

The American Red Cross  
**RETIREMENT SYSTEM**

## Summary Plan Description



Take Charge of Your Retirement



**American  
Red Cross**

# Contents

- Introduction ..... 1
- Administration of the Retirement System ..... 2
- Financing the Retirement System ..... 3
- Membership..... 4
- Member Contributions..... 6
- Service..... 7
- Retirement Benefits..... 10
- Disability Benefits ..... 21
- Benefits Payable at Death Before Retirement ..... 22
- Termination of Employment Benefits ..... 24
- Rehired Retirees..... 26
- Special Rules..... 28
- Appeals Procedure..... 31
- Qualified Domestic Relations Orders ..... 32
- Top-Heavy Plan Operations..... 32
- General Information..... 33
- Statement of ERISA Rights..... 35
- Your Duties and Responsibilities..... 36
- Identifying Information..... 37

# INTRODUCTION

The American National Red Cross (the “Red Cross”) established the Retirement System of the American National Red Cross (the “System”) on May 1, 1936, to “create a uniform means whereby officers and employees of the American National Red Cross may be retired from active service in the event of disability and old age and to provide certain other benefits.” The System is a tax-qualified, defined benefit plan. Because the System is tax-qualified, you receive favorable tax treatment on the benefits you earn under the System. Favorable tax treatment means that generally you do not pay current income taxes on your earned benefit until you receive benefits from the System. Because the System is a defined benefit plan, your pension benefit is determined by a mathematical formula specified in the *Rules and Regulations of the Retirement System*. The benefit formula includes factors such as your compensation level and your years of credited service. The pension formula is discussed in this booklet beginning on page 11.

The Retirement System is designed to be one source of income replacement in your retirement years. Other sources of retirement income are Social Security, other retirement plans and your own personal savings. You are encouraged to establish and consistently maintain your own retirement savings program and not to rely solely on Social Security and employer-provided retirement benefits.

This booklet is called a Summary Plan Description (the “SPD”). It introduces the System to you and answers the most frequently asked questions about it. Keep this booklet with your important personal papers, and refer to it whenever you have questions about the Retirement System. If you need further explanation, if you want to verify your understanding of how the System’s plan provisions apply to you or if you want

to determine whether any feature described in this booklet has changed, please contact the Benefits Service Center (see the Staying in Touch insert for contact information).

Please keep in mind that this SPD is a summary only. The SPD is meant to be a guide for you and your beneficiaries to explain the possible benefits and requirements of the Retirement System. It is not a legal document that determines how your Retirement System is operated. It does not discuss every detail addressed in the System Plan documents, the *Rules and Regulations of the Retirement System and the Agreement and Declaration of Trust*. It does not present some technical aspects of the System that may affect your right to participate in or to receive benefits under the System. If there is any inconsistency between the System legal documents, its Rules and Regulations, its Agreement and Declaration of Trust and other legal requirements, under which your participation and benefit rights are determined on the one hand, and this SPD on the other, the legal documents and requirements, and not this SPD, will control. This is a summary of important features of the System explaining general requirements that you or your beneficiaries must meet in order to obtain benefits from the System. Upon request, you, your beneficiaries or your personal representative may receive a copy of the *Rules and Regulations of the Retirement System and the Agreement and Declaration of Trust* from the director of the Retirement System.

**This edition of the Summary Plan Description incorporates amendments to the Retirement System’s *Rules and Regulations* through December 2009.**

# *Administration of the* **RETIREMENT SYSTEM**

The operation and administration of the Retirement System is governed by rules and regulations that have been approved by the Board of Governors of the American Red Cross (Board of Governors). Copies of the *Rules and Regulations* can be requested through your local human resources office or from the Benefits Service Center. You may obtain your own copy by writing to the director of the Retirement System.

The Retirement System is administered by the American National Red Cross. As the Plan Administrator, the Red Cross appoints an actuary, legal counsel, medical officer and other persons required to provide professional services for the Retirement System.

The Plan Administrator has sole discretionary authority with respect to the administration of the System, as well as to interpret the terms of the Rules and Regulations and other Retirement System documents.

A Benefit Plan Administration Committee controls and manages the assets of the Retirement System and approves or denies member appeals. Benefit Plan Administration Committee members, who serve without compensation, are appointed by the Board of Governors.

The Benefit Plan Investment Committee oversees the investment of Retirement System funds and execution of investment policy, and the selection of investment managers, a fund custodian and investment advisors. The Benefit Plan Investment Committee members, who serve without compensation, are appointed by the Board of Governors.

The Benefit Plan Administration Committee also designates an independent public accountant to conduct an annual audit of the Retirement System and other advisors or consultants necessary to discharge its responsibilities.

A director, named by the Red Cross, directs the operations of the Retirement System office. The director appoints the necessary staff members and various outside administrators, including the Benefits Service Center, to carry out the day-to-day duties of the Retirement System.



## *Financing the* **RETIREMENT SYSTEM**

Individual members are not required to make any contributions to the Retirement System. The entire cost and responsibility of providing pension benefits under the System is borne by the American National Red Cross and the participating Red Cross chapters and Blood Services regions (the "Employer"). Pension benefits are financed entirely from contributions paid into the Retirement System by all Red Cross Employer units and from earnings on the investment of those contributions. Each year, the System's enrolled actuary, through an actuarial valuation of the System's assets and liabilities, estimates the amount that the Employer should (or is required to) contribute to provide benefits. Employer contributions,

when made, are calculated on all covered employees based on a percentage of all eligible compensation or wages, including any bonuses you may receive and compensation for overtime. The employer contribution rate is established by the Red Cross, taking into consideration the results of the actuarial valuation.

When Employer contributions are required, those contributions are made to fund the benefits of those employees who are members of the Retirement System. Employer contributions begin in the month the employee becomes a member of the System.



# MEMBERSHIP

## ELIGIBILITY REQUIREMENTS

You are eligible to be a member of the Retirement System if you are a regular, temporary, part-time, or *per diem* employee of a unit of the Red Cross that participates in the System, and:

- If you were hired before July 1, 2005, you must have completed one year of Red Cross employment with a participating unit, or
- If you were hired on or after July 1, 2005, you must have completed one year of Red Cross employment with a participating unit and have received pay for at least 1,000 hours during a 12-month period. If you do not reach the 1,000 hours in your initial 12 months of employment, then each month thereafter, the Retirement System will look back during the preceding 12-month period to review the 1,000-hour criteria. You will be enrolled in the Retirement System following a 12-month period in which you are paid for 1,000 hours.

Employees hired after June 30, 2009 are not eligible to join the Retirement System. Terminated employees re-hired after June 30, 2009 are not eligible to rejoin the Retirement System

Membership in the Retirement System begins on the first of the month following satisfaction of the eligibility requirements. If you are hired on the first day of the month, you become eligible on your one-year anniversary after meeting the eligibility criteria. If you are hired after the first of the month, you become eligible the first day of the month that follows satisfaction of the eligibility criteria.

There are no minimum or maximum age requirements that affect membership eligibility.

## MEMBERSHIP ENROLLMENT

Ordinarily, you will be enrolled automatically as a member of the System on the first day of the month following completion of one year of Red Cross employment if you continue to be a Red Cross employee on that enrollment date. If you were hired on or after July 1, 2005 and before July 1, 2009, you also will need to have received pay for at least 1,000 hours during that year. Once you become eligible, you will automatically receive an enrollment kit and a password in the mail.

### EXAMPLE

Suppose you were hired by the Red Cross on July 1, 2005, and you were paid at least 1,000 hours during your first year. You would become a member of the System on July 1, 2006.

Now let's assume you were hired on July 15, 2005, and you were paid at least 1,000 hours during your first year. You would become a member of the System on August 1, 2006.

Your membership in the Retirement System has nothing to do with the kind of work you do in your Red Cross job and does not mean that you are guaranteed continuing or future Red Cross employment.

Special rules determine the eligibility for membership of employees who were previously employed at a nonparticipating Red Cross location or who were discharged, who resigned, who were laid off or who were placed on leave without pay during their first year of employment and who were later re-employed. Individuals in these categories may contact the Benefits Service Center for a determination of their enrollment eligibility date.

## LOSS OF MEMBERSHIP

No employee who is hired on or after July 1, 2009 can become a member of the Retirement System. A former employee who is rehired by the employer both on or after July 1, 2009 and more than 90 calendar days after his prior termination date cannot resume his accrual of benefit service under the Retirement System.

If your employment with a participating Red Cross employer terminates before you have earned five years of vesting service (see page 7), you will have one year in which to return to employment with a participating Red Cross employer before your separation is considered a break in service. The System refers to this first year of absence as the "separation from service period." If you are rehired before the expiration of the one-year separation-from-service period, you will be credited with vesting service earned prior to your termination date plus the amount of time during your separation from service.

If you do not have five years of vesting service at the time your employment terminates and you do not return to employment with a Red Cross participating employer before your separation-from-service period ends, you then begin a break-in-service period. The break-in-service period may be up to five years. If you return within the five-year break-in-service period, all prior service will be credited to you.

If you do not have five years of vesting service at the time your employment terminates and do not return to employment with a Red Cross participating employer before the end of the five-year break-in-service period, you will lose and not regain your prior service. Your membership in the System ends and no benefit is due.

## EXAMPLE

Mary Smith worked continuously from May 20, 2003, until July 31, 2004, when she resigned from the participating chapter. On August 1, 2004, the date her separation from service began, she was credited with one year and three months of vesting service.

If Mary returns to employment with a participating Red Cross employer:

- On December 1, 2004, after a separation from service of four months, she will be credited with one year and seven months of vesting service and begin to earn additional service immediately.
- On February 1, 2006, after a one-year separation from service and a six-month break in service, she will be credited with her previously earned one year and three months of vesting service and will begin to earn additional service immediately.
- On September 1, 2010, after a one-year separation from service and a five-year and one-month break in service, she will not be credited with any previous service since she has a break in service longer than five years. Her membership in the System will end on August 1, 2010. Upon being rehired on September 1, 2010, she will not be eligible to join the Retirement System.

For additional information on *Service*, refer to page 7. For information on *Termination of Employment Benefits*, refer to page 24.

# Member CONTRIBUTIONS

## REQUIRED CONTRIBUTIONS

---

No contributions are required of members. You earn the pension benefits normally provided by the Retirement System without any payment on your part.

## VOLUNTARY CONTRIBUTIONS

---

Voluntary contributions are no longer allowed. If you made voluntary contributions prior to July 1, 2005, you may leave those contributions in the System. These contributions will continue to earn interest and you can still convert your account balance to an annuity at retirement.

The rate of interest fluctuates and may change annually based on the interest rates set by the Benefit Plan Administration Committee effective in January. Once set, the interest rate remains in effect for the entire calendar year.

You can review your voluntary contribution account balance any time on the Benefits Service Center Web site.

While voluntary contributions prior to July 2005 were made with after-tax dollars (i.e., taxes are not deferred, as in 401(k) and 403(b) plans), the earnings generated by those contributions will not be taxed until you receive a distribution from your voluntary contribution account — either as a lump sum withdrawal or as monthly installments if you convert your account balance to an annuity at retirement.

You may withdraw any accumulated contributions (voluntary contributions plus interest earned) from the Retirement System at any time. If you choose to make a withdrawal, you must withdraw 100 percent of the voluntary contributions account balance. If you make a withdrawal, the interest portion of the withdrawal (distribution) will be treated

as current taxable income. Before distribution is made to you, the Retirement System is required by the Internal Revenue Service to withhold a mandatory 20 percent from the taxable, interest portion of the withdrawal for federal income tax. If you are under age 59½ at the time of the withdrawal, the interest portion of any payment you receive will also be subject to an additional 10 percent excise tax under current law. The additional 10 percent tax does not apply after age 59½, or if you become disabled or actually begin to receive your contributions as a monthly early retirement benefit.

You have the opportunity, however, to direct the Retirement System to pay (i.e., roll over) any or all of the interest portion of your accumulated contributions directly to another qualified pension plan or to an Individual Retirement Account (IRA). When you direct the Retirement System to make such payments, federal withholding tax is deferred on the amount rolled over.

If you have “pre-1987” voluntary contributions, you may request to withdraw the pre-1987 contributions only (without the interest), thus avoiding taxation.

Accumulated contributions in your voluntary contribution account, including the interest earned, are always nonforfeitable. This means that even if you leave Red Cross employment before you earn a pension benefit, the balance in your voluntary contribution account is payable to you, or to your beneficiary or estate if you die before these funds are distributed to you.

When you become eligible to receive your Retirement System pension benefit, you may choose to have your accumulated contributions converted to a monthly, life-time annuity. Your annuity will be paid in the same optional form of benefit payment as your pension benefit (see pages 18-19). This additional amount will increase your total monthly retirement benefit.

# SERVICE

## VESTING SERVICE

Your eligibility to receive a benefit from the Retirement System depends on vesting service. Vesting service is the period of time you work for a Red Cross unit that participates in the System. To receive a benefit, a member must have accumulated at least five years of vesting service.

### Vesting Schedule

Less than five years of service = not vested

Five or more years of service = vested

Once you have five years of vesting service, you are vested and entitled to receive a pension benefit at normal retirement age. To receive a normal retirement benefit a member must have at least five years of vesting service and be at least age 65.

Vesting service is credited from your date of hire at a participating location to the date you retire or your Red Cross employment terminates. Any part of a month of vesting service is counted as a full month.

Your vesting service is equal to the amount of your continuous service since your date of hire, adjusted for breaks in employment in excess of one year. No adjustment is made, however, for breaks in employment with a Red Cross participating employer of less than one year.

### EXAMPLE

Clara Cooper was hired by a participating chapter on May 17, 1996, at age 30. She had continuous Red Cross service for one year and, therefore, became eligible for System membership. On June 1, 1997, she was credited with one year and one month of vesting service. On May 5, 2002, at age 36, Clara quit her Red Cross job. With six years of vesting service, she is entitled to a pension benefit at age 65.

### EXAMPLE

Remember, terminated employees re-hired after June 30, 2009 are not eligible to rejoin the Retirement System (see page 4).

Therefore, if Clara Cooper returned to work for a participating chapter September 1, 2009, she would continue earning vesting service only from that day until her final termination date. Clara may eventually achieve ten years of vesting service and therefore become entitled for early retirement at age 55.

### EXAMPLE

Harold Hanover, at age 61, was hired by a participating Blood Services region on July 1, 2000. On July 1, 2001, after one year of continuous Red Cross service, Harold was credited with one year of vesting service. Although he will reach age 65 on July 25, 2003, Harold will not be entitled to a normal retirement benefit on August 1, 2003, since he will have only three years and one month of vesting service on that date. Harold's normal retirement date is July 1, 2005, when he will have fulfilled both the age (65) and vesting service (five years) requirements for a benefit.

*See section regarding loss of membership on page 5.*

## Beneficiary Designation

Once you have achieved your five years of vesting and become entitled to receive a pension, it is time to designate a beneficiary. Your beneficiary will be eligible to receive a survivor pension benefit if you were to die before your pension payments start. The Benefits Service Center will notify you at the time you become vested and remind you to name a beneficiary.

If you are married, your spouse, by law, is your beneficiary unless you and your spouse consent to your naming another beneficiary. If you are married, name your spouse as beneficiary and later divorce, your spouse will still remain your beneficiary until you change your beneficiary. A Qualified Domestic Relations Order (QDRO) may also apply as a result of the divorce (see page 32 for more information).

If you are not married, you may name anyone you wish as your beneficiary. If you are single and no pension beneficiary designation form is on file for you, your estate will be the beneficiary. If you are single and marry later, then die, survived by your spouse, the beneficiary designation you make while single will not apply.

Review your beneficiary designation often and keep it current.

## EXAMPLE

Suppose Lisa Roser returned to Red Cross employment on May 20, 2005. On that date her prior vesting service of one year and five months would be credited to her and she would begin earning additional vesting service immediately. No part of the period of her break in service, however, would be credited to her.

## BENEFIT SERVICE

Benefit service is earned after you become a member of the System as explained on page 4. Prior to July 1, 2005, benefit service is credited based upon elapsed time, like vesting credit as described above — essentially using all service from date of hire to date of termination. For service prior to July 1, 2005, one year of benefit service is provided for each year of Red Cross employment, regardless of how many hours were worked and/or paid.

Beginning July 1, 2005, benefit service will be granted only when a member works and is compensated for service. An employee who is paid for at least 1,000 hours during a Plan Year (July 1 – June 30) will be credited with one full year of benefit service. An employee who is paid for less than 1,000 hours during a Plan Year will still receive one month of benefit service for each month in which at least 40 hours are paid in a calendar month.

## EXAMPLE

Lisa Roser was hired on December 19, 2002. On May 10, 2004, Lisa quit Red Cross employment. On that date, she was credited with one year and five months of vesting service. She was rehired by a different participating Red Cross Employer on September 16, 2004. Because her break in service was less than one year on the date she was rehired, she was credited with one year and nine months of vesting service and began to earn additional vesting service immediately.

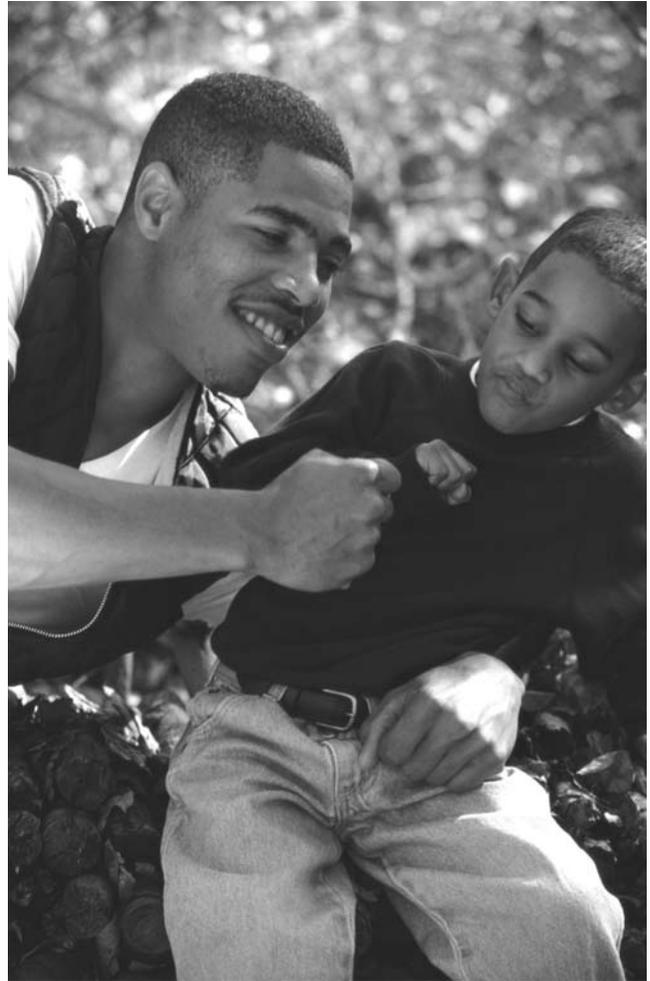
The Retirement System will count hours such as regular and overtime hours, vacation, holidays, sick pay, etc. A detailed list of reportable hours is available from the Benefits Service Center. For employees who are paid on a “per day” basis (i.e., *per diem*), the Retirement System will count one day as 10 hours.

### **EXAMPLE**

After satisfying the eligibility requirements, Steve Smith joined the Retirement System on July 1, 2005. During his next 12 months of service, Steve works an average of 100 hours a month for 10 months and an average of 25 hours a month for two months, totaling 1,050 hours. Since Steve is paid for at least 1,000 hours during this 12 months of service, he will be credited with one full year of benefit service.

### **EXAMPLE**

After satisfying the eligibility requirements, Luke Hiller joined the Retirement System on July 1, 2005. During his next 12 months of service, Luke works an average of 60 hours a month for 10 months and an average of 30 hours a month for two months, totaling 660 hours. Since Luke is paid for less than 1,000 hours during this 12 months of service, he will be credited with one month of benefit service for each month in which he worked at least 40 hours. Therefore, Luke will be credited with 10 months of benefit service.



# Retirement BENEFITS

## Eligibility Requirements for Retirement System Benefits

Type of Benefit	Requirements	
	Age	Years of Vesting
Normal Retirement	65	5
Early Retirement	55	10
Late Retirement	65+	5+
Disability Retirement <sup>1</sup>	N/A	10
Preretirement Survivor <sup>2</sup>	N/A	5

### ELIGIBILITY

You are eligible to receive a normal retirement benefit, an early retirement benefit or a late retirement benefit when you meet the following requirements:

#### Normal Retirement

You may elect a normal retirement benefit on the first day of the month following your 65th birthday or after you have accumulated five years of vesting service, whichever is later. That date is known as your Normal Retirement Date.

#### Early Retirement

You may elect an early retirement benefit before your Normal Retirement Date, on the first day of the month following attainment of age 55 and after you have accumulated 10 years of vesting service.

#### Late Retirement

You may elect to receive a late retirement benefit on the first day of any month after your Normal Retirement Date.

### EXAMPLE

Anna Rodriguez, was born on October 31, 1960, and was hired by a participating Red Cross employer on July 15, 2000. If she has continuous employment with no breaks in service, Anna will be entitled to retirement benefits as follows:

Type of Benefit	Requirements		
	Age Years/Months	Vesting Service Years/Months	First Date Eligible
Normal Retirement	65	25/4	November 1, 2025
Early Retirement	55	15/4	November 1, 2015
Late Retirement	65+	25+	The first day of any month
Disability Retirement <sup>1</sup>	49/8	10	July 1, 2010
Preretirement Survivor <sup>2</sup>	44/8	5	July 1, 2005

<sup>1</sup>See Disability Benefits, page 21.

<sup>2</sup>See Survivor Benefits, page 22.

Termination of employment before your early retirement date is not considered “retirement.” There may be many dates that could be your early retirement date, and many that could be your late retirement date, but there is only one date that can be your Normal Retirement Date.

Your Normal Retirement Date provides a fixed point of reference, and all retirement benefits under the System are determined with reference to your Normal Retirement Date (although payment of benefits does not necessarily start on that date).

All retirements, Early, Normal or Late, become effective on the first day of a month.

## RETIREMENT ALLOWANCE

---

Your normal retirement allowance is the gross amount of the monthly check you’ll receive from the Retirement System after you retire from Red Cross employment. The retirement allowance includes:

- A pension benefit funded entirely by contributions from participating Red Cross employer units.
- An annuity payment funded by your voluntary contributions, if you made any to the System and you choose to receive them in monthly payments at retirement.

If you did not make voluntary contributions to the System, or if you withdraw your accumulated contributions at or before your retirement, you will still receive the employer-provided pension benefit.

All retirements become effective on the first day of a month, and the retirement allowance is paid on the last business day of a month. The monthly retirement allowance is payable for your lifetime.

## EXAMPLE

On October 31, 2015, Anna Rodriguez will be 55 years old and will have 15 years and four months of vesting service. If she elects to take early retirement immediately, her retirement will be effective on November 1, 2015. Her first monthly retirement payment would be dated November 30, 2015.

If Anna decides to postpone her retirement for five years and six months, then her retirement date would be May 1, 2021, and her first monthly retirement payment would be dated May 31, 2021.

## RETIREMENT ALLOWANCE CALCULATIONS

---

### Step-Rate Pension Formula

The amount of your pension is determined by a four-step mathematical formula that takes into account:

- Your earnings as a Red Cross employee that were subject to Social Security withholding.
- Your earnings as a Red Cross employee that were not subject to Social Security withholding (only applies to earnings prior to July 2005).
- Your accrued benefit service.

The type of pension benefit (Normal, Early, Late, Disability) and the form of benefit payment you choose at retirement also affect the pension amount.

Benefit Payment Options are described on pages 18-19.

## The Step-Rate Pension Formula

**Step 1:** 1.35% of that part of your final average compensation that is not in excess of covered compensation times benefit service through June 30, 2005, not in excess of 35 years;

plus ...

**Step 2:** 1.70% of that part of your final average compensation (if any) that is in excess of covered compensation times your benefit service through June 30, 2005, not in excess of 35 years;

plus ...

**Step 3:** 1.70% of your final average compensation times your benefit service in excess of 35 years through June 30, 2005;

plus ...

**Step 4:** 1.00% of your final average compensation times your benefit service after June 30, 2005; equals annual pension benefit, which is divided by 12 for the monthly pension benefit.

Let's take a closer look at the pension formula and the terms it contains.

**Final Average Compensation** means your average eligible salary or wages (up to the maximum amount allowed by law), including overtime, based on the 48 consecutive months (four years) of highest earnings out of the last 120 months (10 years) before your retirement. Usually, this is the average for the last four years of employment.

Compensation received beyond your last date worked does not factor into your retirement benefit calculation.

**Note:** *The four-year average is not based on the federal income tax (calendar) year but on the consecutive 48 months with the highest reported pay, not to exceed the compensation maximum established by federal legislation.*

Compensation information reported on your last four W-2s will not necessarily give an accurate final average compensation amount for purposes of calculating your pension benefit.

**Covered Compensation** is the average of the Social Security taxable wage bases during the 35 calendar years ending with the calendar year in which you attain Social Security retirement age. The taxable wage base is the amount of your salary or wages on which you and your employer pay an equal amount of tax for Social Security benefit purposes. The amount of salary or wages that may be taxed to fund Social Security benefits is set annually at a certain amount and may be changed by federal law.

If your salary exceeds the Social Security taxable wage base set for a particular year, you and your employer do not pay Social Security tax on the amount that exceeds the wage base for that particular year. The Red Cross employer pays the same percentage of tax on the taxable wage base for all employees. No contributions are made to Social Security by the Red Cross employers for wages that employees may receive above the taxable wage base.

At the beginning of each Plan year, an updated table of covered compensation is obtained from the Retirement System's actuary. Those figures remain in effect for the Plan year. In 2009, the Social Security taxable wage base was set at \$106,800.

For employees who terminated prior to July 1, 2005, only steps 1-3 of the calculation will apply. For employees hired on or after July 1, 2005, only step 4 will apply. However, for employees with service before and after July 1, 2005, all four steps in the formula may be used.

Throughout the Pension Formula, a member will only have one career Final Average Compensation that is calculated as defined on the left, and the same Final Average

Compensation is used in the Pension Formula for service before (steps 1, 2 and 3) and after (step 4) July 1, 2005.

The following examples show how the monthly retirement pension is calculated for a normal retirement at age 65 and under the Straight Life form of the benefit payment option (see pages 18-19 for additional payment options) using various employment scenarios.

### Minimum Pension Benefit

A member's monthly accrued pension benefit will not be less than an amount equal to \$5 multiplied by the member's years (and fraction of a year) of benefit service.

### Example 1 – All employment service is prior to July 1, 2005

Joanna Jones terminated from the Red Cross on June 30, 1989. Her benefit is calculated below:

Benefit Service pre 7/1/05 (BS1)	15.16667	(15 years, 2 months)
Benefit Service after 6/30/05 (BS2)	0	(0 years)
Final Average Compensation (FAC)	3,345.00	(monthly)
Covered Compensation (CC)	4,000.00	(monthly)
1)	684.88	(1.35% X FAC X 15.16667)
2)	0.00	(1.70% X FAC > CC)
3)	0.00	(1.70% X FAC X BS1 > 35)
<u>Total</u>	<u>\$684.88</u>	

Joanna's total monthly pension benefit is \$684.88 payable at age 65.

### Example 2 – Employment service both before and after July 1, 2005

Brian Carlson terminates from the Red Cross on June 30, 2010. His benefit is calculated below:

Benefit Service pre 7/1/05 (BS1)	25.16667	(25 years, 2 months)
Benefit Service after 6/30/05 (BS2)	5.00	(5 years)
Final Average Compensation (FAC)	3,345.03	(monthly)
Covered Compensation (CC)	4,000.00	(monthly)
1)	1,136.47	(1.35% X FAC X 25.16667)
2)	0.00	(1.70% X FAC > CC)
3)	0.00	(1.70% X FAC X BS1 > 35)
4)	167.25	(1.00% X FAC X 5)
<u>Total</u>	<u>\$1,303.72</u>	

Brian's total monthly pension benefit is \$1,303.72 payable at age 65.

### Example 3 – More than 35 years of service

John Harrison terminates from the Red Cross on December 31, 2009. His benefit is calculated below:

Benefit Service pre 7/1/05 (BS1)	38.0000	(38 years)
Benefit Service after 6/30/05 (BS2)	4.50	(4 years, 6 months)
Final Average Compensation (FAC)	5,200.00	(monthly)
Covered Compensation (CC)	4,702.67	(monthly)
1)	2,222.01	(1.35% X CC X 35)
2)	295.91	(1.70% X FAC > CC X 35)
3)	265.20	(1.70% X FAC X BS1 > 35)
4)	234.00	(1.00% X FAC X 4.50)
<u>Total</u>	<u>\$3,017.12</u>	

John's total monthly pension benefit is \$3,017.12 payable at age 65.

## VOLUNTARY CONTRIBUTION ANNUITY CALCULATION

If you have made voluntary contributions to the System and have not previously withdrawn your total accumulated contributions, at retirement you may choose to:

- Receive your total accumulated contributions in one payment.
- Annuitize (receive in monthly payments) your total accumulated contributions.
- Receive a portion of your accumulated contributions in one payment and annuitize the balance.

If you choose to receive your accumulated contributions in monthly payments, the monthly amount will be paid to you under the same terms as the form of benefit payment you elect for payment of your pension benefit. Benefit payment options are described on pages 18-19.

The formula used to determine the monthly annuity amount is a result of a 1983 Supreme Court decision that prohibits pension plans from using sex-based mortality tables after that date to compute benefit payments. The formula is calculated in the following manner:

- A.** The total balance of your account as of June 30, 1983, multiplied by an actuarial age/sex-based mortality factor to produce a monthly annuity amount payable for your lifetime;

plus ...

- B.** The total balance of your account, less the June 30, 1983, balance, multiplied by an actuarial unisex, age-based mortality factor to produce a monthly annuity amount for your lifetime;

equals ...

- C.** The total monthly annuity benefit payable to you for your lifetime.

The sex-based mortality factors used in **A** and the unisex mortality factors used in **B** vary depending on the age of the member.

The amount of the monthly annuity payment will be affected by the form of benefit payment you choose at the time you retire. There may be a substantial difference in monthly payment amounts provided by a given amount of accumulated contributions under the various forms of payment.

### Example 4 – Annuity Calculation

Joanna Jones, age 65, has total accumulated voluntary contributions of \$30,000. \$18,000 of contributions and interest were credited to her account prior to July 1, 1983; the remaining \$12,000 is composed of contributions and interest credited after July 1, 1983. Her annuity is calculated below:

Total Accumulated Contributions + Interest	Before July 1, 1983	Since July 1, 1983
\$30,000	\$18,000	\$12,000

- |   |          |
|---|----------|
| A. \$18,000 x .008048* = \$144.86           | \$144.86 |
| B. (\$30,000-\$18,000) x .008286* = \$99.43 | + 99.43  |
| C. Total monthly gross annuity benefit      | \$244.29 |

Joanna's total monthly annuity benefit is \$244.29 payable at age 65.

*\*Actuarial mortality factors, based on a mathematical formula that distributes all of Joanna's contributions and interest over the remainder of her expected life span.*

## PRIOR SERVICE PENSION

There is one more piece that may be a part of a member's total retirement allowance, and that is the prior service pension. Once a nonparticipating chapter enrolled in the Retirement System or merged with a chapter already participating in the System, it had a one-year period during which it could elect to purchase a prior service pension for each eligible employee. This purchase provided a retirement benefit for all of the years of service those employees had with that Red Cross unit before it joined the Retirement System. The

amount of the prior service pension was established at the time of the purchase, and at retirement the prior service pension is added to the pension benefit earned by the member under the System. Purchase of a prior service pension also increases the member's vesting service. However, benefit service is not increased since the prior service pension amount will be added to the benefit amount derived from the benefit service earned after actually joining the Retirement System.

### Example 5 – Prior Service Pension

The chapter that employs Joanna Jones enrolled in the System several years after she became an employee. At the time the chapter enrolled in the System, it purchased for each employee a prior service pension equal to 1% of annual salary per year of service. Joanna's prior service pension is \$157.00 per month. At retirement, her total Retirement Allowance is as follows:

Pension <sup>1</sup>		Prior Service Pension	=	Total Pension		Annuity <sup>2</sup>	=	Total Monthly Benefit
\$684.88	+	157.00	=	841.88	+	244.29	=	\$1,086.17

<sup>1</sup>see Example 1 on page 13

<sup>2</sup>see Example 4 on page 14

## EARLY RETIREMENT BENEFIT

Remember, Normal Retirement Age is 65; therefore, your calculated benefit is not reduced for retirement commenced after reaching the age of 65. However, benefits that commence earlier than age 65 may be reduced for early retirement. You are eligible for an early retirement benefit if you are at least age 55 and you have at least 10 years of Vesting Service, prior to terminating Red Cross employment.

If you are retiring from an actively employed status (or you terminated after reaching eligibility for early retirement but chose to defer commencing your retirement), this section will explain how your benefit is reduced for commencement prior to age 65. When you meet the eligibility requirements for an early retirement benefit, you may

request benefit payments to begin at any time following termination of employment.

When you retire before your Normal Retirement Date, your accrued normal retirement pension will be calculated as indicated on page 12, based on your years of vesting and benefit service up to your termination date. The benefit you have accrued and would have received starting at your Normal Retirement Date may be reduced for early retirement.

The amount of the early retirement reduction will depend on a variety of factors such as age at commencement, and whether the benefit accrued before and/or after July 1, 2005. Benefits accrued prior to July 1, 2005, are reduced at a different rate than benefits earned on or after this date. Early Retirement

Benefits are reduced as follows:

- If all of your benefit service is prior to July 1, 2005:  
Your accrued benefit will be reduced 5/12% for each month preceding age 60, or a maximum reduction of 25% at age 55.
- If all of your benefit service is on or after July 1, 2005:  
Your accrued benefit will be reduced 5/12% for each month preceding age 65, or a maximum reduction of 50% at age 55.
- If you have benefit service both before and after July 1, 2005:  
Your accrued benefit will be reduced using a combination of both bullets above, specifically, benefits accrued prior to July 1, 2005, will be reduced 5/12% for each month preceding age 60 and benefits accrued on or after July 1, 2005, will be reduced 5/12% for each month preceding age 65.

If you terminate Red Cross employment prior to reaching age 55, or prior to having had at least 10 years of vesting services, please see *Termination of Employment Benefits* on page 24 for information related to your benefits.

#### TRANSITION BENEFIT - RULE OF 60

On July 1, 2005, when the early retirement reduction formula changed, the American Red Cross provided a special transition benefit to minimize any effects of the program change on older, longer-service employees. The Transition Benefit only applies to the early retirement reduction provision and does not apply to any other July 1, 2005, program changes.

You are eligible for these Transition Benefits if you meet the following criteria as of June 30, 2005:

- You have a minimum of 10 years of Red Cross service under the Retirement System, and
- You have a combined age and years of service equal to 60 or greater. This is referred to as the "Rule of 60."

If you have at least 10 years of vesting service, and your age when added together with your years of service equal 60 or more as of June 30, 2005, you are eligible for the Transition Benefit.

#### **Example 6 – Early Retirement Reduction with service before and after July 1, 2005**

If Brian Carlson in Example 2 on page 13 commences his benefit at age 57, his Early Pension Benefit is calculated below:

Service prior to July 1, 2005 is reduced 15% because age 57 is 36 months prior to age 60

(5/12% x 36 months)

therefore      \$1,136.47      is reduced by 15%      to      \$966.00

Service on and after July 1, 2005 is reduced 40% because age 57 is 96 months prior to age 65

(5/12% x 96 months)

therefore      \$167.25      is reduced by 40%      to      \$100.35

Brian's accrued benefit of \$1,303.72 is reduced to \$1,066.35 at age 57 (\$966.00 + 100.35).

Members who are eligible for the Transition Benefit will retain the early retirement factors that are available under the pre-July 1, 2005, provisions of the plan. These include unreduced benefits for retirement at age 60 and a maximum 25% reduction for retirement at age 55.

There is no expiration or “sunset” provision to the Transition Benefit.

If you meet the criteria on June 30, 2005, then these provisions will apply to you for the remainder of your Red Cross employment.

This Transition Benefit is only intended to preserve the prior early retirement provisions

in the plan. So if you ultimately leave the Red Cross prior to reaching age 55, you will not be eligible for the unreduced benefit at age 60 and the reduction for early retirement will apply to all years prior to age 65.

Being eligible for the Transition Benefit is important because as a long-term employee, you will retain the better, more advantageous early reduction factors for the remainder of your career, provided you remain employed until you reach early retirement eligibility (age 55) prior to termination of Red Cross employment. Whether you commence your retirement immediately upon termination or defer to a later date, the early retirement benefit will be calculated under this Transition Benefit.

### Example 7 – Early Retirement Reduction for Transition Benefit

If Brian Carlson in Example 2 (page 13) and 6 (page 16) had terminated after 2005 and been eligible for the Transition Benefit, his final Early Retirement Benefit would be improved as follows:

All of his benefit service, both before and after July 1, 2005, is reduced 15% because age 57 is 36 months prior to age 60 ( $5/12 \% \times 36$  months)

therefore      \$1,303.72      is reduced by 15%      to      \$1,108.16

Because Brian is eligible for the Transition Benefit, his accrued benefit of \$1,303.72 is reduced less and becomes \$1,108.16 at age 57.

### TERMINATION OF EMPLOYMENT PRIOR TO REACHING EARLY RETIREMENT ELIGIBILITY

If you terminate Red Cross employment prior to reaching age 55, or prior to having had at least 10 years of vesting services, please see *Termination of Employment Benefits* on page 24 for information related to your benefits.

### LATE RETIREMENT BENEFIT

While the Retirement System’s normal retirement age is 65 with five years of vesting service, there is no requirement that an employee retire at that age. If you continue in Red Cross covered employment beyond your normal retirement age, you will continue to earn additional vesting and benefit service. Your pension benefit will be based on your actual retirement date and compensation earned to

that date. Your benefit will be calculated as indicated on page 12.

### RETIREMENT ALLOWANCE INCREASES

After your retirement benefit payments start, you may be eligible for a retirement allowance increase based on the formula that’s used to calculate your retirement benefit:

- If all of your retirement benefit is calculated using service prior to July 1, 2005, your total benefit will be eligible for an annual, automatic 1% increase in January each year.
- If all of your retirement benefit is calculated using service on or after July 1, 2005, your monthly benefit will not receive any annual, automatic retirement allowance increase.

- If your retirement benefit is calculated using service both before and after July 1, 2005, the annual, automatic 1% increase in January of each year will be based only on the portion of your retirement benefit that was calculated using benefit service prior to July 1, 2005.

From time to time, retirees may also receive *ad hoc* increases. These increases are based on the evaluation of a number of factors, including increases in the cost of living and the financial condition of the Retirement System. Post-retirement increases are calculated on both the pension benefit and the annuity benefit, if any. The increase is

added to the pension benefit for accounting purposes and to make tracking the annuity benefit simpler for the member.

Although there is no assurance that any *ad hoc* increases will be granted, the Retirement System and the Benefit Plan Administration Committee review the actuary's report annually to determine if consideration of an *ad hoc* increase may be both appropriate and feasible. Recommendations for *ad hoc* increases are submitted to the American Red Cross Board of Governors for approval. The Board of Governors alone has the authority to approve, modify or not approve *ad hoc* increases.

### Example 8 – Retirement Allowance Increases

In Example 2 on page 13, Brian Carlson's retirement benefit equals \$1,303.72. It was calculated under both the pre July 1, 2005, calculation and the post June 30, 2005, calculation. Here's how the retirement allowance increase would be applied to his benefit.

#### **Amount of Brian's Retirement Benefit When He Starts Receiving Benefit Payments**

Pre July 1, 2005, benefit:	\$1,136.47
Post June 30, 2005, benefit:	\$ 167.25
Total retirement benefit:	\$1,303.72

#### **Amount of Brian's Retirement Benefit after the Retirement Allowance Increase Is Applied**

Pre July 1, 2005, benefit:	\$1,147.83 (\$1,136.47 x 1.01)
Post June 30, 2005, benefit:	\$ 167.25 (This portion of his benefit is not eligible for an automatic Retirement Allowance Increase.)
New retirement benefit:	\$1,315.08

## RETIREMENT BENEFIT PAYMENT OPTIONS

The Retirement System allows you to elect to receive your retirement allowance in any one of several forms of payment. You may tailor your retirement allowance payments to meet your financial needs.

All Benefit Payment Options provide you a retirement allowance each month for the rest of your life. The various options determine what will happen to your monthly benefit upon your death — whether your benefit will cease, or continue to provide a monthly benefit to a designated beneficiary that survives you.

If you are unmarried when you retire, unless you elect otherwise, your retirement benefits will be paid under the Straight Life option providing monthly payments for the remainder of your life, with the last payment to be made in the month in which your death occurs. However, as a single participant you may also name a beneficiary and select one of the other payment options listed below.

If you are married when you retire, your benefit will be paid under the qualified joint and 50% survivor option unless you elect another form of payment. Under this option, you will receive monthly benefits for your life, and the person

who was your spouse at the time of your retirement will receive continuing benefits after your death equal to 50% of the monthly benefit being paid to you at the time of your death. Because there is the possibility that benefits will continue to be paid after your death, the monthly benefit payable during your lifetime under a Joint and Survivor form of payment will be smaller than the monthly benefit that would be payable under the Straight Life form of payment. The Joint and Survivor form of payment, however, is the “actuarial equivalent” of the Straight Life form, meaning that the total dollar value of the two benefits at your retirement date is equal.

If you are married, you may, without written spousal consent, elect the Joint and 75% or Joint and 100% Survivor option or the 50%, 75% or 100% Joint and Survivor Pop-Up option naming your spouse the surviving beneficiary. If you are married and wish to elect someone other than your spouse as your beneficiary or you wish to elect an option other than a joint and survivor form of payment, you may do so only with the written consent of your spouse. This consent must be witnessed by a notary public.

The following benefit payment options are available to you at retirement:

### **Straight Life**

Continues through the month in which your death occurs. When you die, your beneficiary receives a single-sum payment of any accumulated voluntary contributions in excess of the annuity payments you received during retirement.

### **Maximum**

Consists of the Straight Life pension and an increased annuity funded by any voluntary contributions you made to the Retirement System. Payments continue through the month in which your death occurs. No payment is made to your beneficiary except the amount of the retirement allowance for the month of death, if that check was not

deposited or cashed prior to your death. This form of allowance pays the highest amount since it is based on only one life expectancy and provides no after-death benefits. When you die, any balance of your accumulated contributions is retained by the Retirement System.

### **Joint and Survivor**

Provides a reduced monthly benefit payable for your life with 50%, 75% or 100% of the reduced benefit continuing after your death for the designated surviving beneficiary's lifetime. If your beneficiary dies before you do, all benefit payments stop when you die. You are not allowed to change the beneficiary of a regular Joint and Survivor allowance after you retire even if this survivor beneficiary dies before you do.

### **Joint and Survivor Pop-Up**

Provides a reduced monthly benefit payable for life to the member, with 50%, 75% or 100% of the reduced benefit continuing after your death for the remaining lifetime of the designated surviving beneficiary. If your beneficiary dies before you do, your reduced benefit amount will be restored or “pop-up” to the full Maximum form of benefit payment (described above) payable for your remaining lifetime; then all benefit payments stop when you die. The reduced amount of your monthly retirement allowance under the Joint and Survivor Pop-Up benefit payment option is less than the amount you would receive under the regular Joint and Survivor allowance. You are not allowed to change the beneficiary of a special Joint and Survivor allowance after you retire.

### **Period Certain and Life**

Guarantees a payment for your lifetime. If you die within the period of time specified (five or 10 years), the same amount of monthly payment will be continued to your designated beneficiary for the balance of the specified period.

Additional information on the relative value between the various benefit payment options will be included in your Retirement Application Kit.

Pensions may not be paid in a single-sum payment unless the actuarially equivalent present value of the total retirement allowance is \$5,000 or less. The actuarially equivalent present value of your retirement allowance is the amount that would equal all of the future monthly payments that would be payable to you during your lifetime, taking into account an assumed rate of interest earnings and the probability of your living to receive those future payments over a period of time.

Participants can elect to make an eligible rollover distribution to any eligible retirement plan, IRA or a Roth IRA in cases where they are eligible to receive the single-sum payment. Such distributions may become immediately taxable. Participants are solely responsible for the income tax withholding and reporting on the distribution to a Roth IRA.

## ELECTING COMMENCEMENT OF BENEFITS

You may elect to retire and begin receiving benefit payments by filing an application with the Benefits Service Center. All retirements begin and are effective on the first of a month.

**Applications must be received by the Retirement System prior to the effective date of retirement.** To allow sufficient time to process your application, you should give the Benefits Service Center at least 30 days notice of your anticipated retirement date. Thirty days will allow enough time for the Benefits Service Center to produce your Retirement Application Kit and mail it to you, and should allow you enough time to review the information, complete the application and return it to the Benefits Service Center prior to the effective date of your retirement.

**If your application is received after your intended effective date, the Retirement System will automatically change your effective date to the next month.** If

your application is incomplete it will not be considered timely until it is complete with all required attachments, such as proof of birth and spousal consent. If your application is late and the Benefit Effective Date is changed, no retroactive benefit payments will be made.

If you are still actively working for a Red Cross unit, you must also notify your local supervisor and/or Human Resources department and advise them of your intentions to terminate and commence your retirement benefits. Commencement of your retirement benefits cannot begin without confirmation from your Red Cross employer of your Last Day Worked.

You must have a termination of employment in order to begin your retirement benefits. If you return to work or are rehired by a Red Cross unit within 30 days of your retirement effective date, you will not be considered terminated for purposes of being eligible to commence receiving your pension. In such circumstances, the Retirement System will not process your application for retirement and will seek to recover any benefit payments that have been made.

If you are married and are selecting a benefit payment option other than a Joint and Survivor form of benefit, you must also file a waiver form providing written consent of your spouse to your selection. The waiver form has to be witnessed by a notary public.

The Retirement System will notify you when you first become eligible to receive a retirement benefit. You must, however, submit an application to the Retirement System before retirement benefits can begin.

# Disability BENEFITS

## ELIGIBILITY

---

You are eligible for a disability pension from the Retirement System if you become totally and permanently disabled prior to age 65 while you are an active employee of a participating Red Cross unit and after you have completed at least 10 years of vesting service prior to becoming disabled. There is no minimum age requirement to be eligible for a disability retirement benefit.

Application for a disability retirement benefit from the Retirement System may be obtained by contacting the American Red Cross Benefits Service Center at 1-877-860-7526, option **2**. If your application is incomplete or is missing required attachments, such as proof of birth and spouse's consent, the application will not be considered complete until the missing information is received.

If you apply and qualify for benefits under the Social Security Administration disability plan, you also qualify for the Red Cross disability retirement benefits. You must submit the determination letter from the Social Security Administration to the Plan Administrator before applying for Red Cross disability retirement benefits. It may take as long as six months or more for you to receive a determination letter from the Social Security Administration. There are no medical reviews required by the Retirement System for disability benefits commenced after July 1, 2005. However, continuation of your Retirement System disability benefit does require the continuation of your Social Security Disability determination, which may require verification from time to time.

Your application for Disability Retirement from the Retirement System must be received by the Benefits Service Center within a one year period commencing on the later of:

- The date on your Notice of Award of Disability, as determined by the Social Security Administration, or
- The date you cease to receive compensation from the Red Cross.

Once your Disability Retirement Application is approved by the Retirement System, your Benefit Effective Date will be the first of the month following the later of:

- The date you became disabled, as determined by the Social Security Administration, or
- Your termination date or Last Day of Work as reported by your Red Cross unit.

Your Retirement System Disability Benefit will be an amount equal to the Normal Retirement Benefit, under the Straight Life option, without reduction for early retirement. See the Retirement Benefits section on page 12 to see how your Normal Retirement Benefit is calculated.

Your Retirement System Disability Benefit will continue as long as the Social Security Administration approves your disability or until you reach age 65 or choose to apply for and commence early retirement benefit from the Retirement System. At that time, either at early retirement or normal retirement at age 65, you must complete and submit another application for benefits (see page 20 for the *Commencement of Benefits*). At that time you may elect a different benefit payment option. See pages 18-19 for *Retirement Benefit Payment Options*.

**NOTE:** Disability retirement benefits approved prior to July 2005 will continue as long as the System's medical officer determines the member is permanently and totally disabled.

# *Benefits Payable at Death*

## **BEFORE RETIREMENT**

### PRERETIREMENT SURVIVOR BENEFIT

In the event of your death before retirement, the System will pay a portion of your accrued pension benefit to your spouse (if you are married) or to your designated beneficiary (if you are single or if your spouse has consented to a beneficiary other than himself or herself). If the total value of the survivor benefit is greater than \$5,000, then the benefit is payable to your survivor beneficiary as a monthly benefit for life. If the total value of the survivor benefit is \$5,000 or less, then the survivor benefit is payable in a one-time payment.

Your survivor spouse beneficiary may directly rollover such amounts to any eligible retirement plan, a traditional individual retirement account (IRA) or a Roth IRA. If your surviving beneficiary is not your spouse, they may directly rollover such amounts only to an IRA or Roth IRA. Such distributions are immediately taxable. Survivor beneficiaries are solely responsible for the income tax withholding and reporting on the distribution to a Roth IRA.

#### **Eligibility**

You must have a minimum of five years of vesting service at the time of your death in order for the Retirement System to pay your spouse or designated beneficiary a survivor benefit.

It is important that vested participants name a beneficiary and keep that designation current as circumstances change through marriage, divorce or other personal events. Keeping your beneficiary current will make sure your death benefits are paid in keeping with your personal wishes.

Additional information about designating a beneficiary is included on page 8.

#### **Benefits**

The survivor benefit is the employer-provided pension benefit you accrued through the date of your death calculated under the Joint and 50% Survivor benefit payment option (see page 19).

If the member is not eligible for early retirement at the date of death, the benefit may be deferred until the member would have been eligible to retire or it may be paid immediately in an actuarially reduced amount.

If a member is eligible for early retirement at the time of death, then the survivor beneficiary will receive 50% of the pension that would have been paid to the member if the member had survived to retire on the first day of the month following the month of death. If the member is eligible for early retirement at the date of death, the benefit is payable without further reduction.

If the survivor beneficiary is not the spouse, receipt of the benefit may not be postponed beyond one year following the member's death.

If the member had no spouse or designated beneficiary at the time of death, the survivor benefit will be paid to the member's estate in 60 monthly payments or in an actuarially equivalent single sum amount.

If the member's beneficiary survives the member but dies prior to receiving payment of the survivor benefit, the benefit will be paid to the member's estate in 60 monthly payments or in an actuarially equivalent single sum amount.

## ACCUMULATED VOLUNTARY CONTRIBUTIONS

---

If you made voluntary annuity contributions while you were an active employee, those contributions plus the interest earned on them will be payable to your spouse or designated beneficiary.

### **Vested Members**

A vested member's accumulated contributions are payable in a single sum to the member's spouse or designated beneficiary. If the beneficiary is the same for both the preretirement survivor benefit and voluntary contributions account, the beneficiary may choose to annuitize the accumulated contributions instead of receiving a single sum.

### **Non-vested Members**

A non-vested member's accumulated contributions are payable in a single sum to the member's spouse or designated beneficiary.



## Termination of **EMPLOYMENT BENEFITS**

If your employment with a participating Red Cross employer terminates and you are not at that time eligible for retirement benefits as described in *Retirement Benefits* or *Disability Benefits*, pages 10 and 21, any benefits to which you may be entitled are discussed in this section.

### **ELIGIBILITY FOR A PRERETIREMENT SURVIVOR BENEFIT**

---

If you have at least five years of vesting service at the time you leave service with a Red Cross participating employer and you die before you begin to receive your retirement benefits, your spouse or designated beneficiary will receive a preretirement survivor benefit. The preretirement survivor benefit is described on page 22.

### **ELIGIBILITY FOR A RETIREMENT BENEFIT**

---

At the time your employment with a participating Red Cross employer terminates, you must have a minimum of five years of vesting service to qualify for a normal retirement pension at age 65 (see page 10).

### **WHEN BENEFITS ARE PAID**

---

Your pension benefit is normally payable at age 65 if you have at least five years of vesting service. The Benefits Service Center will notify you several months in advance of the first date on which you become eligible to receive a retirement benefit.

Vested deferred benefits will be paid earlier under the following circumstances:



The present value of your total accrued benefit is \$5,000 or less. In that case, your retirement benefit will be paid in a lump sum as soon as practicable following a one-year separation from a Red Cross participating employer. (The one-year delay allows for the possibility that you will return to work for a participating Red Cross employer, in which case you will be credited for your previous vesting service.)

Such distributions may become immediately taxable and are eligible to be rolled over to any eligible retirement plan, a traditional individual retirement account (IRA) or Roth IRA.

If your distribution is between \$1,000 and \$5,000, and you do not make an election within 60 days of the date when your packet is mailed, your payment will be automatically rolled over into an insured money market account within a Citibank Individual Retirement Account. In the event of an automatic rollover, Citibank will provide you with information regarding the ongoing administration of your account. Any maintenance fees will be your responsibility as the participant. For more information contact the System director.

If you are less than age 55 and have 10 or more years of vesting service when your employment with a participating Red Cross employer terminates, you may apply for vested deferred early retirement benefits following your attainment of age 55. The vested deferred pension benefit that you will receive will be reduced by 5/9% for each complete month thereafter by which the date payments precede your normal retirement date. The maximum reduction to your benefit for early retirement after you are no longer a Red Cross employee is 50%.

If you are age 55 or over and have 10 or more years of vesting service when your employment with a participating Red Cross employer terminates, you may choose to retire immediately or you may defer receipt

of your benefit. If you choose to receive your retirement benefit before age 65, your benefit will be calculated using the same reduction percentage applied to early retirement from active service with a participating Red Cross employer (see page 15).

## HOW VESTED DEFERRED BENEFITS ARE PAID

---

You have the same benefit payment options as those described on pages 18-19.

## ELECTING YOUR BENEFIT PAYMENT OPTION AT RETIREMENT

---

If the present value of your vested accrued pension benefit plus your accumulated contributions does not exceed \$5,000, your benefit will be paid as a single-sum distribution. Otherwise, you may select the form of benefit payment option most suitable to you. If you are married and are selecting a form of benefit payment other than a qualified Joint and Survivor annuity, you must also submit the written consent of your spouse, witnessed by a notary public. At your request, the System will provide you with estimates of your monthly retirement benefit under each of the payment options so you can choose the option that's right for you. Your application for your retirement benefit must be received by the Benefits Service Center prior to the effective date of retirement.



# Rehired RETIREES

## GUIDELINES

The Retirement System established guidelines for retirees who have commenced their benefits from the Retirement System, and subsequently returned to work at a Red Cross unit. These guidelines were developed to comply with federal regulations and therefore must be strictly adhered to.

A member who commences their Retirement System benefits must stay retired for **at least 90 days following their Benefit Effective Date**, prior to being rehired. A member who returns to work within 90 days of commencing retirement cannot be considered terminated/retired and is not eligible to commence their pension benefit. Therefore, the retirement application will become void, not be processed and the benefit payments will not begin (or they will cease immediately.) The Retirement System Administrator will seek to recover any payments that have been made in such cases.

The guidelines determine whether or not a retiree who returns to Red Cross employment is a “retiree” or an “active” employee—essentially whether the retiree is paid more or less than 1,000 hours in a calendar year. Specifically, the Retirement System counts all hours worked as well as all hours paid (i.e., vacation, holiday, etc. and a *per diem* = 10 hours) in evaluating the 1,000-hour threshold. Any employee who receives pay for 1,000 or more hours must be considered an “active” employee. This is required in order to comply with federal regulations. Furthermore, a participant cannot collect a monthly pension from the Retirement System and be an active employee at the same time or they will lose their “retiree” status and their monthly pension benefit from the Retirement System will be suspended during this period of reemployment.

Upon being reemployed by a Red Cross unit, the retiree will receive a notice acknowledging their employment. Included will be an explanation of the rehired retiree guidelines. The retiree will be required to submit a signed document indicating or confirming whether the retiree intends to work more or less than 1,000 hours. An accurate determination at that time can prevent confusion and avoid the need to repay pension benefits later.

## REHIRED RETIREE WHO RECEIVES PAY FOR LESS THAN 1,000 HOURS

- A retirement benefit from the Retirement System will not be suspended.
- If a retiree reaches 700 hours in the calendar year, a notice will be sent, advising them that they are approaching 1,000 hours.
- If the retiree ultimately reaches 1,000 hours in the calendar year, their benefit will be suspended effective the first day of the following month. They will be required to repay the pension benefit payments received (plus any health and welfare deductions) from the later of the date of rehire or January 1 of the calendar year in which they worked 1,000 hours or more.

*(Annuity payments purchased by accumulated voluntary contributions are not required to be repaid.)*

## REHIRED RETIREE WHO RECEIVES PAY FOR 1,000 HOURS OR MORE

- Retirees who receive pay for 1,000 hours or more in a calendar year will have their monthly benefit suspended and will be required to reimburse the Retirement System for the pension received in that calendar year, prior to suspension.

- Benefits will remain suspended until the member retires again. Additional vesting service only will accrue during this time of re-employment.
- The benefit of these retirees will be reinstated once the member retires again.

Please remember that the retiree and employer unit are responsible for monitoring the accumulated hours count, keeping in mind the 1,000-hour guideline. Effective monitoring will prevent the suspension of benefit, avoid the need to repay benefits to the Retirement System and prevent retroactive assessment of employer contributions.

After July 1, 2009, a retiree who returns to work at the Red Cross or changes status from “retiree” to “active” employee, whether they are paid more or less than 1,000 hours, and whether their monthly pension is suspended or not, will no longer earn additional benefits from the Retirement System.

### GRANDFATHERED RETIREES

Those members whose monthly benefits were initiated because they reached the mandatory payment age of 70 on or before December 31, 1998 (with a benefit commencement date of on or before March 1, 1999), and who continued their Red Cross employment, are “grandfathered.” As “grandfathered” retirees and because they never actually retired, they will not be subject to these Rehired Retiree Guidelines. That is, they continue to receive their monthly Retirement System benefits and they are eligible to work unlimited hours.

Once a grandfathered retiree does incur a break in employment, that person will no longer be “grandfathered” and will then follow the same Rehired Retiree Guidelines upon re-employment. Therefore, upon re-employment he or she will be subject to the same 1,000 hour limit affecting other rehired retirees.

### **EXAMPLE**

Mary Smith terminated from her chapter on May 14, 2005. She applied for her Retirement System benefits to begin on June 1, 2005. Mary wants to return to work for the same chapter and continue to work on a part-time basis during her retirement.

If Mary returns to employment with a participating **Red Cross employer**:

- On August 15, 2005, after 90 days of separation from service, but after only 75 days of retirement, she was not eligible to commence her retirement benefits on June 1 regardless of the number of hours she plans to work—her retirement application will be canceled. Mary will also be required to repay her June and July monthly pension benefits.
- On September 5, 2005, she became a “rehired retiree” since more than 90 days passed from the effective date of her retirement on June 1 — and her retirement benefits will continue to be paid as long as she continues to work or be paid for less than 1,000 hours in each calendar year.

## *Special* **RULES**

The following special rules and information apply to you only if you were a member of the Retirement System on or before May 31, 1989. This section explains:

1. The general rules and information that apply to all individuals who were members on May 31, 1989;

*and*

2. Those rules and information that are specific to:

- A. Vested and non-vested members who were employed by a participating Red Cross employer on May 31, 1989;

*and*

- B. Those vested and non-vested members who were separated from employment with a participating Red Cross employer on or before that date.

### **GENERAL INFORMATION**

---

Effective May 31, 1989, members of the System who were not employed by a participating Red Cross employer on that date became members of a separate pension plan that was spun off from the System. The name of the spin-off plan was The American National Red Cross Retiree Pension Plan. If you were an active member of the System on May 31, 1989, you remained a member of the System.

An insurance annuity was purchased from the John Hancock Mutual Life Insurance Company to fund the pension benefit active members had accrued as of May 31, 1989. The total balance of voluntary contributions

in the System as of May 31, 1989, was also included in that annuity purchase. Those contributions continue to be credited with the same rate of interest that is credited to voluntary contributions made to the System after May 31, 1989. The rate of interest will continue to fluctuate and may change annually based on the interest rates set by the Benefit Plan Administration Committee each January for voluntary contributions being made to the System. You may withdraw your contributions prior to retirement, or you may choose to receive them in monthly payments at the time you retire.

Members are 100% vested in the purchased insurance annuity benefit. That is, you have a nonforfeitable right to receive the benefit accrued as of May 31, 1989, in accordance with the *Rules and Regulations of the Retirement System*. The amount of the benefit purchased for you is recorded separately and will be included in any benefit estimate you request and is included in the monthly benefit payments you are paid.

The insurance annuity contract is held by the System, and administration of all benefits funded by the insurance annuity is handled by the System.

While the amount of your monthly accrued benefit as of May 31, 1989, was calculated using the System benefit formula in effect on that date, at your retirement your pension benefit will be calculated based on your total accrued benefit service, taking into account benefit service up to May 31, 1989, and any additional benefit service accrued after that date to your date of retirement. The benefit formula used to calculate your total retirement benefit will be the formula in effect at the time of your retirement or, if earlier, following your termination of employment, and will reflect the compensation data in effect at the time of your retirement or termination, if earlier.

Your total System benefit will come from two sources. The first source will be the insurance annuity purchased to provide your accrued benefit as of May 31, 1989. The second source will be the System Trust, as provided by the *Rules and Regulations* in effect on your retirement or termination date, for any applicable benefit service earned after May 31, 1989. To have a nonforfeitable right to any benefits based on service after May 31, 1989, you must have a total of five years of vesting service in the System. The five years can be service before May 31, 1989, after that date, or a combination of before and after. You will receive one check monthly from the Retirement System for the total amount of your monthly retirement benefit.

You have the same benefit payment options as those described on pages 18-19.

If you die before you begin to receive a retirement benefit, your spouse or beneficiary will receive a 50% survivor pension benefit based on your benefit service up to May 31, 1989, and, if you have subsequently accrued five years of vesting service, any additional benefit service accrued after that date to the date of your death. The benefit will be based on the employer-provided pension benefit you had accrued through the date of your death, as described on page 22.



If you die before retirement, your spouse or designated beneficiary's survivor pension will be the deferred age 65 benefit, accrued to the date of your death, payable in the form of a 50% survivor benefit. Your spouse may defer receipt of this benefit until the date you would have been entitled to receive the benefit, or your spouse may elect to receive the 50% survivor benefit immediately, in which case the benefit will be actuarially reduced for early receipt. Non-spouse survivor beneficiaries may postpone receipt of the survivor benefit for one year from the date of your death.

## RETIREMENT SYSTEM MEMBERSHIP

***For members who were actively employed by a participating Red Cross employer on May 31, 1989.***

- If you had accrued at least five years of vesting service as of May 31, 1989, you will continue to be a member of the System and will be entitled to the additional benefits you accrue after May 31, 1989, to the date of your retirement or termination of employment, whichever comes first. If you left Red Cross employment with a Red Cross participating employer and are subsequently rehired prior to July 31, 2009, you were eligible to begin participating in the System immediately and you were credited with all previous vesting and benefit service accrued through the date your employment with a participating Red Cross employer terminated.

However, if you left Red Cross employment and are rehired after June 30, 2009, you will retain all previous vesting and benefit service accrued through the date of your previous employment, but you will no longer accrue additional pension benefit service after being rehired, you will receive additional vesting service only.

- If you had accrued less than five years of vesting service as of May 31, 1989, and have not since attained five years of vesting service, you will continue to be a member of the Retirement System. You are vested only in the benefit you had accrued through May 31, 1989, however, and you must fulfill the System's vesting requirements to be entitled to the benefit service you accrue after May 31, 1989. If you leave Red Cross employment with a participating Red Cross employer, you must return to employment with a participating Red Cross employer within five years of your termination date in order to be credited with benefit service earned after May 31, 1989. If you are subsequently rehired at a participating Red Cross location within the five-year period, you will be eligible to begin participating in the System immediately and will be credited with all previous vesting and benefit service accrued through the date of your termination of employment. If, on your retirement date, you do not have five years of vesting service, your retirement benefit will be only the benefit you accrued through May 31, 1989.

***For members who were not employees of a participating Red Cross employer on May 31, 1989.***

If you were separated from employment with a participating Red Cross employer on or before May 31, 1989, your membership in the System was transferred to the now-terminated Retiree Pension Plan on May 31, 1989. On that date you were no longer a member of the System, with these exceptions:

- Separated members who had five or more years of vesting service as of May 31, 1989, are eligible, upon re-employment with a participating Red Cross employer, to begin immediate participation in the System and to be credited with all prior vesting and benefit service.
- Separated members who had less than five years of vesting service as of May 31, 1989, and who returned to employment with a participating Red Cross employer within five years of the effective date of the insurance annuity coverage (that is, on or before May 31, 1994) began immediate participation in the System and were credited with vesting and benefit service previously accrued in the System.

Separated members who had less than five years of vesting service as of May 31, 1989, and who return to employment with a participating Red Cross employer after May 31, 1994, will not be credited with previous benefit and vesting service.

# Appeals

## PROCEDURE

### YOUR RIGHT TO APPEAL ANY DENIED CLAIM

---

If you have applied for a retirement benefit under the Retirement System and have been denied that benefit in whole or in part, you have the right to have that benefit denial reviewed by following the procedure described in this section. If you have any questions about the appeal procedure described here, please contact the director of the Retirement System.

### THE APPEAL PROCESS

---

According to the *Rules and Regulations*, the director of the Retirement System is responsible for approving or denying benefit claims and for discontinuing benefits.

If the claim of a member or beneficiary is denied or a benefit is discontinued, the director will notify the member or beneficiary in writing. The notification will contain:

1. A statement of why the claim has been denied or a benefit discontinued.
2. Information about the documentation that may be provided to support re-evaluation of the claim or benefit discontinuance (such as evidence of disability).
3. Reference to the provisions in the *Rules and Regulations* upon which the claim denial is based. Normally, the written notice is given within 90 days after the claim is received or the benefit is discontinued. Under special circumstances, however, up to 90 additional days may be taken to process the claim.

A member or beneficiary whose claim is denied or whose benefits are discontinued has 90 days after receipt of the notification to file a written request with the Benefit Plan Administration Committee to review such an action. The request is to be sent to the secretary of the Benefit Plan Administration Committee and may contain any other pertinent additional documentation or information.

The Benefit Plan Administration Committee will review the claim at its next regularly scheduled meeting unless the request was filed less than 30 days before the meeting. In that case, the claim will be reviewed at the second quarterly meeting after it is received. Under special circumstances requiring an extension of time to process a request, the Committee may defer its decision until the third meeting after the request is received.

After reviewing the request, the Benefit Plan Administration Committee will promptly give its decision in writing to the person submitting the request.



# Qualified Domestic **RELATIONS ORDERS**

## DEFINITION

A qualified domestic relations order (QDRO) is a judgment, decree or order, including approval of a property settlement agreement—

- That relates to providing child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a member;
- That is made in accordance with a state domestic relations law, including community property laws; and
- That meets a series of specific criteria set forth in both the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code.

## PROCEDURE

If the Retirement System receives a court order that claims to be a QDRO affecting your interest in the Retirement System, you will be notified. You will be provided with a copy of the System's established procedure for determining whether or not the order constitutes a QDRO in accord with ERISA and the Code.

## EFFECT OF A QDRO

A QDRO creates rights in a person known as an "alternate payee." The alternate payee may be entitled to a part or all of your benefits under the Retirement System. In addition, the QDRO may grant to a former spouse the rights normally provided to a surviving spouse under the System, preventing a later spouse from having full spousal rights under the System.

## ALTERNATE PAYEES

Prospective alternate payees can obtain a copy of the Retirement System's QDRO procedures by contacting the Benefits Service Center or the System director.

# *Top-Heavy* **PLAN OPERATIONS**

## DEFINITION

A pension plan is considered "top-heavy" if the value of the benefits earned by "key employees" (that is, certain officers, directors and highly compensated employees) under the Retirement System is greater than 60% of the value of the benefits earned by all other members of the System.

## EFFECT OF TOP-HEAVY STATUS

The Internal Revenue Service has issued special rules establishing minimum vesting and benefit formulas for plans that become "top-heavy."

It is unlikely that the Retirement System will ever become "top-heavy" because of the large number of members who are not "key employees." If this should occur, however, your rights under the System will automatically be adjusted and you will receive complete information on any required vesting and benefit formula adjustments.

# General INFORMATION

## FEDERAL INSURANCE

Benefits accrued under the System after May 31, 1989, are insured by the Pension Benefit Guaranty Corporation (PBGC). Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor's benefits.

The PBGC does not, however, guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination. If, however, benefits have been increased within the five years before Plan termination, the whole amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees. The ceiling is adjusted periodically.

For more information on PBGC insurance protection and its limitations, you may contact the System director or the PBGC. Inquiries to the PBGC should be addressed to:

Office of Communications & Public Affairs  
PBGC  
1200 K Street, N.W.  
Washington, DC 20005

Or you may call the PBGC Customer Service Center:

(202) 326-4000,

*or toll-free*

(800) 400-PBGC  
(800) 400-7242

Benefits accrued before May 31, 1989, are not insured by the PBGC because an insurance annuity was purchased to fund those benefits. For more information, refer to the Special Rules section, beginning on page 28.

## ALIENATION OF BENEFITS

In general, you may not assign, pledge, encumber or otherwise alienate (sign over to someone else) benefits payable under the System prior to receipt of those benefits. There are certain exceptions to this rule, however, such as honoring the terms of a Qualified Domestic Relations Order (see page 32), that do not constitute a violation of this rule.

## LOSS OF BENEFITS

The most common way to lose accrued benefits under the System is to terminate your employment with a participating Red Cross Employer before you have accrued at least five years of vesting service. To receive the benefit you accrued, you must complete the vesting requirements of the System. Benefits may also be lost through the termination of the System at a time when System assets are insufficient to provide all benefits under the System and those benefits exceed the benefits guaranteed by the PBGC. Benefits may also be lost due to limitations on the amount of benefits that can be paid to certain relatively highly paid persons if the Plan is terminated within 10 years of any amendment materially increasing benefits, or if, as a result of a Plan termination, benefit payments are subsequently made by the PBGC under the Employee Retirement Income Security Act (ERISA).

## TERMS AND CONDITIONS OF EMPLOYMENT

---

Neither the establishment of the Retirement System nor your membership in it will be deemed a contract of employment. Every member remains subject to retention or discharge by his or her Red Cross employer without reference to his or her membership in the System.

## PLAN AMENDMENT, MODIFICATION OR DISCONTINUANCE

---

The right to amend, suspend or terminate the Retirement System and its corresponding Trust is reserved to the American National Red Cross. If the System is partially or completely terminated, you will become fully vested in your accrued System benefit, to the extent funded. Upon termination of the System no further benefits are earned and no increases in previously earned benefits will occur by reason of changes in salary levels after Plan termination. If the Plan termination is a standard termination, the Red Cross will make any contributions required by law to fund benefit liabilities of the System to the date of termination. If the Plan termination is what the law calls a distress termination, you will receive benefits to the extent that the funding of the System permits, or to the extent that those benefits are guaranteed by the PBGC, whichever is greater. Whether Plan termination is by standard termination or by distress termination, you will receive your benefits in the ordinary course, or, if appropriate, by an earlier distribution, with benefits being distributed either in the form of cash or in the form of an insurance annuity contract.

## PAYMENTS TO MINORS OR OTHER PERSONS UNDER LEGAL DISABILITY

---

Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of handling his or her own affairs will be deemed paid when paid to such person's guardian or legal representative.

## NOTICES/MISSING PERSONS

---

It is the responsibility of each member, each beneficiary and each alternate payee under a qualified domestic relations order to keep the System director fully advised of any changes in his or her name, address, and marital status and other factors that may have a bearing on benefit entitlements. The Retirement System is not responsible for failure to locate missing persons or for the payment to others of amounts that would have been paid to such missing persons, had they not been missing.

## CONTROLLING LAW

---

The Retirement System will be construed and enforced according to the laws of the State of New York, except to the extent that such laws have been superseded by federal law, which will otherwise control.

# Statement of **ERISA RIGHTS**

As a member in the Retirement System described in the Summary Plan Description, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan administrator's office and at other specified locations, such as the work sites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements, and copies of all documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan administrator. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age, and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to gain a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan administrator. If questions arise about this statement or about your rights under ERISA, you should contact the nearest area office of the Employee Benefits Security Administration, U. S. Department of Labor, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Ave., N.W., Washington, DC 20210

The preceding text was created by the U.S. Department of Labor, which, by regulation, prescribed inclusion of that text in this booklet. The Plan Administrator, the Plan Sponsor, the fiduciaries and all other persons and entities associated with the System hereby disavow authorship of, and responsibility for, the accuracy or completeness of the foregoing "Statement of ERISA Rights," and each of them states that publication of the "Statement of ERISA Rights" should not be construed as the offering of legal advice.

## *Your Duties and* **RESPONSIBILITIES**

Operating a successful pension plan is a cooperative effort. The Plan Administrator will attempt to perform all its functions accurately, efficiently and in a timely manner. The Benefit Plan Administration Committee will attempt to manage the System's assets in the best interests of Plan members. The Plan Sponsor will attempt to monitor its appointees to be certain that they are properly performing their duties. Here are your responsibilities:

- Promptly provide all of the information requested at the time of employment, enrollment or thereafter.
- Notify the Retirement System by immediately contacting the Benefits Service Center of any changes in that information, including but not limited to changes in marital status.
- Notify the Retirement System by contacting the Benefits Service Center immediately if you receive any report relating to your benefits in the System that you believe may be inaccurate in any way.
- Name a beneficiary for your vested pension benefit. Remember, there are two separate designations—a designation for the pre-retirement surviving benefits and another designation for your voluntary contribution account if you have elected to make such contributions.
- Keep your beneficiary designations up to date throughout your career and even after termination. As you marry, divorce, etc., or if your previously designated beneficiary dies, it is important to update your beneficiary.

- Give the Retirement System as much advance notice of your retirement plans as possible. Contact the Benefits Service Center at least 30 days in advance to allow enough time for the Benefits Service Center to produce your Retirement Application Kit and mail it to you, and also allow you enough time to review the information, complete the application and return it to the Benefits Service Center prior to the effective date of your retirement.

As long as you are a member or a beneficiary of the Retirement System, be certain that the Benefits Service Center has your current address and the current address of every beneficiary and/or alternate payee who may have an interest in your benefits.

Active employees should keep information (such as home address, etc.) current with their local Human Resources or Payroll office. This information will be shared electronically with the Benefits Service Center. Information about marital status or divorce should go directly to the Benefits Service Center.

Terminated or retired members must notify the Benefits Service Center in order to update all information.

# Identifying INFORMATION

## OFFICIAL NAME OF THE PLAN

---

The official name of the pension plan described in this Summary Plan Description is The Retirement System of the American National Red Cross.

## PLAN YEAR

---

The Plan year begins on July 1 and ends on June 30.

## PLAN IDENTIFICATION NUMBER

---

The three-digit Plan identification number assigned to the Retirement System by the American Red Cross is 001.

## PLAN SPONSOR

---

The name of the Plan Sponsor is  
The American National Red Cross.

## EMPLOYER IDENTIFICATION NUMBER

---

The nine-digit identification number assigned by the Internal Revenue Service to the American National Red Cross is 53-0196605.

## TYPE OF PLAN

---

The Retirement System is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code.

## PLAN ADMINISTRATOR

---

The Plan Administrator is the Benefit Plan Administration Committee of the American National Red Cross. Mailing address:

American Red Cross  
430 17th Street, N.W.  
Washington, DC 20006

## DIRECTOR'S OFFICE

---

American Red Cross  
Retirement System  
2025 E Street, N.W.  
Washington, DC 20006-5009  
Phone: (202) 303-6850  
Toll-Free: (800) 846-1122  
Fax: (202) 303-6502

## AGENTS FOR SERVICE OF LEGAL PROCESS

---

The director of the Retirement System is designated as the agent of the Retirement System for the service of legal process. Service of legal process may also be made on any trustee.

## TRUSTEES

---

The members of the Benefit Plan Administration Committee are Trustees of the Retirement System. Mailing address:

American Red Cross  
Retirement System  
430 17th Street, N.W.  
Washington, DC 20006

## CUSTODIAN

---

State Street Bank and Trust Co. is the custodian of Retirement System funds. Mailing address:

State Street Bank and Trust Company  
One Lincoln Street  
Boston, MA 02111-2900



**American  
Red Cross**