Over the years, hundreds of electricians in the Quad Cities area of Illinois and Iowa may be closer to a more secure retirement because they happened to spend lunch hours around a picnic table with Art Pohl, the jobsite supervisor at a large industrial plant.

Pohl has taken a careful look at the investment funds available in the profit-sharing plan that, along with a defined benefit pension, make up the NECA IBEW Local 145 retirement benefit. He has studied where, generally, the other 1,100 electrical workers covered by the plan are investing those defined contribution dollars. A few years ago, he found that Local 145 members had the least amount of their money in the investment funds that ranked highest in performance.

“You can have a good plan and good funds, but if nobody is investing in them, they’re not taking advantage of them like they should,” Pohl said. “I use charts and graphs to explain why different funds are good over the long term.”

Pension and annuity funds trustee Charlie Graf and Local 145 president Carlton Wills describe Pohl as someone who works behind the scenes to try to help educate fellow union members about their investment options—and why they shouldn’t let funds languish in the default option with a very low interest rate.

“He’s more or less someone who others have looked up to—Basically, he’s one of the smarter ones out there who understands the stock market,” Graf said.

The trust fund has several channels to try to get members to better understand their benefits, pay closer attention to how defined contribution dollars are invested and consider their retirement options. For example, over the past ten or 12 years, the local has augmented its education of union stewards to include informal benefits training, Graf said. The IBEW International sends people to train classes of 20 to 30 on how to be union stewards. The classes include enough benefits training so that stewards will be able to direct members to the right sources to get the information they need.

Stewards aren’t expected to be able to answer specific benefit questions but at the very least, “every steward should have a list of who to call,” Wills said. They should have—or be able to obtain—the names and phone numbers for staff in the fund office and at Merrill Lynch, where profit-sharing money is invested. Fund trustees’ names and phone numbers are posted on the Local 145 website.

By training stewards to help educate members out on the job, the local is responding to changes in how people like to receive information, Graf said.

“We’re getting less attendance at union meetings,” Graf said. “Thirty...
years ago, you went to every union meeting. We'd have 400 people—nearly 50% of the members. Now, we're lucky to get 100.”

Of course, the Local 145 trust office frequently mails benefits information to members and their spouses—quarterly reports on the health and welfare plan, required notices, announcements of benefits changes, etc. But, like members of many benefit plans, “a lot of people don't even pick it up,” Graf said.

So Graf, like other trustees, brings benefits materials with him to jobsites where he is a project manager. He knows that members usually won't take time to learn about their benefits or ask a question until they need a specific answer. Graf remembers when he was a young electrician. “If I wasn't using the benefits, I didn’t care—until I needed them. The older you get, the more interested you become. We've kind of shifted—our baby boomers are catching up” and asking more questions. For many specific questions, “even as a trustee, I’ll send them to the benefits office.”

Like Pohl, Graf and other trustees talk with electricians in general about retirement benefits. When people tell Graf they are considering retiring before the fund’s full-retirement age of 61, he’ll remind them that they will lose a percentage per year of their defined benefit pension for every year of early retirement.

“If someone wants to retire at 59, he'll lose double the annual percentage penalty of his full benefit, and that will be two more years he's not banking for health and welfare benefits,” Graf said. “I'll ask, 'Does your spouse have insurance, and how long is that good for? Or is your spouse dependent on you for insurance, and can you afford to pay the full premium for health insurance each year out of your reduced pension benefit?' ”

On the other hand, he reminds them, if an electrician waits until the age of 61 to retire, the plan can help by way of an assistance fund for the retiree health insurance premium.

As a trustee, Graf welcomes questions because they give him the chance to point people in the right direction and put out small “wildfires.” For example, he has been asked many times about how well the pension plan is funded. The Local 145 pension is about 85% funded now, and Graf can explain why it’s not necessary to be 100% funded. (In 2008, the fund was at 97-98% funding and then dropped to about 80% when other multiemployer pension funds were in much worse shape.) Graf can discuss the plan’s asset allocation and how well the plan has recovered.

Graf is an apprentice instructor as well as a project manager, and each apprentice class "gets two speeches from me a year." He goes into the younger classes at the end of their first six months and shows apprentices how to log onto the trust fund's website and get a PIN number so they can access their benefits online. He tells them about the profit-sharing fund's default investment option where they can get a small return on their investment but also explains the Goal Manager program offered by their investment management firm. A member can choose investment funds on his own. Or he can tell Merrill Lynch he wants an asset allocation with risk that's either conservative, moderate or aggressive and let the firm invest according to his risk preferences.

Pohl also takes the time to show members how to log into the investment management website so they can start taking more control over their retirement funds and avoid common mistakes.

He thinks the Local 145 electricians need to take more interest in investments, pointing out that “if a guy doesn’t manage that money while he's working, what’s he going to do when he retires and takes that money out of the fund and must do something with it? While he was working, someone always made the decisions for him.”

Pohl said that some electrical workers think of their profit-sharing fund as sort of a "slush" fund—the money they might use to buy a new bass boat or truck. “But once we retire, there's no cost-of-living adjustment for us (in the defined benefit pension). I look at the profit-sharing plan as money that needs to grow to take care of inflation. If I live 20 years in retirement, I’ll need that to cover inflation.”

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