Form to read that rollover checks will be mailed directly to the financial institution. Updated the state tax forms (lump sum and periodic) to reflect updated state tax withholding guidelines from Wells Fargo.
2/20/17	Replaced last year's WF RPP Deadline Calendar with 2016-2017 calendar
5/30/17	Added Reconciliation Report to Reporting and Batch Events
7/5/17	Updated FAQs with three month U.S. Treasury Constant Maturity Yield for June 30
8/17/17	Update PRSB section in Plan Provisions and Death (Post-Retirement) process for vested single participants with non-spouse beneficiary to reflect the 3 <sup>rd</sup> Amendment to the Plan effective October 1, 2017 which states distribution must occur no later than the last day of the plan year following the plan year of the participant's death.
8/17/17	Updated the Small Sum section in Plan Provisions and the Small Sum Mandatory Cashout process to reflect the 3 <sup>rd</sup> Amendment to the Plan effective October 1, 2017 which states the distribution must occur within 6 months following the date of termination.
8/23/17	Updated Plan Document section to include placeholder for 3 <sup>rd</sup> Amendment to the Plan effective October 1, 2017
8/30/17	Renamed Stale Dated Check Report process Outstanding Check Report process
1/16/18	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for December 29, 2017
1/16/18	Updated FAQs with the approved 1/1/18 CPI Change and COLA Increase
1/23/18	Added Wells Fargo Payment Registry Process
6/25/18	Added Tier 2 payroll feed code explanation to FAQs
1/15/19	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for December 31, 2019
1/15/19	Updated FAQs with the approved 1/1/18 CPI Change and COLA Increase
6/28/19	Added Jennifer Haldane's contact information. Added negotiation of Tier 2 with ATDA for employees hired on or after 6/28/19. Added removal of waiting period for TCU employees hired on or after 4/25/19.
7/10/19	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for June 28, 2019
1/14/20	Updated Resource Guide per 4 <sup>th</sup> and 5 <sup>th</sup> amendments.
1/17/20	Updated FAQs with the 1/1/20 CPI Change and COLA Increase
6/11/20	Added 6 <sup>th</sup> Amendment (2/14/20) to the Plan (Eligible Employees)
7/6/20	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for June 30, 2020
1/5/21	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for December 31, 2020
1/13/21	Updated FAQs with the 1/1/21 COLA Increase
5/25/21	Added section on Return to Work (RTW) Retirees



06/30/21	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for June 30, 2021
11/18/21	Trust transition from Wells Fargo to Principal Custody Solutions on 2/22/22.
12/13/21	Updated Beneficiary Designation section with AK Sec. 13.12.804 information nullifying beneficiary designation naming spouse if subsequent divorce does not provide for benefit interest for spouse.
1/3/21	Updated FAQs with the three month U.S. Treasury Constant Maturity Yield for December 31, 2021
1/12/22	Updated FAQs with the approved 2022 COLA rate
1/13/22	Added Principal to Resource Guide for upcoming trust transition from Wells Fargo
2/21/22	Added contact information for 2/22/22 Principal transition
1/5/23	Updated FAQs with the approved three month U.S. Treasury Constant Maturity Yield for December 30, 2022
1/11/23	Updated Benefit Suspension details
1/12/23	Updated FAQs with the approved 2023 COLA rate
2/6/23	Added Windfall Elimination Provision to the FAQs
2/9/23	Added a link to Additional Notes Regarding the 1985 Plan Document to the Plan Document section
11/10/23	Added a link to First Amendment
1/9/24	Updated FAQs with the three month U.S. Treasury Constant Maturity Yield for June 30, 2023 and December 29, 2023
1/11/24	Update FAQs with the approved 2024 COLA rate
7/10/24	Updated FAQs with the three month U.S. Treasury Constant Maturity Yield for June 28, 2024
10/30/24	Added 2 <sup>nd</sup> Amendment (Repayment Election) link.
10/30/24	Added Buy-Back section