



## IAM National Pension Plan - Q & A

**Q1. *What is the IAM National Pension Plan?***

A. The IAM National Pension Plan is a multiemployer Defined Benefit Pension Plan. It was established in 1960, and currently has over 1,750 contributing employers. While the Plan is funded by contributing employers, it was created for the sole benefit of IAM members. The Board of Trustees for the Plan is comprised of both IAM leaders and representatives from contributing employers.

*Highlights of the IAM National Pension Plan include:*

- Provides a guaranteed benefit after 5 years of vesting service
- Provides an unreduced benefit available at any age after 30 years of vesting service
- Provides an unreduced benefit at age 62, with 20 years of vesting service
- Provides spouse protection in the event of your death
- Provides a website where you can view your personal information. In addition, the website allows you to model different benefit scenarios based on your current contribution rate or projected rate increases.

**Q2. *What is the effective date of the IAM National Pension Plan for Northwest Airlines IAM-represented employees (COFPS and ESSC)?***

A. June 1, 2007

**Q3. *How well funded is the IAM National Pension Plan?***

A. The IAM National Pension Plan has been well funded for over 45 years and currently has nearly \$9 billion in assets. As of January 1, 2006, the date of the latest actuarial valuation, the plan was 130% funded for vested liabilities. The Plan is funded through negotiated employer contributions and earnings on investments. Benefits are insured by the Pension Benefit Guaranty Corporation.

**Q4. *With the addition of the IAM National Pension Plan, am I now a participant in two pension plans?***

A. Yes, if you were a participant in the NWA Pension Plan for Contract Employees at the time the Plan was frozen, you now are a participant in two different pension plans. Each Plan is

administered differently and has different provisions as well as different requirements regarding Plan service, commencement, eligibility, etc. For questions regarding the NWA Pension Plan for Contract Employees, you may contact the NWA Retirement Department at 1-800-692-7367 or access information via RADAR. For questions regarding the IAM National Pension Plan, contact information is provided at the end of this Q & A.

**Q5. *What happened (or will happen) to my frozen pension benefit from the NWA Pension Plan now that I am a participant in the IAM National Pension Plan?***

A. The NWA Pension Plan for Contract Employees was frozen effective September 30, 2006. If you have a frozen benefit from the NWA plan, you will be entitled to a benefit according to the eligibility rules and terms within the NWA Pension Plan for Contract Employees (detail in RADAR under Pay & Benefits, Pension Plans). Participation in the IAM National Pension Plan has no impact on your vested benefit under the NWA Pension Plan for Contract Employees. If you continue to work and accrue a benefit under the IAM National Pension Plan, when you end your employment, you will be eligible for a pension benefit from both plans.

**Q6. *How do I earn vesting service in the IAM National Pension Plan?***

A. You earn a year of vesting service in the IAM National Pension Plan for each calendar year in which you complete at least 600 hours of service for which contributions are payable to the Plan on your behalf.

**Q7. *When will I be vested in the IAM National Pension Plan?***

A. The IAM National Pension Plan requires five years of vesting service.

**Q8. *Do my years of vesting service under the NWA Pension Plan count under the IAM National Pension Plan?***

A. Yes, your years of vesting service previously accrued under the NWA Pension Plan and the NWA Retirement Savings Plan will count towards the five year vesting service requirement under the IAM National Pension Plan. It will also count towards the vesting service required for an unreduced pension benefit under the IAM National Pension Plan. The actual amount of your IAM National Pension Plan benefit however, will be calculated based on your years of service with the IAM National Pension Plan.

**Q9. *How do I accrue benefits in the IAM National Pension Plan and how is my benefit calculated?***

A. Your pension benefit accrues based on your years of service credit. You earn a full year of service credit once you have been paid 1601 hours in a year. Your monthly benefit is calculated by multiplying your years of service credit by your monthly benefit per pension classification.

The following table shows the negotiated rate by classification that the company uses to make employer contributions to the IAM National Pension Plan and the corresponding monthly benefit rate that you accrue per year of service in the IAM National Pension Plan.

Class	Classification Covered	Hourly Pension Base	Hourly Contribution Rate	Monthly Benefit per Year of Future Service
A	ESE, Lead ESE, Stock Clerk, Lead Stock Clerk, CSA, RSA, Clerical Level D, Operations Clerk, Commercial Agents and Print Shop Tech II.	Base rate at top-of –scale for Customer Service Agent.	2007 - \$.90 2008 - \$.95 2009 - \$.95 2010 - TBD	2007 - \$36.94 2008 - \$38.43 2009 - \$38.43 2010 - TBD
B	Clerical Levels A, B, C, Skycap, Print Shop Tech, Print Shop Tech I, World Club Rep, World Club Supervisor, and QSA's.	Base rate at top-of –scale for Clerical Level B.	2007 - \$.70 2008 - \$.70 2009 - \$.70 2010 – TBD	2007 - \$30.52 2008 - \$30.52 2009 - \$30.52 2010 - TBD
C	Clerical Level E, Aircraft Routing Controller, Agent Supervisor, Sr. Control Agent, Super – Cargo and Print Shop Tech III.	Base rate at top-of –scale for Clerical Level E.	2007 - \$1.00 2008 - \$1.00 2009 - \$1.00 2010 - TBD	2007 - \$39.93 2008 - \$39.93 2009 - \$39.93 2010 - TBD

You may visit the IAM National Pension Plan website to access a calculator in order to determine your specific pension benefit. The website also allows you to model different benefit scenarios to project varied results in your future pension benefit

**Q10. *How does NWA contribute to the IAM National Pension Plan and how much is contributed?***

- A. Effective June 1, 2007, per the negotiated agreement, NWA will contribute dollars on a monthly basis to the IAM National Pension Plan on behalf of participating individuals. The hours paid to each individual in the previous month (up to 40 hours per week) multiplied by the appropriate contribution rate, will determine the current month's total contribution to the IAM National Pension Plan.

**Q11. *How does the IAM National Pension Plan obtain my personal information and my hours worked?***

- A. NWA will send information regarding the hours you work (by IAM pension classification) on a monthly basis to the IAM National Pension Plan. The monthly data and information sent will be based on the paycheck dates in the previous month. You can view your information at [www.iamnpf.org](http://www.iamnpf.org). You can also update your personal information, view your pension credit history and apply for your pension benefit online thru the IAM National Pension Plan website.

**Q12.** *Will I receive annual pension statements from the IAM National Pension Plan?*

A. Yes, you will receive an annual statement directly from the IAM National Pension Plan.

**Q13.** *Can I view my IAM National Pension Plan benefit online or thru RADAR?*

A. Your benefit from the IAM National Pension Plan will not be available to view in RADAR; however, the IAM National Pension Plan has a website where you will be able to view information regarding your benefit. You may view your personal information at [www.iamnpf.org](http://www.iamnpf.org).

*Note: You will not be able to view anything on the IAM National Pension Plan website until you have been credited with at least 600 hours in the IAM National Pension Plan. The IAM National Pension Plan website is updated monthly.*

**Q14.** *If I retire or end my employment with NWA, when can I start my pension benefit from the IAM National Pension Plan?*

A. You must request an application form from the Fund no more than 90 days before your intended retirement date. The IAM National Pension Plan website ([www.iamnpf.org](http://www.iamnpf.org)) allows you to apply for your benefit online. Benefits from the IAM National Pension Plan are paid on the first of the month following the receipt of your application or your retirement date if later.

*Note: For more information, you can visit the IAM National Pension Plan website to view the 10 Most Frequently Asked Questions by Benefit Recipients.*

**Q15.** *What are the requirements in order to be considered a “retiree” from NWA?*

A. You are eligible for Early Retirement if you terminate from active employment on or after age 55 with 10 years of Vesting Service. You are eligible for Normal Retirement if you terminate from active employment at age 65 or later and have participated in the NWA Pension Plan for Contract Employees for five or more years.

**Q16.** *The NWA Pension Plan for Contract Employees requires 1,000 hours of service to earn one year of Vesting Service but the IAM National Pension Plan only requires 600 hours of service to earn one year of Vesting Service. How does NWA determine the 10 years of Vesting Service needed to “retire” from NWA?*

A. Your years of Vesting Service in order to “retire” from NWA are based on the NWA 1,000 hours of service calculation. You earn one year of Vesting Service each calendar year in which you work at least 1,000 hours. Once you work at least 1,000 hours in each of 10 calendar years, you would meet the 10 year Vesting Service requirement.

**Q17.** *Are there penalties if I end my employment at NWA and start my benefit from the IAM National Pension Plan early? What are they?*

A. The IAM National Pension Plan provides an unreduced pension at any age once you have accrued 30 years of vesting service, this is referred to as “30 and Out”. It also provides an unreduced pension at age 62 with 20 years of vesting service. There is an Early Retirement option at age 55 (with a reduced benefit) and Disability Retirement option as well. For details regarding each specific option, please contact the IAM National Pension Plan directly or visit their website at [www.iamnnpf.org](http://www.iamnnpf.org).

**Q18. *Can I start to receive my benefit from the IAM National Pension Plan and continue working for NWA?***

A. No. In addition, if you have retired or ended employment and are receiving payments of your pension benefit from the IAM National Pension Plan and decide to return to work, you must complete a “Request for Ruling on Employment form” available from the IAM National Pension Plan website or by contacting the IAM National Pension Plan directly.

**Q19. *Is my pension benefit from the IAM National Pension Plan payable as a lump sum?***

A. There are several payment options available in the IAM National Pension Plan, some which include a partial lump sum payout. All benefits are payable for the participant’s lifetime. For more detail regarding each payment option, contact the IAM National Pension Plan directly or visit their website at [www.iamnnpf.org](http://www.iamnnpf.org)

**Q20. *Can I be in the IAM National Pension Plan and still contribute to the NWA 401(k) Plan?***

A. Yes, you are still eligible to enroll and make pre-tax, Roth 401(k) or after-tax contributions to the NWA 401(k) Plan. If you are currently contributing to the NWA 401(k) Plan, there will be no effect by your participation in the IAM National Pension Plan. If you are not currently contributing to the NWA 401(k) Plan, you can enroll at any time on the Plan Web site ([nwa401k.csplans.com](http://nwa401k.csplans.com)) or through the audio line (1-800-NWA-SAVE).

**Q21. *Who do I contact if I have questions regarding the IAM National Pension Plan?***

A. There are several options for contacting the IAM National Pension Fund Office. Following are the contact options:

- *via phone:*  
1-800-424-9608 Monday-Friday, 7:30am-7:00pm Eastern Standard Time.
- *via U.S. mail:*  
IAM National Pension Plan  
1300 Connecticut Avenue NW  
Suite 300  
Washington, D.C. 20036
- *via e-mail:*  
[iamcontact@iamnnpf.org](mailto:iamcontact@iamnnpf.org)
- *via fax:*

1-202-463-8098