

Retirement Planning Workshop

32BJ Pension Fund - Program A

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- How to apply for pension benefits when you are ready to retire
- Where your retirement money will come from
- How the Program A* pension plan works
- What you need to know about Social Security and Medicare
- What are your retiree legal benefits
- How to withdraw funds from the Supplemental Retirement Savings Plan (SRSP)
- Where to find answers about retirement planning

❖ *In general members working in residential and commercial buildings in Manhattan, Brooklyn, Queens and Staten Island are covered by Program A.*

How to apply for pension benefits

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Working with a Retirement Counselor:

- The Retirement Services Department has a staff of experienced Retirement Counselors to assist you through the retirement process.
- You will be assigned a specific Retirement Counselor who will be familiar with your case and will be available to assist you every step of the way.
- Your Counselor will meet with you in person and will also be available by phone.

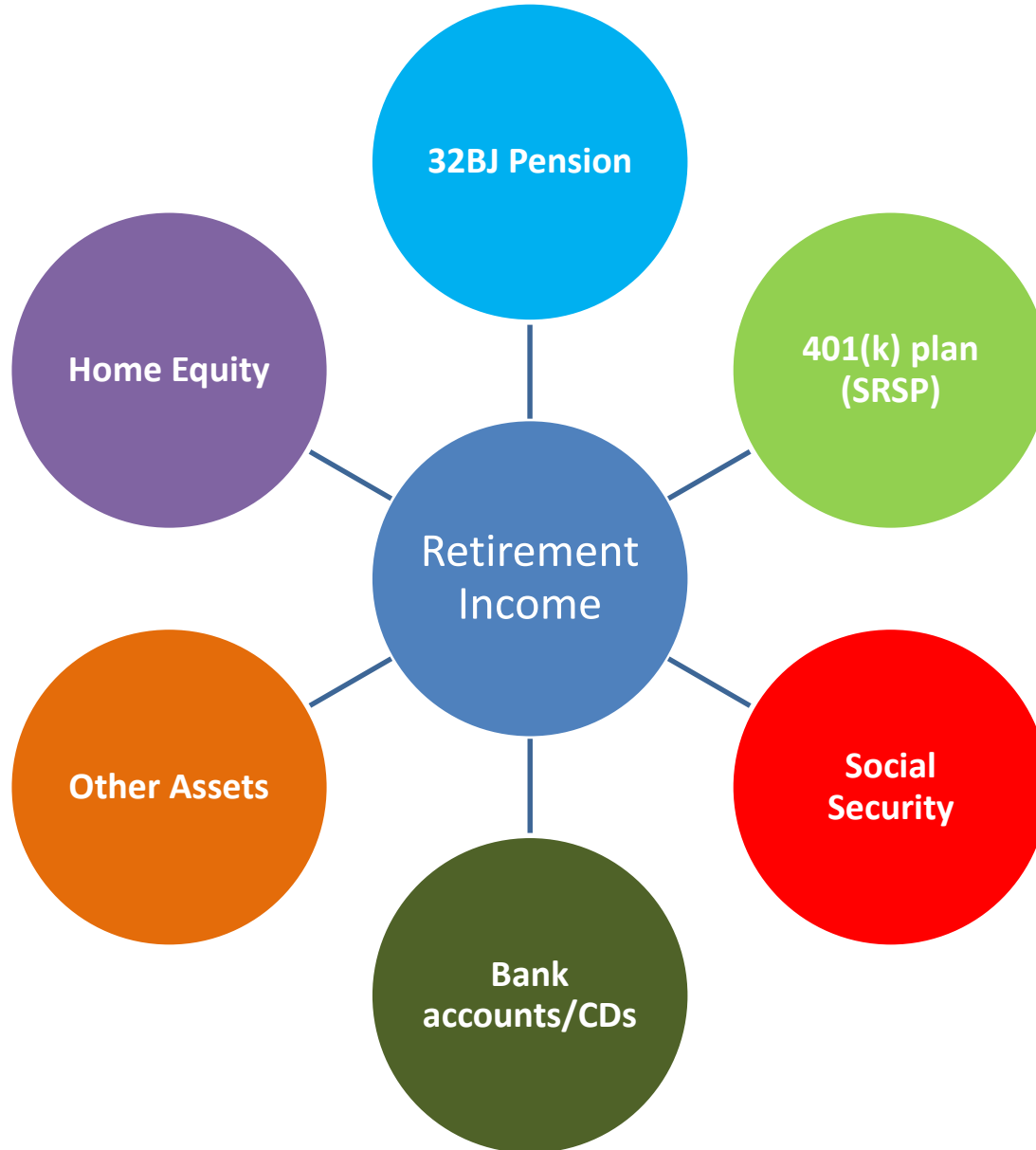
When you are ready to retire, your Retirement Counselor will help you through the process, he or she will:

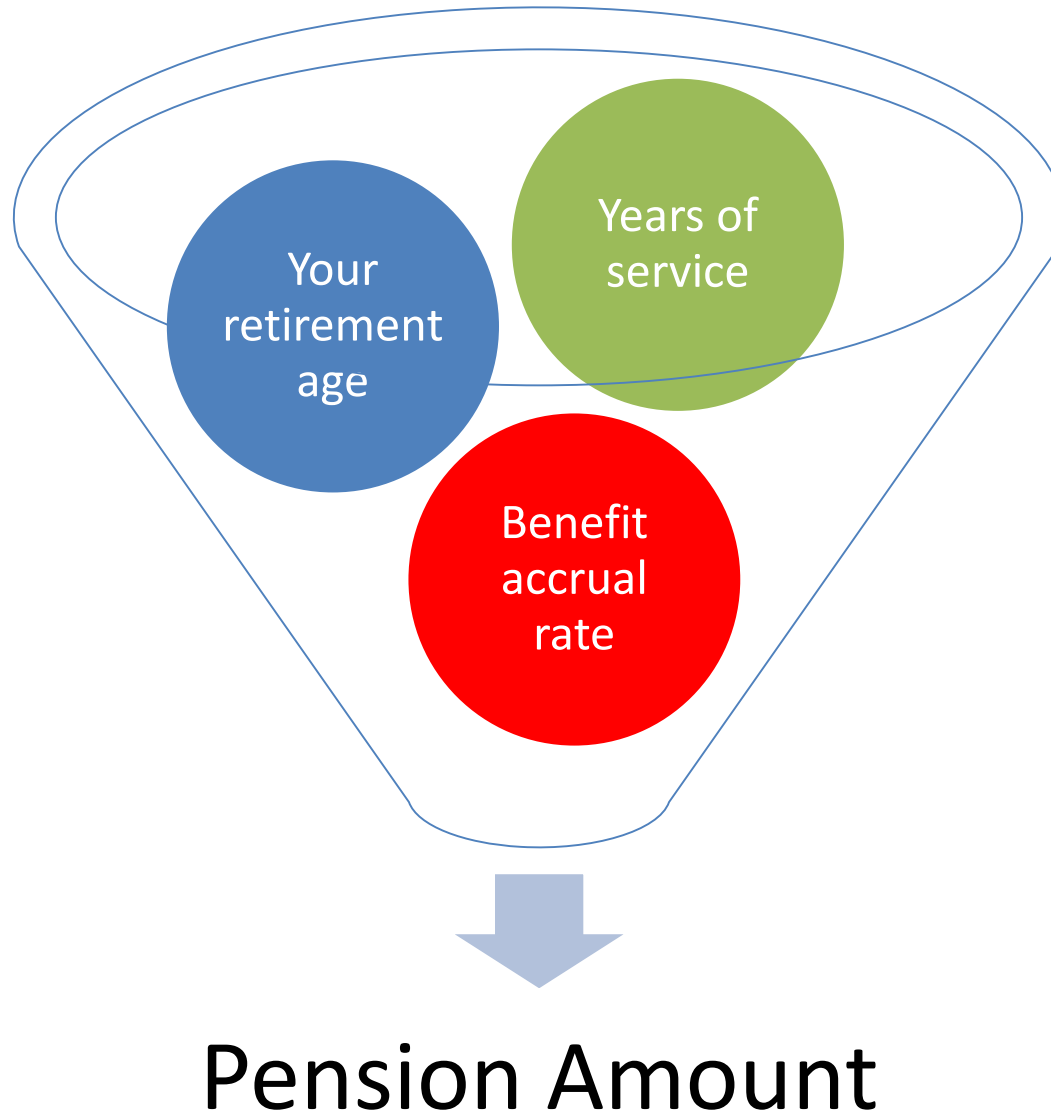
- Send you an estimate of your 32BJ Pension benefits and a retirement application package in the mail.
- Call you to set up an appointment to review your pension estimate and help you complete the application.
- Work with you until the application process is complete.

Your Retirement Counselor will provide information about:

- 32BJ Pension
- \$1,000 Pensioner Death Benefit or if you are eligible, life insurance (for disability pensioners)
- Your Supplemental Retirement Savings Plan (401k) account (if applicable)
- Your retiree benefits from the 32BJ Legal Fund
- Social Security
- Medicare

Where your retirement money will come from 8





Overview of the 32BJ Program A Pension Plan 10

More about your retirement benefit:

- You will receive a monthly benefit for as long as you live
- If you are married your spouse is eligible to receive a benefit for his or her lifetime if you die first

When do I Become a Participant of the Plan?

- After you have completed 22 weeks of employment (at least 20 hours per week) or 1,000 hours in the first 12 consecutive months after you are hired in Covered Employment.
- Your participation date is January 1 or July 1 after you have met the one year service requirement.



Participation Date

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If you began working on November 22, 2012 in covered employment, your first year anniversary was November 22, 2013, the date you became a Participant and began accruing service credits was January 1, 2014.

2012
November 2012

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
Holidays and Observances: 6: Election Day, 11: Veterans Day, 22: Thanksgiving Day						

2013
November 2013

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
Holidays and Observances: 11: Veterans Day, 28: Thanksgiving Day						

2014
January 2014

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			January 1	2	3	4

Participation Date

13

If you began working on February 22, 2013 in covered employment , your first year anniversary was February 22, 2014, the date you became a Participant and began accruing service credits was July 1, 2014.

2013
February 2013

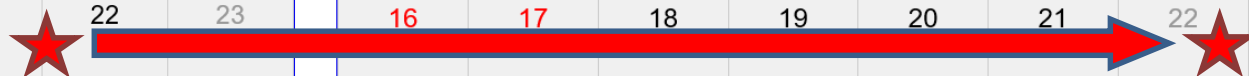
February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

Holidays and Observances: 14: Valentine's Day, 18: Presidents' Day

2014
February 2014

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

Holidays and Observances: 14: Valentine's Day, 17: Presidents' Day



2014
July 2014

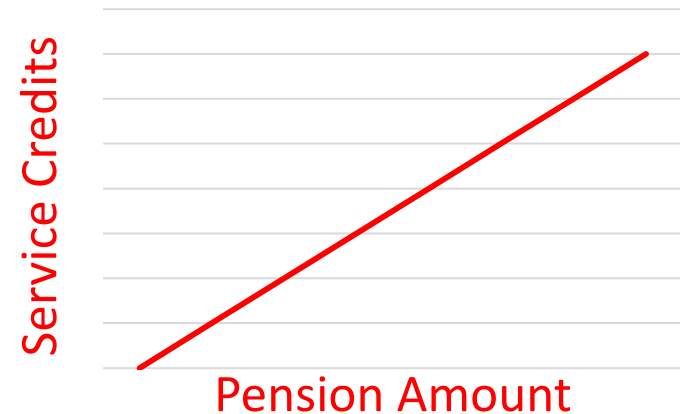
July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			2	3	4	5

What is Vesting?

- Vesting means that you cannot lose your pension benefits once you've reached the minimum number of years of Vesting Service.
- You earn a year of Vesting Service if you work 1,000 or more hours during the plan year (7/1 to 6/30).
- You are 100 % vested once you complete 5 years of Vesting Service.

What are Service Credits?

- Service Credits are used to determine the amount of your Pension.
- The more Service Credits you have, the more your monthly pension will be.



- Service Credits are counted in months.
- You earn Service Credits while you are working for an employer that is required to contribute to the Plan for you.

Work History

Last Date worked: 06/30/2021

Plan Year	Weeks Worked	Vested Service (Years)	Service Credits (Months)
2021	49	1	12
2020	52	1	12
2019	52	1	12
2018	52	1	12
2017	52	1	12
2016	52	1	12
2015	52	1	12
2014	52	1	0

Regular Pension

Age 65 with 294 months (24.5 years) of Service Credit
(or)

Age 62 at time of termination from Covered Employment
and 300 months (25 years) of Service Credit

The maximum benefit is \$1,329 per month as of
6-30-2021

Vested Pension

Age 65 with 5 years of Vesting Service

Pension amount depends on number of Service Credits
and the benefit level in effect on last date of covered
employment

Early Pension (Reduced for Early Commencement)

Age 55 with 120 months (10 years) of Service Credit

Your pension is reduced by $\frac{1}{2}$ of 1% for each month you retire before age 65

Disability Pension

120 months (10 years) of Service Credit, no minimum age requirement.

Permanent and Total Disability while working in covered employment as evidenced by Social Security Disability Notice of Award.

Health coverage continues for 30 months or until age 65 if earlier.

Retirement Prior to Age 65 with Health Coverage 21

Retirement with Health

Retire from Covered Employment Between ages 62 and 65 with at least 180 months (15 years) of service credit

Must be working in covered employment 90 days immediately prior to retirement and at least 36 of the 60 months (3 out of 5 years) prior to retirement

How to Calculate Your Program A Pension Benefit 22

You will receive the following amounts for each full year of Service Credit you earned before and after July 1, 2008.

If you are eligible for a Regular Pension, use the amounts in column (C).

If you are eligible for a Vested Pension, use the amounts in columns (A) or (B).

	(A) If you have less than 20 years of Service Credits	(B) If you have 20 or more but less than 25 years of Service Credits	(C) If you have 25 or more years of Service Credits
Before 7/1/2008	\$37.56	\$41.28	\$50.04
After 7/1/2008	\$42.00	\$46.20	\$56.04

How to Calculate Your Program A Pension Benefit 23

Regular Pension:

If you have **25** years of Service Credit (300 months) and retire on 7-1-2021:

12 years before 7-1-2008

$$\$50.04 \times 12 \text{ years} = \$600.48$$



13 years after 7-1-2008

$$\$56.04 \times 13 \text{ years} = \$728.52$$



Monthly pension

$$\$600.48 + \$728.52 = \$1,329.00$$

How to Calculate Your Program A Pension Benefit 24

Vested Pension (1)

If you have **19** years of Service Credit (228 months) and retire on 7-1-2021:

6 years before 7-1-2008
 $\$37.56 \times 6 \text{ years} = \225.36



13 years after 7-1-2008
 $\$42.00 \times 13 \text{ years} = \546.00



Monthly pension
 $\$262.92 + \$504.00 = \$771.36$

How to Calculate Your Program A Pension Benefit 25

Vested Pension (2)

If you have **20** years of Service Credit (240 months) and retire on 7-1-2021:

7 years before 7-1-2008

$$\$41.28 \times 7 \text{ years} = \$288.96$$



13 years after 7-1-2008

$$\$46.20 \times 13 \text{ years} = \$600.60$$

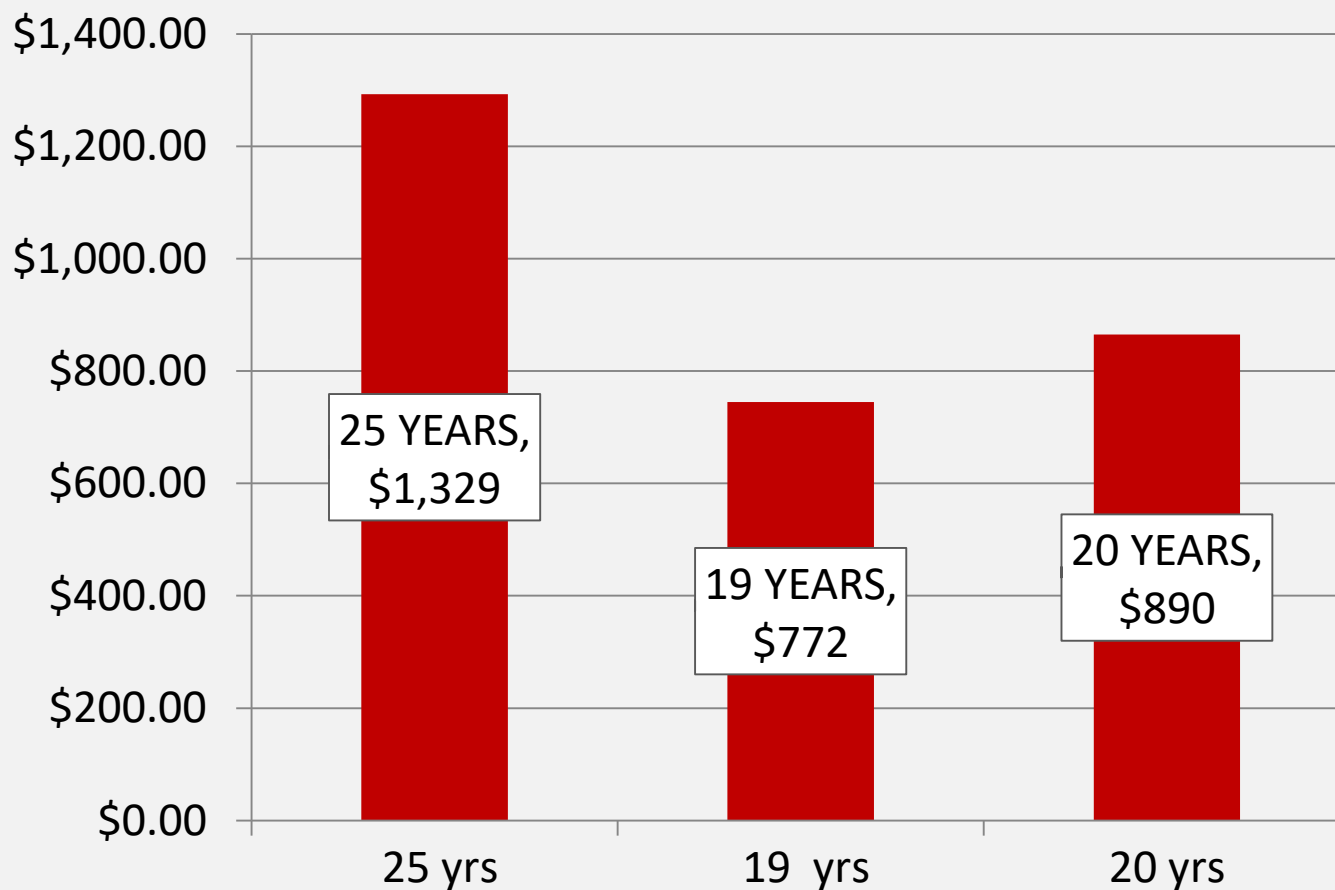


Monthly pension

$$\$288.96 + \$600.60 = \$890.00$$

Note that working one extra year increases your accrual to the higher rates and therefore builds a bigger pension benefit!

Monthly Pensions based on examples



How Your Pension Will be Paid under Program A **27**

If you are married: 50% Joint & Survivor Pension

- ✓ Pays a benefit for your lifetime.
- ✓ If you die before your spouse, your spouse will receive 50% of the pension amount you were receiving prior to your death.
- ✓ Your pension benefit is reduced because the Plan will pay two pensions over two lifetimes.

If you are single:

Single Life Pension with 36 Months (3 years) Guaranteed

- ✓ Pays a benefit for your lifetime.
- ✓ If you die before receiving 36 monthly payments, your beneficiary will receive the same payment for the balance of the 36-month guarantee period.

Other options if you are married:

- ✓ 75% Joint & Survivor Pension – If you die before your spouse, your spouse will receive 75% of the pension amount you were receiving prior to your death.
- ✓ Single Life Pension with 36 Months (3 Years) Guaranteed – your spouse's consent is required to waive his/her right to survivor benefits.

Example of 50% Joint & Survivor Pension

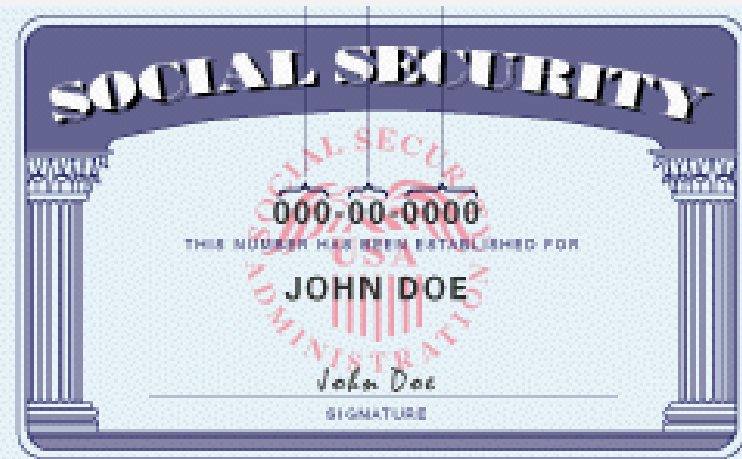
If you are married and retire at age 65 on a Regular Pension of \$1,323, and your spouse is also 65 years old:

- Under the 50% J&S Pension, you would receive \$1,178 per month for your lifetime.
- Your Regular Pension is reduced because the Plan will pay two pensions over two lifetimes.
- When you die, your spouse would receive 50% of your benefit, or \$589 per month for as long as he/she lives.
- If your spouse predeceases you, the pension amount you are receiving stays the same.
- After he/she dies, all pension payments stop.

Example of Single Life Pension with 36 Months Guaranteed

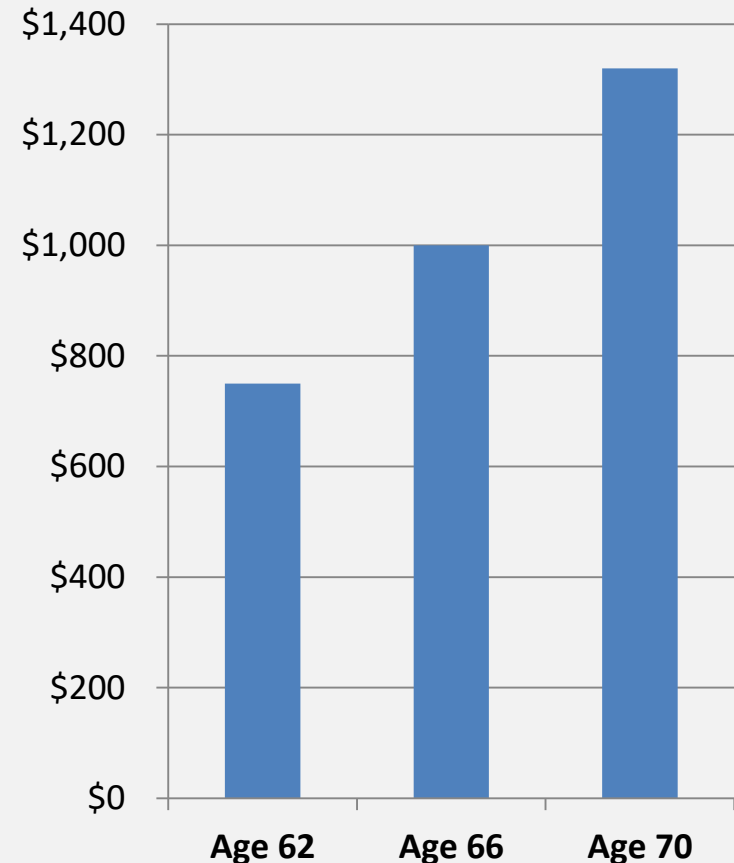
- Single and retire at age 65 on a Regular Pension of \$1,323.
- If you die after receiving 16 monthly payments, the remaining 20 payments will be made to your beneficiary.
- If you live long enough to receive the 36 guaranteed monthly payments, you will continue to receive monthly payments for your lifetime.
- No benefits will be payable to your beneficiary after you die.

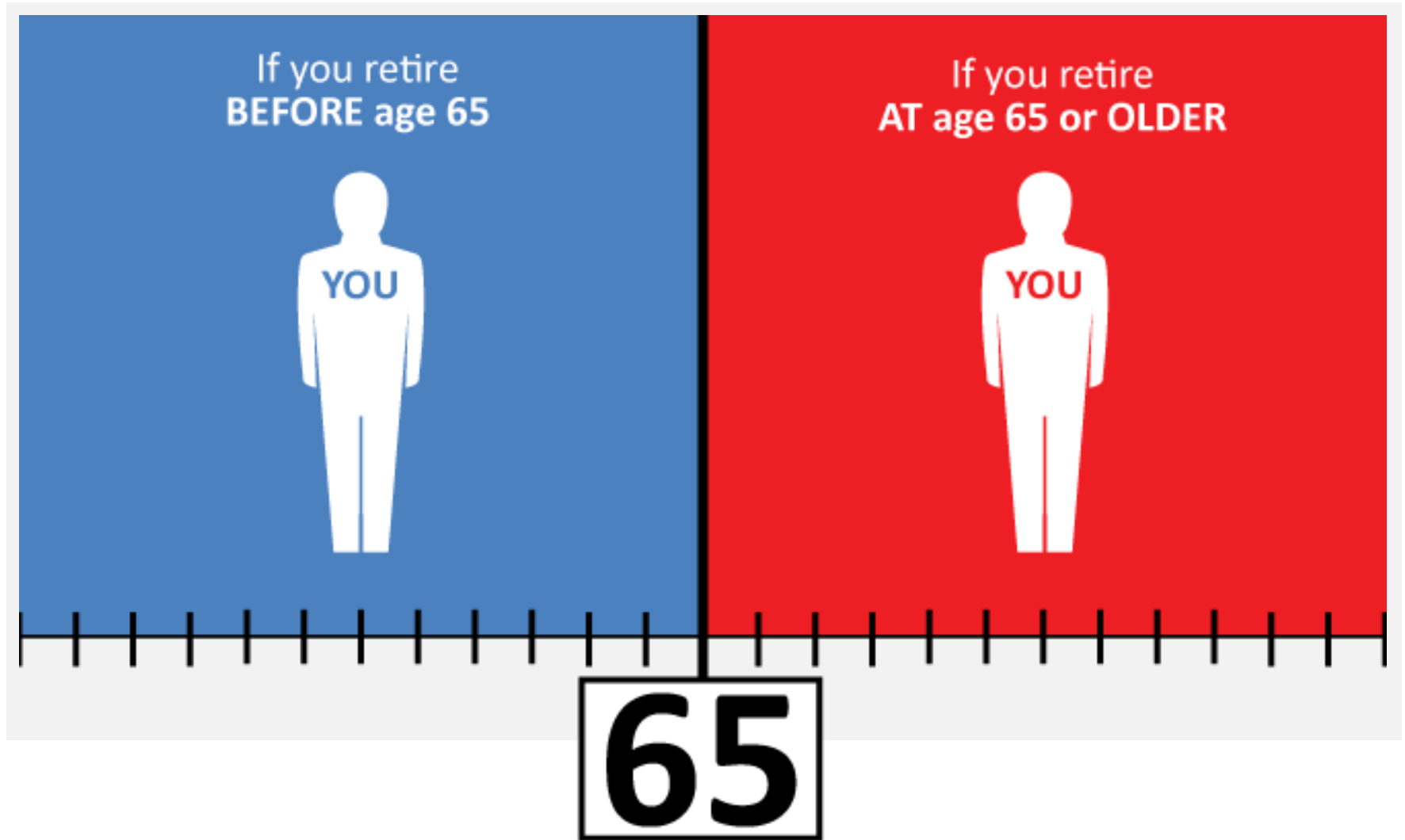
- Social Security will provide you a monthly payment for life.
- Social Security will not fully replace your income from work.
- Your 32BJ Pension, your SRSP account and your personal savings will supplement Social Security.
- Unlike pension, your Social Security is adjusted for inflation.
- The average monthly Social Security retirement benefit for January 2021 is \$1,543.

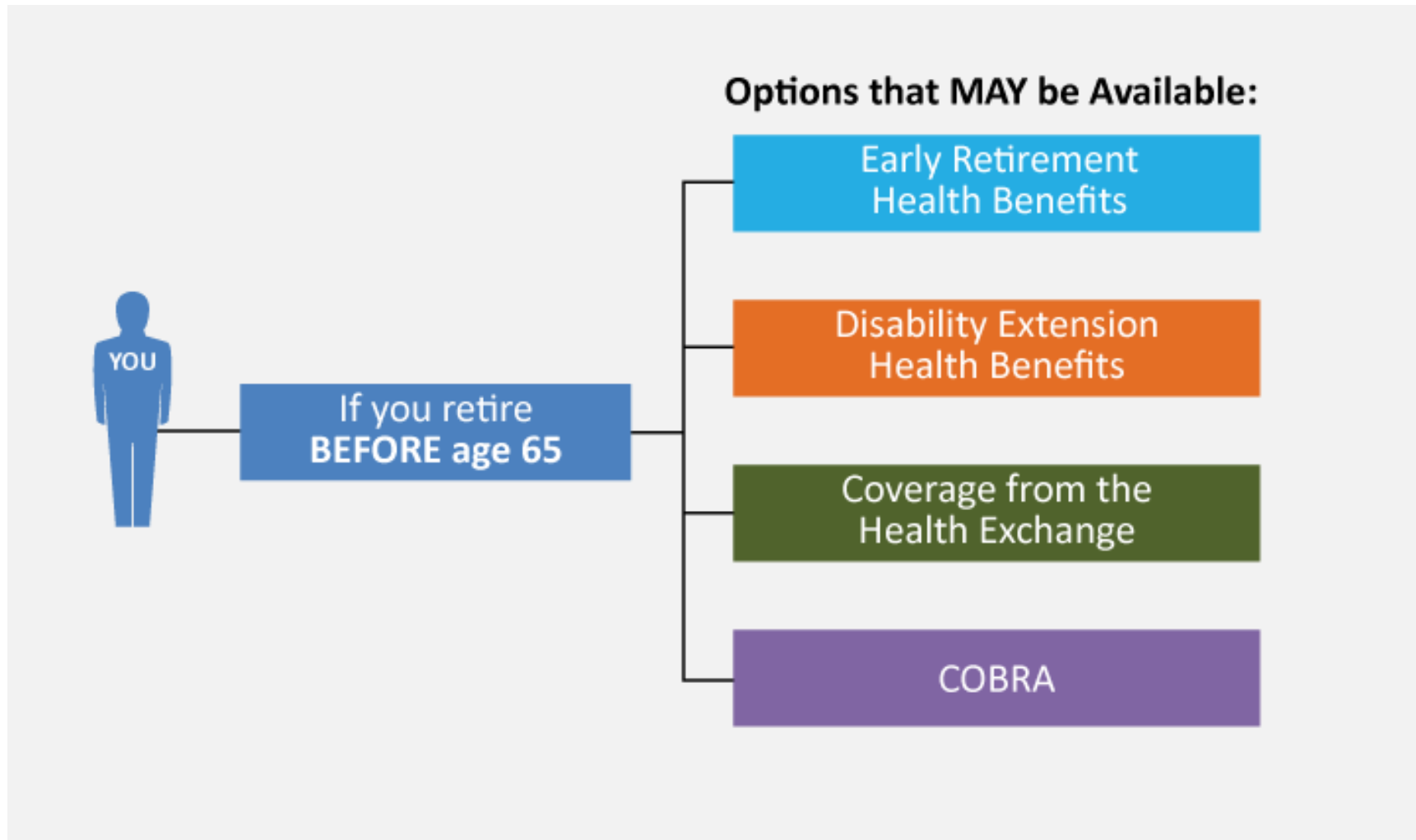


- If you were born between 1943 and 1954, full retirement is age 66.
- If you were born after 1954, the age at which you receive unreduced Social Security benefits increases gradually each month until 1960 when it reaches age 67.
- You can collect Social Security as early as 62.
- If you delay retirement, your benefit will increase each year you postpone retirement until you reach age 70. After 70, your benefit will no longer increase.

Example: If your full benefit is \$1,000 at age 66, at age 62 you would receive \$750, at age 70, \$1,320.

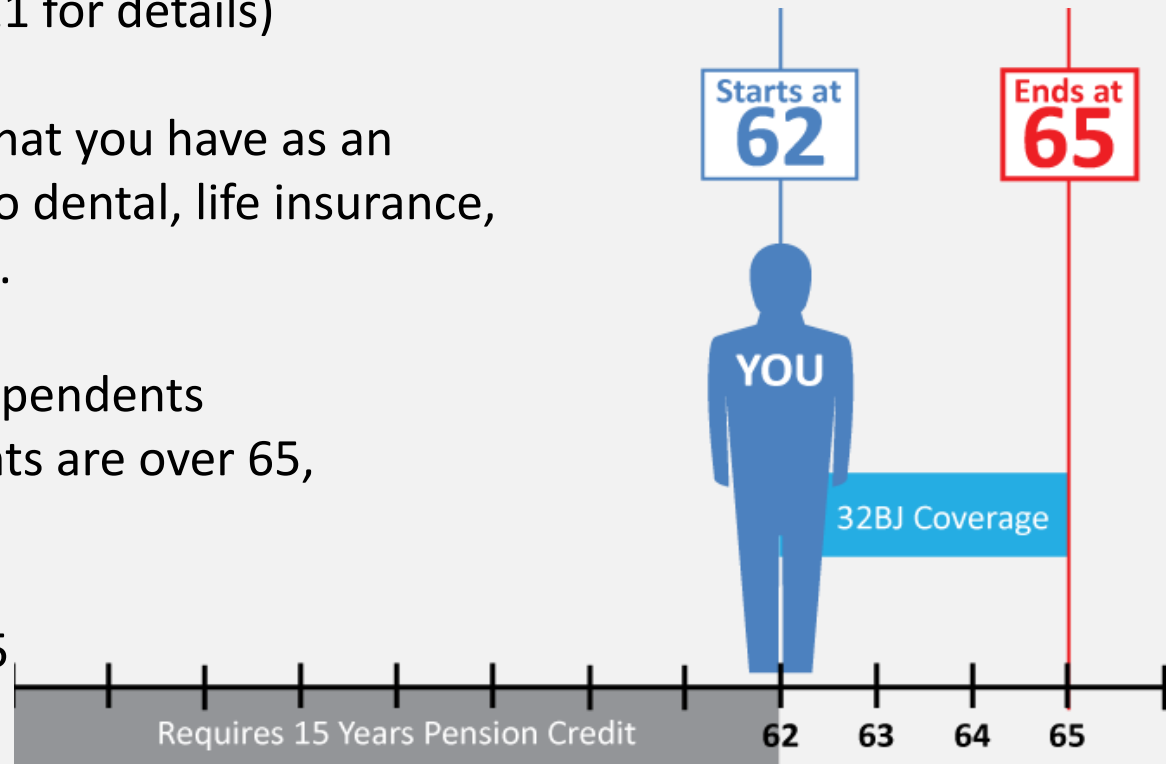






Early Retirement

- Must be at least 62, have 15 years of pension credit and work immediately before retirement (See slide 21 for details)
- Same 32BJ coverage that you have as an active employee but no dental, life insurance, LTD or AD&D coverage.
- Covers your eligible dependents
...but if your dependents are over 65, Medicare is primary
- Ends when you turn 65



Disability Extension

- Must be awarded a 32BJ Disability Pension, LTD, STD or Workmen's Compensation (WC)
- Disability extension ends when any of the following occur: you elect to discontinue coverage, work at any job, LTD ends because you are no longer disabled, 30 months have passed after you stopped working due to disability, WC or STD end, or you become eligible for Medicare as your primary insurer
- LTD or Disability Pension recipients get life insurance until age 65 or their disability ends, whichever occurs first. Those on STD or WC get life insurance/AD&D for 6 months or until their disability ends, whichever occurs first
- Covers your eligible dependents but if dependent becomes eligible for Medicare due to age or disability, Medicare is primary and Health Fund is secondary



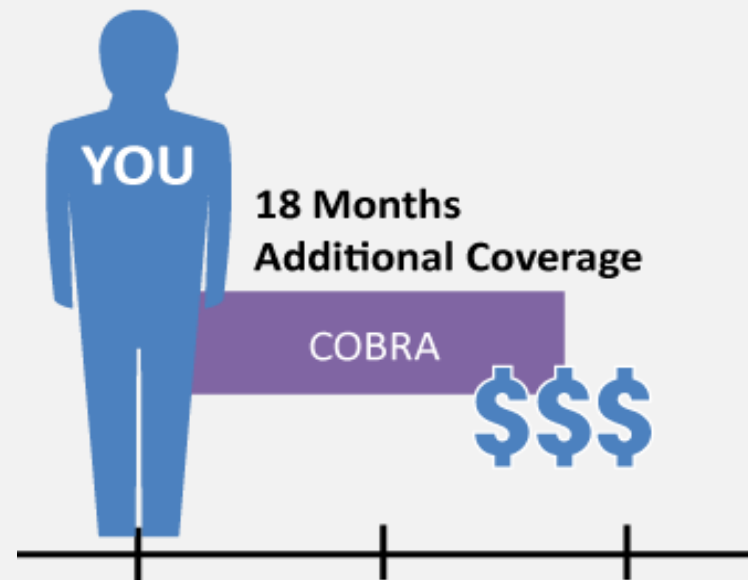
Insurance Marketplace (Obamacare)

- New York <https://nystateofhealth.ny.gov/>
- New Jersey <https://www.healthcare.gov/>



COBRA Coverage from the 32BJ Health Fund

- 18 months of additional coverage for you and your eligible dependents
- Two options to choose – Core or Core Plus
- Expensive Coverage – for 2021, family Core Plus coverage is \$2,077.73 per month
- Self-pay the full premium



“When my 32BJ retiree health coverage ends due to death or Medicare eligibility,

Will my dependents be eligible to continue health coverage?”

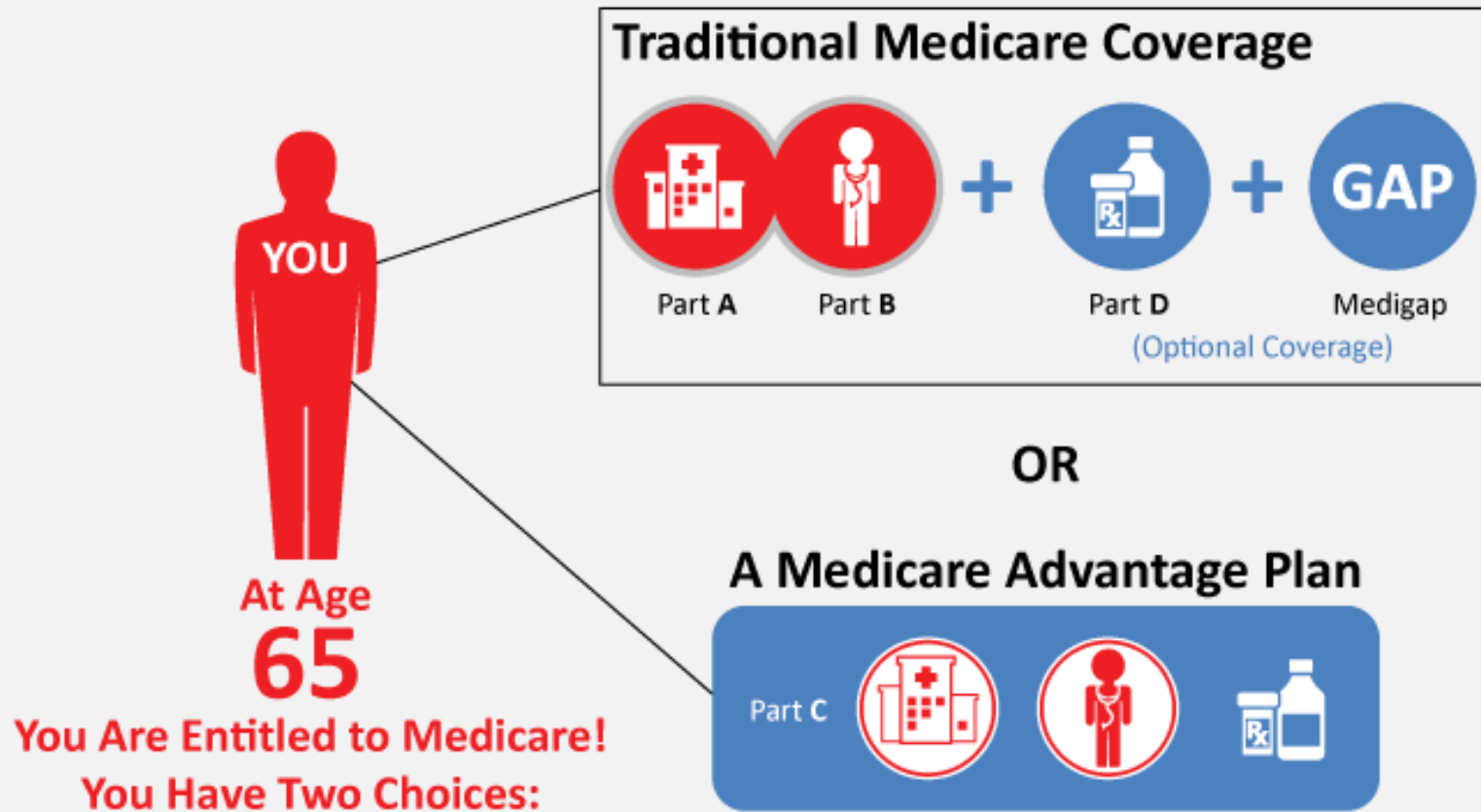
NO! Your spouse and/or dependents are not eligible for continuation of health insurance when your retiree health benefits ends.

Your dependents may be able to elect COBRA on a self pay basis for 18 months from your retirement. However, in the event of your death (which is a second qualifying event), dependents can elect up to 36 months of self-pay COBRA (36 months starts from date of initial qualifying event)

What happens if my spouse becomes Medicare eligible while I am receiving Retiree Health?

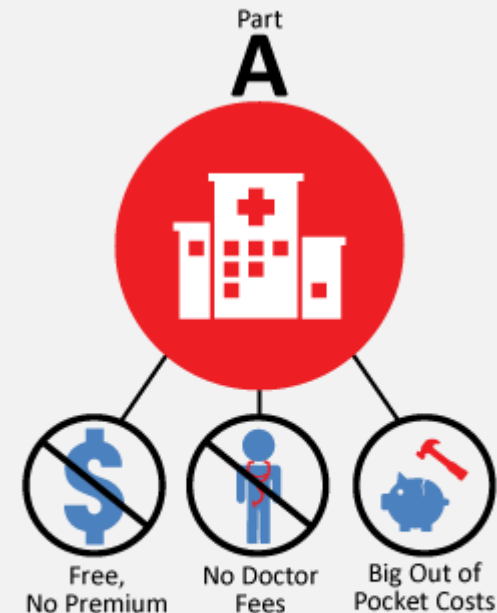
If a spouse becomes eligible for Medicare due to age or disability, Medicare becomes the primary payer and 32BJ becomes the secondary payer.

That means: **your spouse must enroll in Medicare Parts A and B** coverage. The 32BJ Plan will not pay claims unless Medicare pays first.



Part A

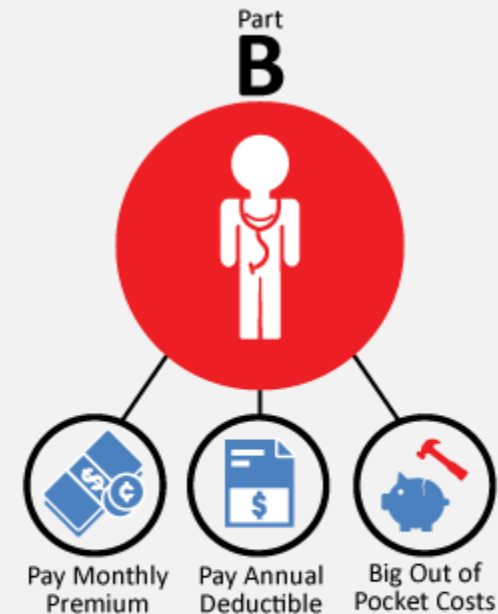
- Covers the cost of care in a facility – like a hospital, skilled nursing facilities or hospice.
- **Part A is free– no premium.***
- However, there are **significant out of pocket costs**
- It does not cover doctor fees – you must enroll in Part B
- Part A has a deductible and coinsurance during your hospital or facility stay



*If you or your spouse has worked for at least 10 years.

Part B

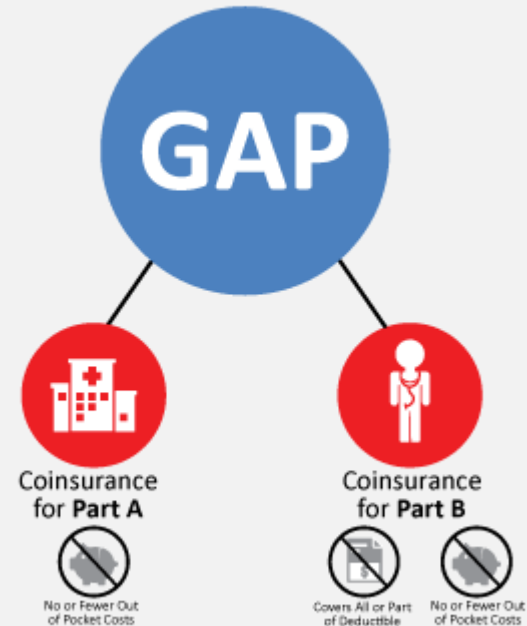
- Covers **doctor services** in and out of the hospital and other services like surgery charges, physical therapy, anesthesia, etc.
- **You must pay a premium:**
 - currently costs an individual \$170.00 per month, if first enrolling in 2022.
 - There may be a penalty if you do not enroll when first eligible.
- Part B has an annual deductible in 2022 of \$233 and also covers 80% of a Medicare participating provider's charges. You are responsible for the remaining 20%.
- **Your out of pocket cost for Part A and Part B can be very high!**



Medigap or Medicare Supplement Plan

- Only available with Original Medicare
- Pays for part of deductibles and coinsurance for Part A and Part B.
- Offered by private insurance companies like Empire BlueCross BlueShield, Aetna, United HealthCare, Mutual of Omaha, etc.
- Multiple levels of coverage available that the individual can purchase.
- Cost of the plan varies based on the extent of the coverage selected by the individual.

Medigap or Medicare Supplement Plan (optional)



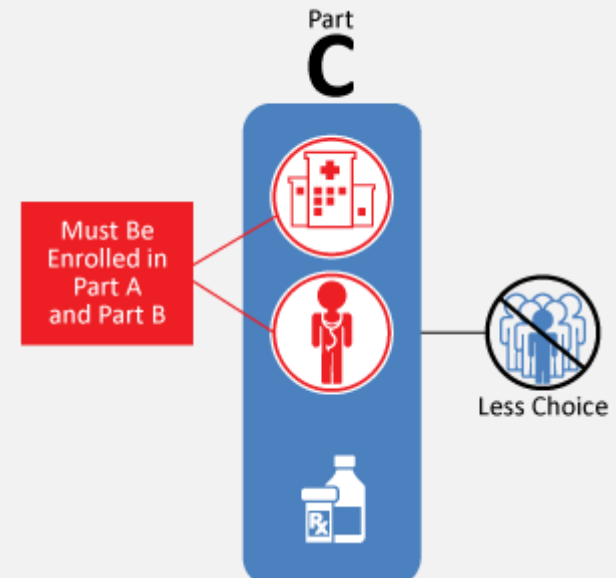
Part D

- Helps cover prescription drug costs.
- Run by Medicare-approved private insurance companies.
- Parts A and B have no drug coverage
- The 5 most popular Part D drug plans in NY can range in premiums from \$33.20- \$94.80 per month depending how rich a plan you select. You will also pay copays for your medications.
- There may be a penalty if you do not enroll when first eligible.



Part C – Medicare Advantage Plans

- **Less Choice of Doctors – PPO or HMO but Less Out of Pocket Cost**
- You must be enrolled in Medicare Parts A and B to enroll in a Part C plan
- Medicare Part C plans include coverage for hospital and physician care. Some plans also include prescription drug coverage
- The premium cost for a Part C plan will depend on the plan you select
- Many Part C plans in the NY area

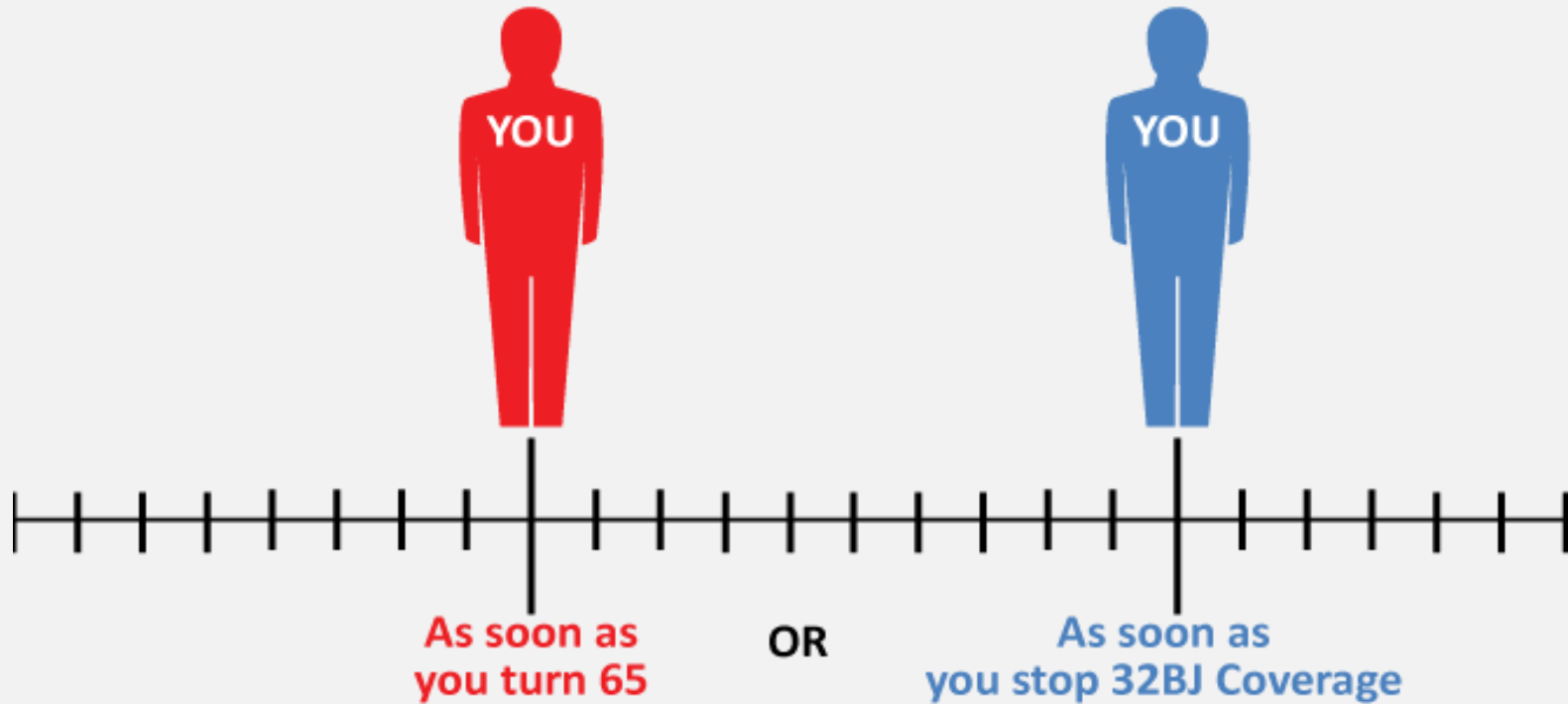


“I am 75 years old and still working. Will I get penalized because I did not register for Medicare when I turned 65?”

No, you will not get penalized as long as you are actively working full-time.

Once you know your retirement date and the date your coverage will end, sign up for Medicare to avoid being penalized or having a lapse in coverage.

Enroll in Part A and Part B:



If you delay enrolling: you face higher Part B and Part D premiums for the rest of your life and you may have to wait for a later enrollment period. This means you may not have coverage for another year.

Visit the following websites for information regarding your Medicare Entitlement:

<https://www.medicare.gov/forms-help-and-resources/index.html>

<http://www.medicarerights.org>

<https://www.shiptacenter.org/>

Or call 1-800-MEDICARE (1-800-633-4227)



Supplemental Retirement Savings Plan

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Basic features of the Supplemental Retirement Savings Plan (SRSP):

- ✓ The SRSP is a defined contribution retirement savings plan with a 401(k) feature that allows you to save for retirement on a tax-deferred basis.
- ✓ Your employer makes contributions to the SRSP depending on your collective bargaining agreement.
- ✓ When taking withdrawals from a tax-deferred plan before age 59½, you may have to pay ordinary income tax plus a 10% federal penalty tax. The 10% penalty may not apply in some situations, including taking withdrawals after separation from service on or after age 55.
- ✓ You should consult your tax advisor to ensure that you understand your potential tax liability.

You may withdraw your funds when:

- ✓ You are age 55 or older and retire (no longer work in covered employment)
- ✓ You become disabled (restrictions apply)
- ✓ You terminate employment before you are eligible to retire (there is a 180 day wait period to receive your funds)

You may elect to receive your funds the following ways:

- ✓ Lump sum – a one-time payment of your entire account balance
- ✓ Installments – equal monthly payments for 1 to 10 years
- ✓ Combined lump sum and installments
- ✓ Roll over to a financial institution

If the value of your account is \$5,000 or less when you elect to take your distribution, the only distribution option available to you is a lump sum payment.

- ✓ Covered legal services and advice are available for eligible retirees receiving a pension
- ✓ There is NO COST for covered legal services provided by lawyers and other staff
- ✓ The Legal Fund can also assist retirees with payment of case costs in covered matters

Examples of Legal Matters Covered For Retirees

- ✓ Immigration
- ✓ Wills (simple, every three years)
- ✓ Real Estate (primary home)
- ✓ Debt matters (settlement assistance)
- ✓ Bankruptcy (Chapter 7)
- ✓ Matrimonial (uncontested)
- ✓ Family court (once every five years)
- ✓ Administrative matters and related advice

Send your “proof documents” the Fund office...

It's never too early to submit your birth certificate, your spouse's birth certificate and marriage certificate (if applicable) to the Fund office. Your annual pension estimates, as well as your pension benefits at retirement, are based on the information in these documents. Other proof documents may be acceptable in lieu of these documents. Please contact the Fund office if you need assistance.

When you move...

Remember to notify the Fund office when you move to assure that you receive all your important retirement plan information on time, each year.

When you experience a major life event...

Remember to notify the Fund office if you get married, divorced, or if your spouse passes away. This may affect the amount of your pension benefit when you retire.

****** Please also note, as pensioners, you will receive an annual solicitation called **Alive and Well**. The Pension Fund will mail out documents to be completed by you in front of a notary on a yearly basis. If you do not complete the document or the document is returned because it's undeliverable your pension payments will be suspended.

For More Information...

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Please visit our **Welcome Center**:

- ✓ Monday-Friday: 8:30 a.m.- 6:00 p.m.

Call Member Services:

- ✓ 800-551-3225 Monday-Friday, 8:30 a.m. - 5:00 p.m.

Visit www.32bjfunds.org.

Register for the 32BJ Member Portal! All your benefit information in one place!

www.32bjmemberportal.org

Contact John Hancock for SRSP assistance:

- ✓ 833-388-6466
- ✓ www.myjhportal.com/32BJ.

