

# Commonly Asked Questions

from Retirement Planning Workshops



**Steve Raymond**  
Regional Manager,  
Scarborough Alliance Group

sraymond@scarboroughalliance.com  
www.scarboroughalliance.com

(978) 239-6999  
(800) 223-7608 Ext. 4033

Each year, Scarborough’s professionals conduct workshops for IBEW members across the country. Here are some questions we typically hear from members like you. All of us at Scarborough are available to help you make your retirement and investment decisions.

<p><b>Can I get one-on-one help with my retirement planning?</b></p>	<p><b>Yes.</b> By using the personalized Retirement Income and Investment Analysis and talking with your Scarborough Representative, you get the one-on-one service you want – and at a lower cost than traditional financial advisors. We give you the information necessary to help you make sound retirement and investment decisions.</p>
<p><b>How do I receive my personalized Retirement Income and Investment Analysis?</b></p>	<p>Scarborough’s representatives will work closely with you to gather information regarding your pension, 401(k) and income sources, including spousal income. Reviewing your budget will help you determine your retirement income needs. Once this is determined, we can offer portfolio options, given your risk tolerance and length of time your retirement income is needed. To get the process started, complete the questionnaire provided by your representative.</p>
<p><b>When I retire, can I transfer my money from my company plans to the IBEW Local Unions Savings &amp; Security Plan offered through Scarborough without paying any taxes?</b></p>	<p><b>Yes.</b> Any money that’s part of an IRS-qualified employee benefit plan can be transferred tax-free to the IBEW Local Unions Savings and Security Plan. This includes lump-sum pension payments, company 401(k) savings (before and after-tax) and any company match. Just follow the instructions on the Rollover Enrollment Form. If you need a form or if you need any help completing the paperwork, just give us a call.</p>
<p><b>How do I request my 401(k) transfer?</b></p>	<p>Call your 401(k) plan administrator. Be prepared to supply your PIN # when calling. You should ask the representative for a direct rollover to another institution. Your Scarborough representative is happy to make this call with you.</p>
<p><b>If I decide to transfer my lump sum pension and/or the 401(k) Plan, what instructions do I give the company?</b></p>	<p>In the forms you receive from the company, indicate that this is a Qualified Retirement Plan, not an IRA, and have them prepare the check(s) made payable to: <b>Matrix Trust FBO IBEW LUSSP FAO Your Name</b> Your account number will be your Social Security Number. If they request an address for the rollover institution, provide the following: <b>Scarborough Alliance Group One Bridge Street • Suite 70 Irvington, NY 10533</b></p>
<p><b>What else do I have to do to enroll in the IBEW Local Unions Savings &amp; Security Plan?</b></p>	<p>Complete the Rollover Enrollment Form which can be found in the back pocket of the Plan brochure. If you do not have a brochure, please call and we will send you one. If you need assistance with Investment Direction, please call me.</p>
<p><b>What happens next?</b></p>	<p>The company may send the check(s) directly to you. If so, we suggest that you send them to Scarborough using overnight mail to expedite processing for this very important transfer. Please include a receipt for the overnight delivery expense so that we may reimburse the cost. Since the check should be payable directly to the Plan custodian, this rollover is not a taxable event and you should not endorse the back of the check.</p>

## Commonly Asked Questions *continued*

<p><b>What if I have other investments that I would like to place with Scarborough, taking advantage of the low expenses and fees?</b></p>	<p>In addition to the IBEW Local Unions Savings &amp; Security Plan, Scarborough offers other investment options should you want to consolidate your other accounts.</p>
<p><b>Why can I retire at 55 with no withdrawal penalties or restrictions with the IBEW Local Unions Savings &amp; Security Plan, when an IRA requires that I be 59½?</b></p>	<p>The IRS has established rules that apply to IRS qualified employee benefit plans such as the IBEW Local Unions Savings &amp; Security Plan. IRAs are covered under a separate set of regulations that have different requirements.</p>
<p><b>If I'm younger than 55 when I retire, can I make withdrawals without paying an IRS penalty?</b></p>	<p>If you're younger than 55, there are two ways to access your money in the IBEW Local Unions Savings &amp; Security Plan without paying a penalty:</p> <ol style="list-style-type: none"> <li>1. You can take monthly withdrawals as Substantially Equal Periodic Payments (SEPP). The amount must comply with IRS regulations and the annual amount must stay the same for five (5) years or until you reach age 59½, whichever is longer. However, a one-time switch to the RMD method is permitted.</li> <li>2. The IBEW Local Unions Savings &amp; Security Plan has a loan provision that lets you borrow 50% of your account value, up to \$50,000.</li> </ol>
<p><b>Can I name my spouse as beneficiary to my Scarborough account?</b></p>	<p>Your spouse will automatically be the beneficiary of your account. As beneficiary, your spouse receives 100% of the remaining account balance and will maintain the same privileges as you have in the Plan. Non-spouse beneficiaries may also be named.</p>
<p><b>After I leave the company and stop paying dues to the IBEW, what rights or access do I have to the IBEW Local Unions Savings &amp; Security Plan?</b></p>	<p>As a retired IBEW member, you will continue to be eligible to join and participate in the IBEW Local Unions Savings &amp; Security Plan.</p>
<p><b>If I retire early, will it affect my Social Security benefits?</b></p>	<p>It depends on how long you've been working. For nearly everyone retiring now, 35 years of earnings are used to figure retirement benefits. The earnings are indexed for inflation and used to calculate your average earnings. This is the number used to figure your benefit rate. Call Social Security at (800) 772-1213 or go to <a href="http://www.ssa.gov">www.ssa.gov</a> to request a personal benefit estimate.</p>
<p><b>If I work while I'm receiving Social Security, will it affect my benefits?</b></p>	<p>If you start collecting your Social Security benefits after you reach your full retirement age, there's no penalty. For those who start collecting benefits before full retirement age, your benefit is reduced if your earnings exceed certain limits. If you are under full retirement age for the entire year, you can earn \$18,240 in wages per year and not lose any benefits in 2020. However, you will lose \$1 in benefits for \$2 earned above the limit. In the year you reach full retirement age, you can earn \$48,600 in wages prior to the month you reach full retirement age and not lose benefits in 2020. You will lose \$1 in benefits for every \$3 earned above this limit. These limits are adjusted each year for inflation.</p>



Representative registered with and offers only securities and advisory services through PlanMember Securities Corporation, a registered broker/dealer, investment advisor and member FINRA/SIPC.

PlanMember also administers qualified retirement plans; these programs are not securities or obligations of Scarborough or PlanMember.

Scarborough Alliance Group • One Bridge Street, Suite 70, Irvington, NY 10533 • (800) 223-7608