

Retirement Planning Workshop

32BJ Pension Fund - Program C

1



- How to apply for pension benefits when you are ready to retire
- Where your retirement money will come from
- How the Program C 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

How to apply for pension benefits

4



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.

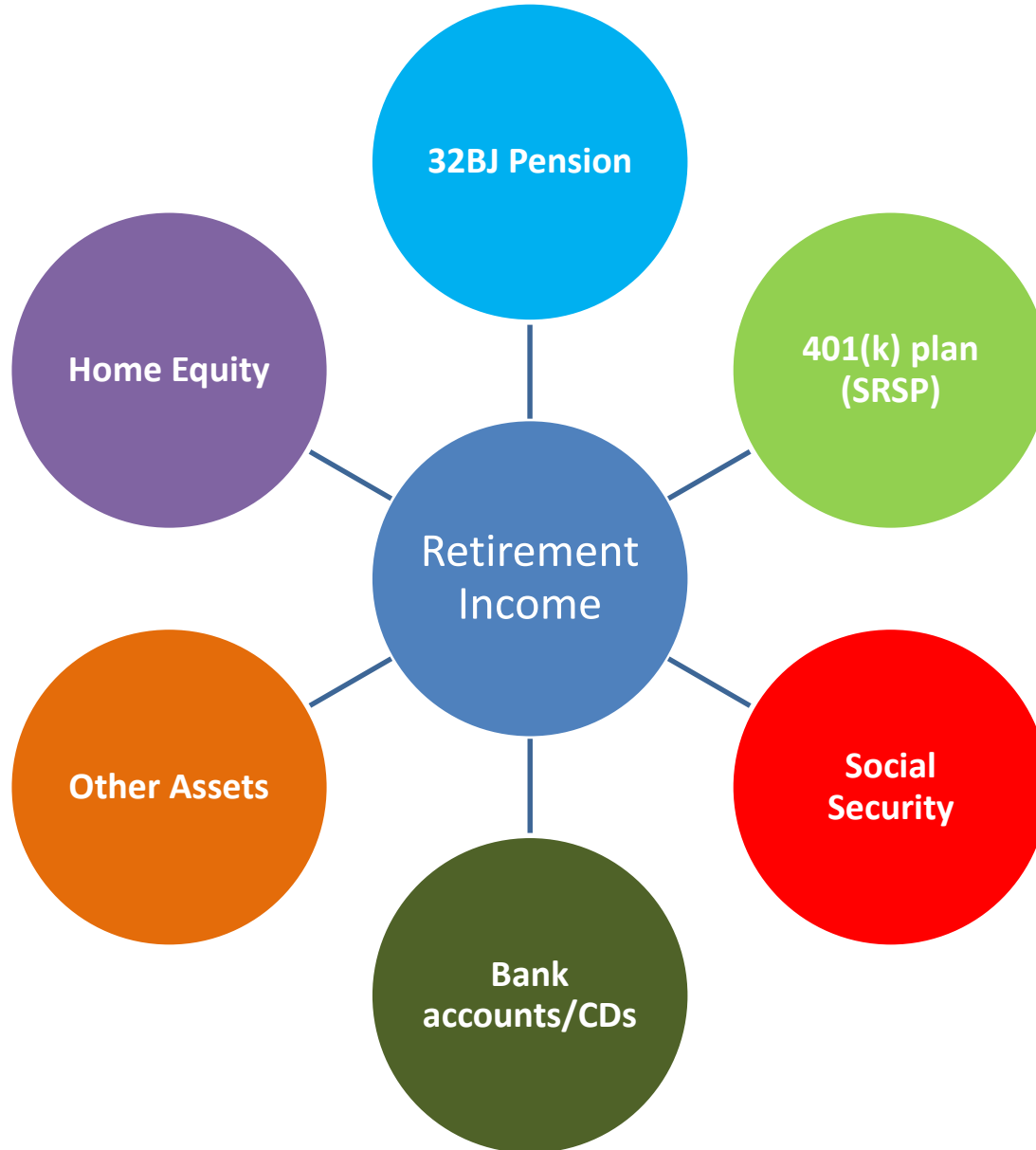
When you are ready to retire, your Retirement Counselor will help you through the process, he or she will:

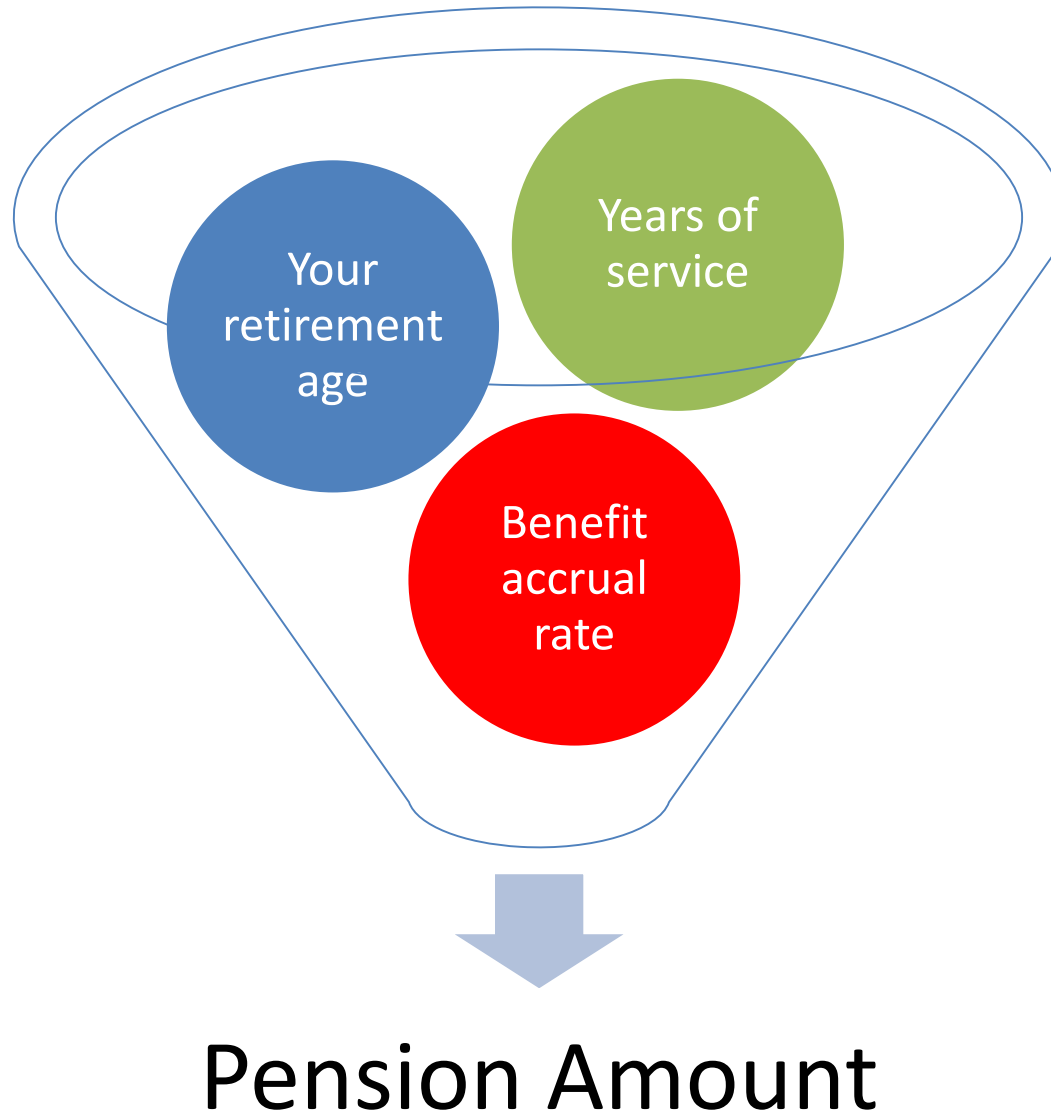
- Send you an estimate of your 32BJ Pension benefits and a retirement application package in the mail.
- Call you to set up an appointment to review your pension estimate and help you complete the application.
- Work with you until the application process is complete.

Your Retirement Counselor will provide information about:

- 32BJ Pension
- \$1,000 Pensioner Death Benefit, if you are eligible
- Your Supplemental Retirement Savings Plan (401k) account (if applicable)
- Legal Fund benefits
- Social Security
- Medicare

Where your retirement money will come from 8





Overview of the 32BJ Program C Pension Plan 10

More about your retirement benefit:

- You will receive a monthly benefit for as long as you live
 - If the actuarial equivalent lump-sum value of the benefit payable is \$5,000 or less, the benefit will be paid in the form of a single lump sum rather than small monthly pension checks (e.g., under \$30 per month).
- 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 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

12

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

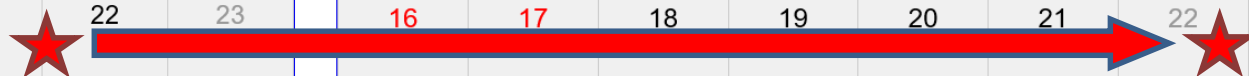
February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

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

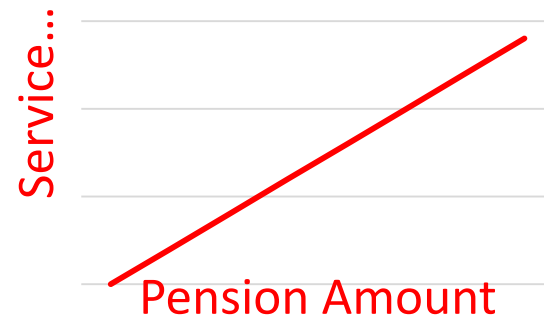
July						
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			2	3	4	5

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.
- You will earn only one pension for all Credited Service under the Fund, regardless of how many employers contribute to the Fund on your behalf.

Service Credits

For Hours of Service on or after January 1, 2011 (or July 1, 2011 if you were credited with at least one Hour of Service before January 1, 2011), you earn Service Credit as follows:

Hours of Service in Covered Employment Per Plan Year (July 1 – June 30)	Service Credit
1,430 or more	12 months
1,072-1,429	9 months
715-1,071	6 months
Fewer than 715	0 months

Refer to the SPD for the Service Credit rules for hours worked prior to 2011.

Past Service Credit

Past Service Credit is credit for work performed prior to 2011 in a building before that building is covered by a collective bargaining agreement requiring contributions to the Plan. Past Service Credit applies to vesting only and to determine eligibility for an Early, Vested or Disability pension. Past Service Credit is not included in the Service Credits used to calculate your pension benefit.

To qualify for Past Service Credit you must:

- have worked in the same building for at least 15 of the 36 months immediately before the effective date of your employer's first collective bargaining agreement with the Union and
- be credited with at least 6 months of Service Credit in the building after your employer began making contributions to the Fund for benefits under the Plan before incurring a one-year Break-in-Service (unless that one-year Break-in-Service is repaired before incurring a permanent Break-in-Service).

Regular Pension

Age 65 with 300 months (25 years) of Service Credit

- Past Service Credit is not used to calculate the benefit amount.
 - The monthly benefit amount is based on your employer's contribution rate.

Employer's Hourly Contribution Rate	Maximum Monthly Pension
\$0.28/hour	\$210
\$0.32/hour	\$250
\$0.38/hour	\$310
\$0.58/hour	\$500
\$0.83/hour	\$750
\$1.08/hour	\$1,000

Regular Pension Example

In this example, the member earned 250 months of Service Credit while working for an employer who contributed \$1.08 per hour at a maximum benefit level of \$1,000. The member then earned another 50 months of Service Credit while working for an employer who contributed \$0.83 per hour at a maximum benefit level of \$750. Their monthly Regular Pension will be \$959.00 per month (rounded up to the next highest dollar):

(A) Hourly Contribution Rate	(B) Months of Service Credit	(C) Maximum Benefit Level	(D) Pension Amount (=C x B ÷ 300)
\$1.08/hour	250	\$1,000	\$833.33
\$0.83/hour	50	\$750	\$125.00
Total	300		\$958.33

Vested Pension

Age 65 with 5 years of Vesting Service

- Past Service Credit is not used to calculate the benefit amount.
- The monthly benefit amount is based on your employer's contribution rate.

(A) Employer's Hourly Contribution Rate	(B) Monthly Pension Rate For < 240 Months of Service Credit	(C) Monthly Pension Rate For 240 to 299 Months of Service Credit
\$0.28	\$0.525	\$0.583
\$0.32	\$0.625	\$0.694
\$0.38	\$0.775	\$0.861
\$0.58	\$1.250	\$1.388
\$0.83	\$1.875	\$2.083
\$1.08	\$2.500	\$2.777

Vested Pension Example

In this example, the member earned 165 months of Service Credit while working for an employer who was contributing \$0.38 per hour. The member's monthly Vested Pension accrual rate is \$0.775. His Vested Pension at Normal Retirement Age is \$128.00 (rounded up to the next highest dollar).

Number of Months of Service Credit	x	Monthly Accrual Rate	=	Monthly Vested Pension
165		\$0.775		\$127.875

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

Age 50 with 180 months (15 years) of Service Credit

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

How Your Pension Will be Paid under Program C **24**

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.

Lump Sum Payout:

- ✓ If the total actuarial value of the monthly benefit payable is \$5,000 or less, the Plan pays a benefit in a single lump-sum.
- ✓ No further benefits will be payable.

Example of 50% Joint & Survivor Pension

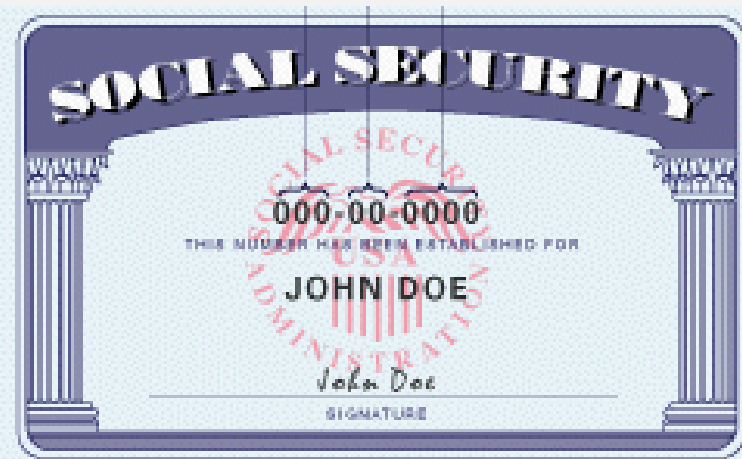
If you are married and retire at age 65 on a Regular Pension of \$1,000, and your spouse is also 65 years old:

- Under the 50% J&S Pension, you would receive \$890 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 \$445 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

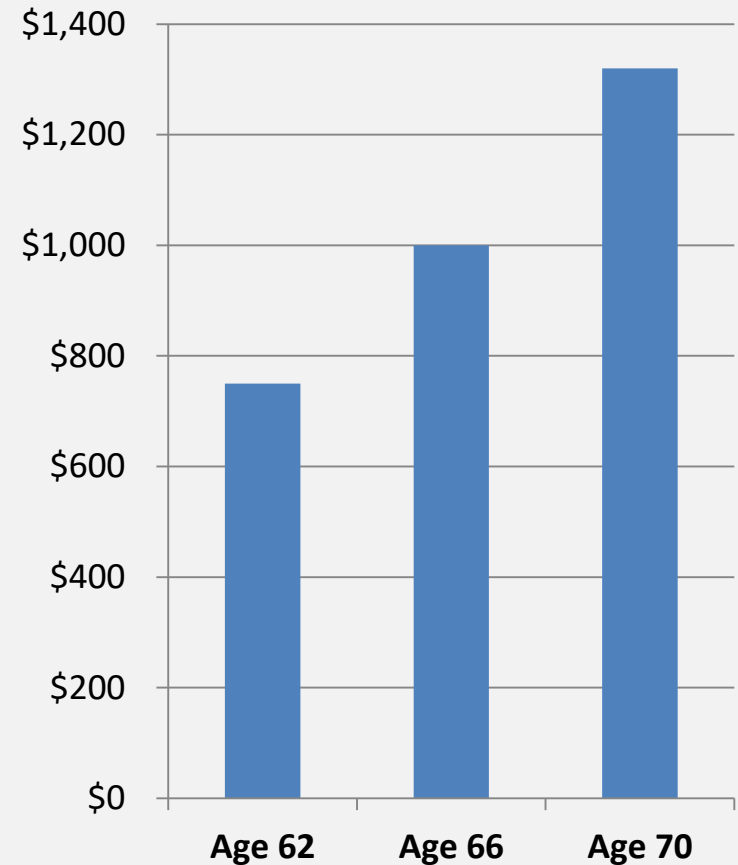
- Single and retire at age 65 on a Regular Pension of \$1,000.
- If you die after receiving 16 monthly payments, the remaining 20 payments will be made to your beneficiary.
- If you live long enough to receive the 36 guaranteed monthly payments, you will continue to receive monthly payments for your 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.



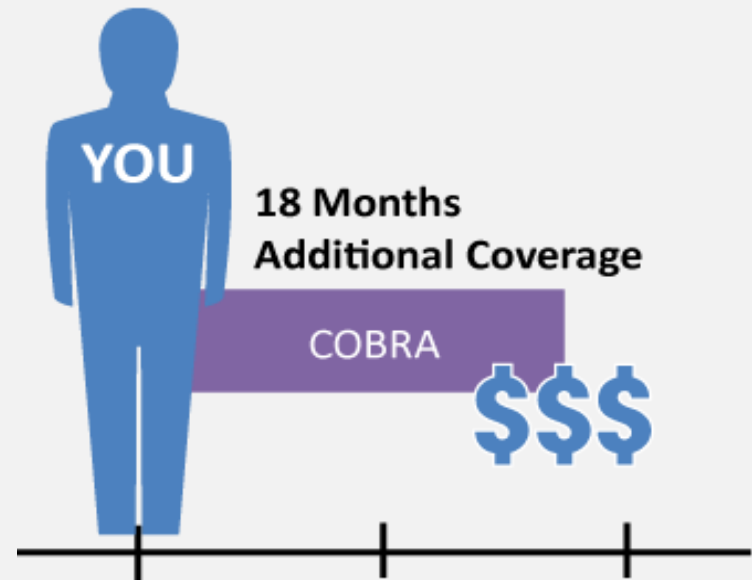
- If you were born between 1943 and 1954, full retirement is age 66.
- If you were born after 1954, the age at which you receive unreduced Social Security benefits increases gradually each month until 1960 when it reaches age 67.
- You can collect Social Security as early as 62.
- If you delay retirement, 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.



COBRA Coverage from the 32BJ Health Fund

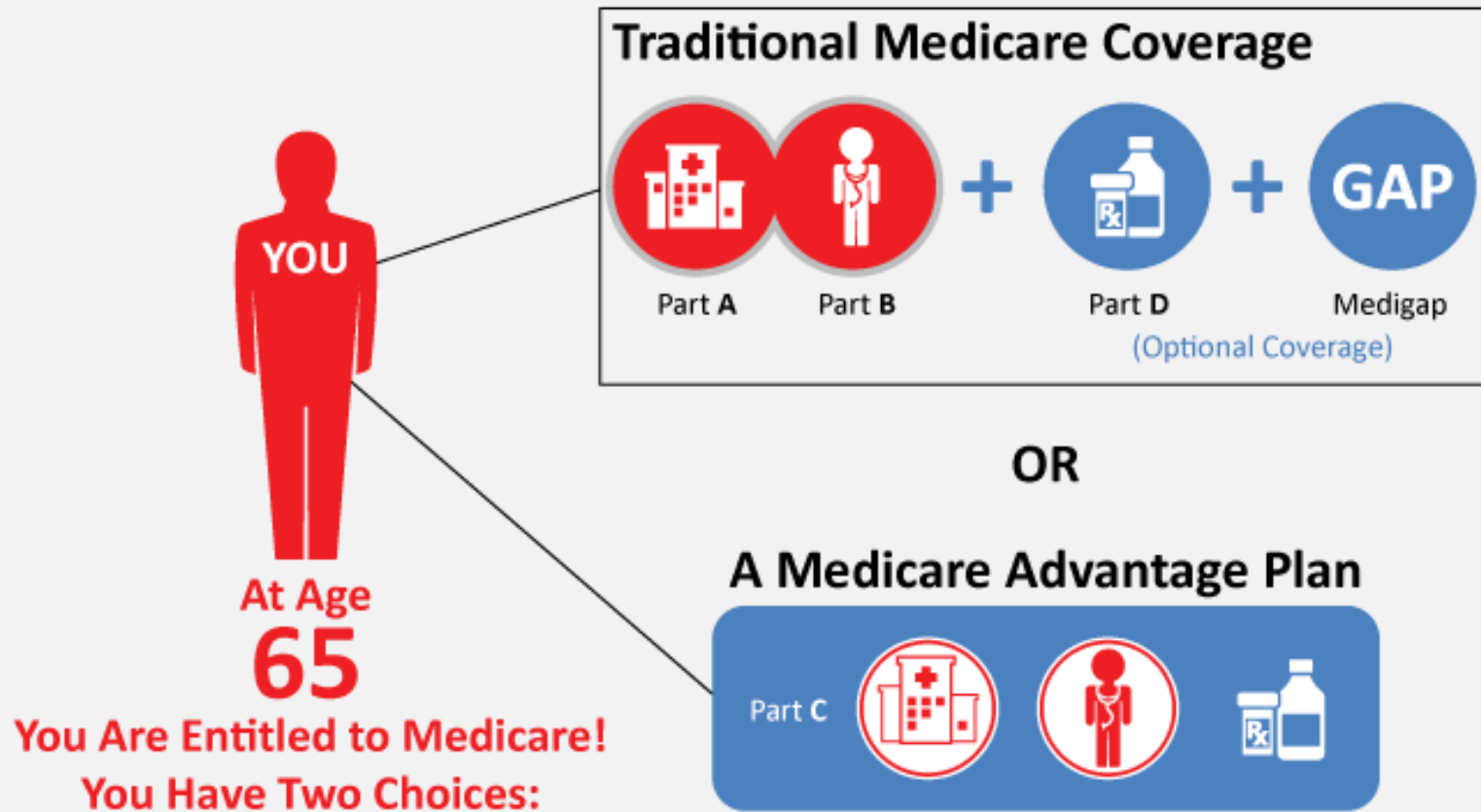
- 18 months of additional coverage for you and your eligible dependents
- Two options to choose – Core or Core Plus
- Expensive Coverage – for 2021, family Core Plus coverage is \$2,077.73 per month
- Self-pay the full premium



Insurance Marketplace (Obamacare)

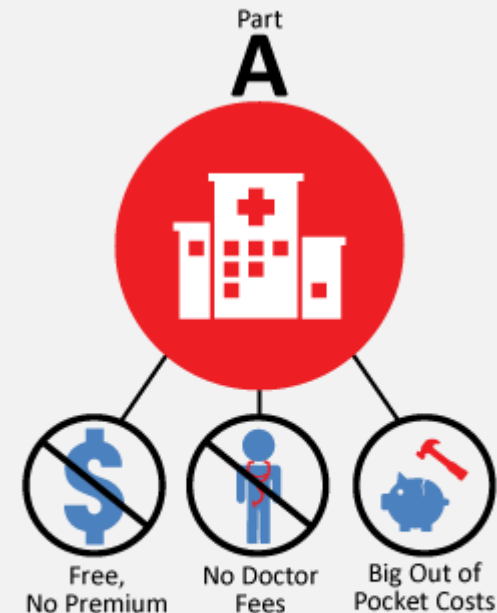
- New York <https://nystateofhealth.ny.gov/>
- New Jersey <https://www.healthcare.gov/>





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

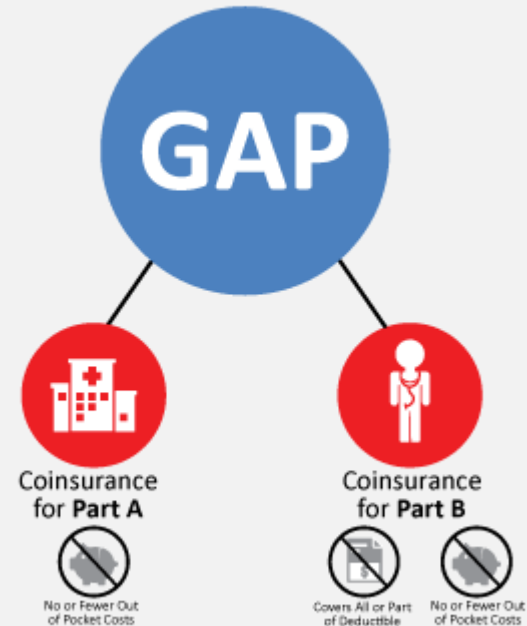
- Covers **doctor services** in and out of the hospital and other services like surgery charges, physical therapy, anesthesia, etc.
- **You must pay a premium:**
 - currently costs an individual \$170.00 per month, if first enrolling in 2022.
 - There may be a penalty if you do not enroll when first 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)



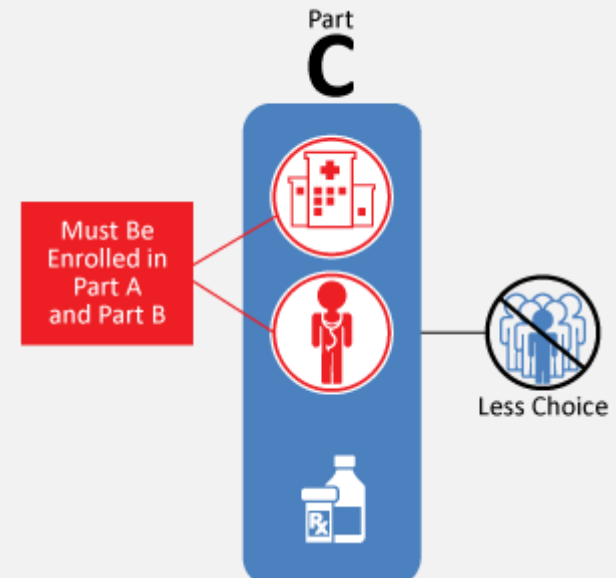
Part D

- 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

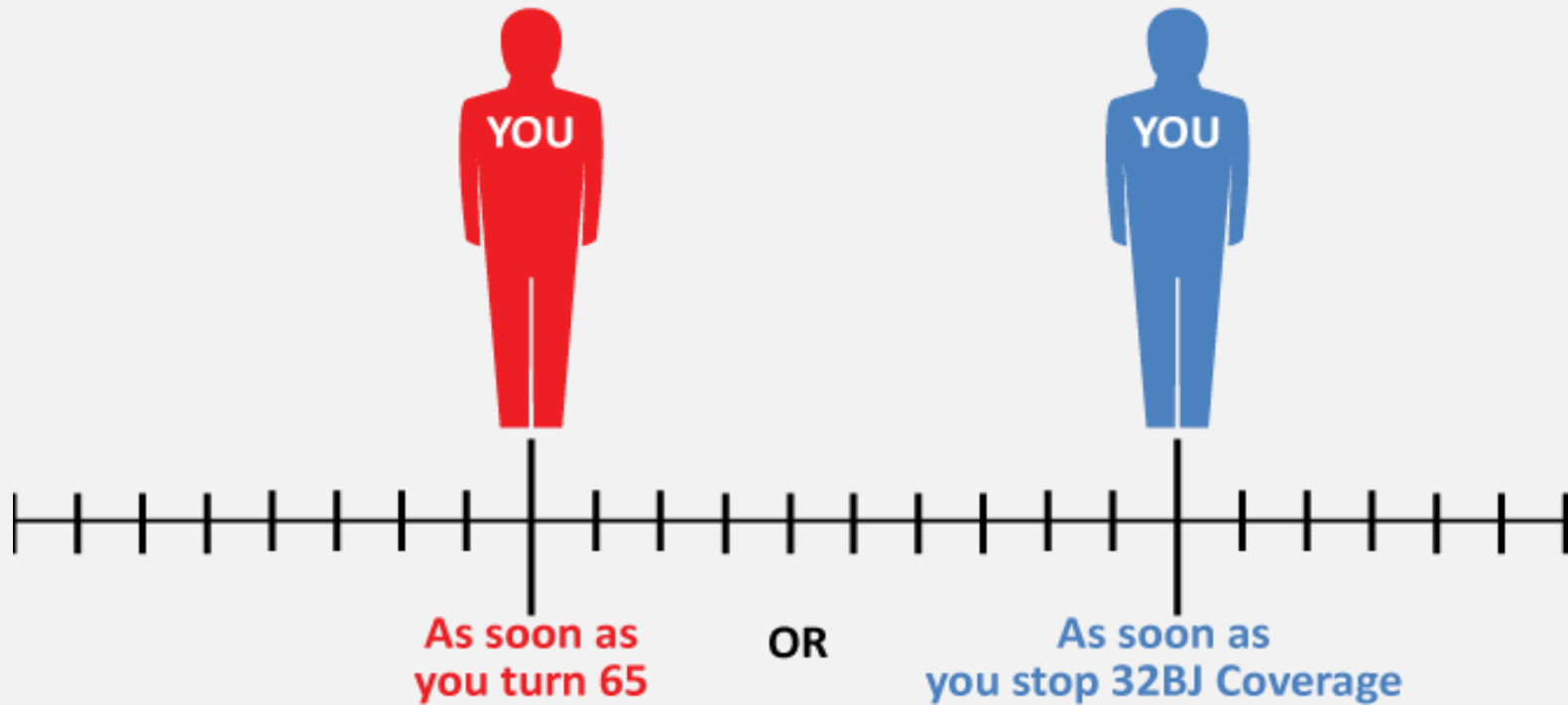


“I am 75 years old and still working. Will I get penalized because I did not register for Medicare when I turned 65?”

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)



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.

As pensioners, you may receive an annual mailing called the **Alive and Well Audit**. 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...

51

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.

Contact John Hancock for SRSP assistance:

- ✓ 833-388-6466
- ✓ www.myplan.johnhancock.com

