

Retirement Planning Workshop

32BJ/Broadway League Pension Fund



What you will learn today

- How to apply for pension benefits when you are ready to retire
- Where your retirement money will come from
- How the 32BJ/Broadway League Pension Plan works
- What you need to know about Social Security and Medicare
- Where to find answers about retirement planning

How to Apply for Pension Benefits



How to Apply for Pension Benefits

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.

How to Apply for Pension Benefits

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/Broadway League 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.

How to Apply for Pension Benefits

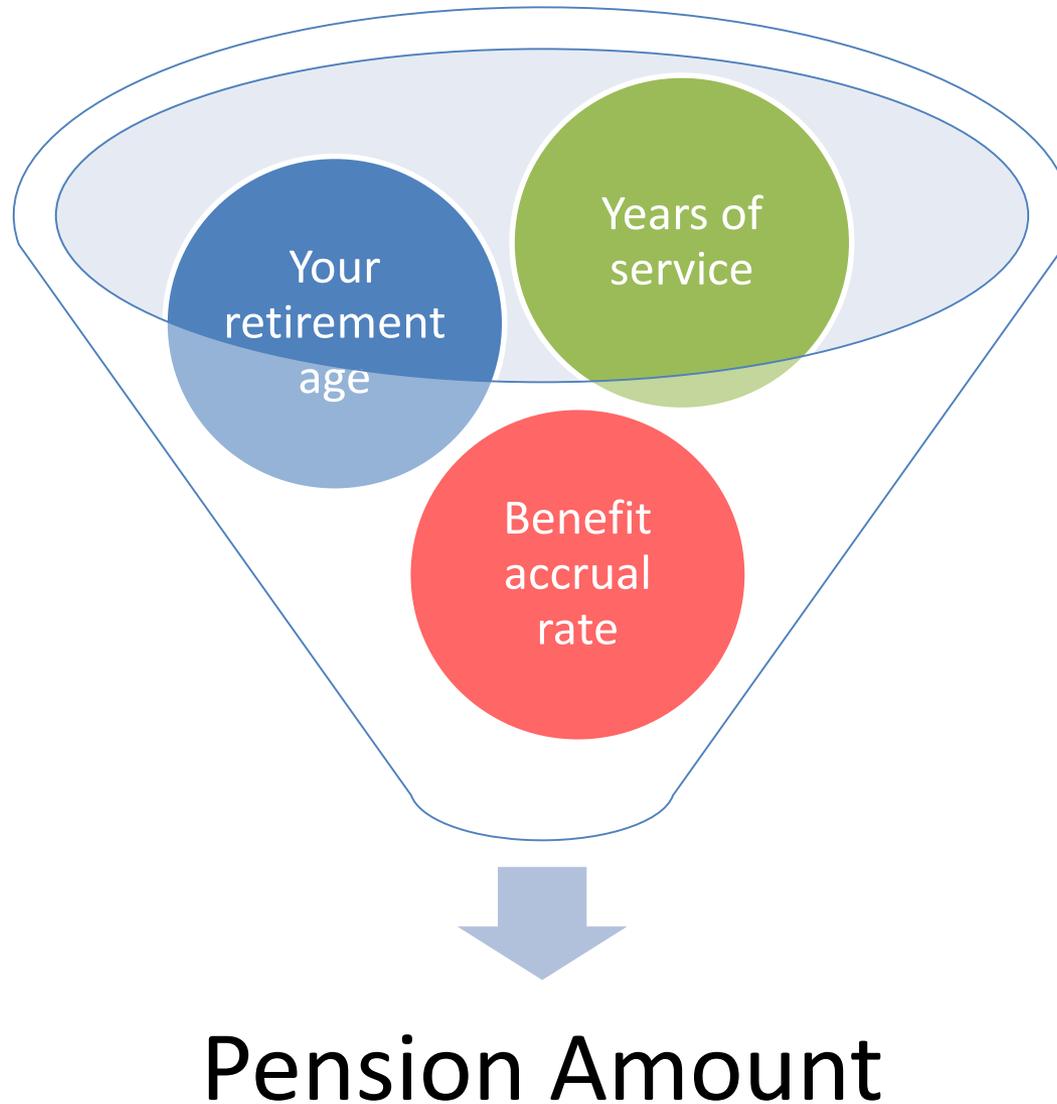
Your Retirement Counselor will provide information about:

- 32BJ/Broadway League Pension
- Social Security
- Medicare

Where Your Retirement Money Will Come From



Overview of the 32BJ/Broadway League Pension Plan



Overview of the 32BJ/Broadway League Pension Plan

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.
- If you are married and die prior to retiring, your spouse will receive a benefit for his or her lifetime.
- You do not contribute to the Pension Plan. Your employer makes all the necessary contributions on your behalf.

Basic Rules of the 32BJ/Broadway League Pension Plan

When do I Become a Participant of the Plan?

- After you have completed 14 weeks of work in Covered Employment within 12 consecutive months.
- Your participation date is January 1 or July 1 following the 12 consecutive month period in which you complete 14 weeks of work in Covered Employment.



Basic Rules of the 32BJ/Broadway League Pension Plan

What is Vesting?

- You earn a year of Vesting Service if you work 14 weeks or more in covered employment during the plan year (1/1 to 12/31).
- You are 100 % vested once you complete 5 years of Vesting Service.
- Vesting means that you cannot lose your pension benefits once you've reached the minimum number of years of Vesting Service.

Basic Rules of the 32BJ/Broadway League Pension Plan

What are Pension Credits?

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



- Pension Credits are based on the number of weeks worked in a plan year.
- You earn Pension Credits while you are working for an employer that is required to contribute to the Plan for you.
- In certain circumstances, you may receive Pension Credits prior to the date that your employer was required to contribute on your behalf. This is referred to as Pension Credits before the Contribution Date.

Basic Rules of the 32BJ/Broadway League Pension Plan

The following table shows how much Pension Credit you will earn for each week of work with a Contributing Employer.

Weeks Actually Worked or Paid for in Covered Employment in a Calendar Year	Pension Credit Earned for that Calendar Year
0-6 weeks	0
7-13 weeks	1/4
14-20 weeks	1/2
21-27 weeks	3/4
28 weeks or more	1

You may earn a maximum of only 1 Pension Credit in any calendar year



Types of Pensions

Regular Pension

Age 65

20 Pension Credits

Must work in Covered Employment for at least 14 weeks in a calendar year which began after attainment of age 60

If you earn an hour of service on or after 12/1/2013, your Regular Pension is the number of your Pension Credits x \$40.00 to a max of \$1,200



Types of Pensions

Early Retirement

Between the ages of 62 and 65

Twenty (20) Pension Credits

Must work in Covered Employment for at least 14 weeks in a calendar year which began after attainment of age 58

Pension amount is equal to your Normal Retirement Pension but is reduced by $\frac{1}{2}$ of 1% for each month payments are made before age 65



Types of Pensions

Deferred Pension

Age 65 or age on the 5th anniversary of Plan participation, whichever is earlier

¼ Pension Credit

5 Years of Vesting Service

If you earn an hour of service on or after 12/1/2013, your Deferred Pension is the number of your Pension Credits x \$36.00 to a max of \$1,080



Types of Pensions

Disability Retirement

No Minimum Age

15 Pension Credits

Totally and Permanently Disabled for a minimum of 6 months and earned at least $\frac{1}{4}$ Pension Credit in the 12 consecutive months before disability began

Calculated in the same method as a Regular Pension



How to Calculate Your Pension Benefit

You will receive the following amounts for each full year of Pension Credit you earned before and after January 1, 2014.

If you are eligible for a **Deferred Pension**, use the amount in columns **(A)**.

If you are eligible for a **Regular Pension**, use the amount in column **(B)**.

	(A) If you have less than 20 years of Pension Credits	(B) If you have 20 or more years of Pension Credits
Last worked on or after 12/1/2013	\$36.00	\$40.00

How to Calculate Your Pension Benefit

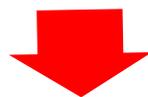
Deferred Pension

If you have **19** years of Pension Credit and retire on 8/1/2021:

19 years



\$36.00



Monthly pension

$$19 \times \$36.00 = \$684.00$$

How to Calculate Your Pension Benefit

Regular Pension:

If you have **20** years of Pension Credit and retire on 8/1/2021:

20 years



\$40.00



Monthly pension

$$20 \times \$40.00 = \$800.00$$

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

How Your Pension Will be Paid

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.
- ✓ Lump Sum Payment – Mandatory if the value of your benefit at your pension start date is \$5,000 or less.

How Your Pension Will be Paid

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.

Lump Sum Payment

- ✓ Mandatory if the value of your benefit at your pension start date is \$5,000 or less.

How Your Pension Will be Paid

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.

Examples of How Your Pension is Paid

Example of Single Life Pension with 36 Months Guaranteed

- Single and retire at age 65 on a Regular Pension of \$1,200.
- If you die after receiving 16 monthly payments, the remaining 20 payments will be paid 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, but no benefits will be payable to your beneficiary after you die.

Examples of How Your Pension is Paid

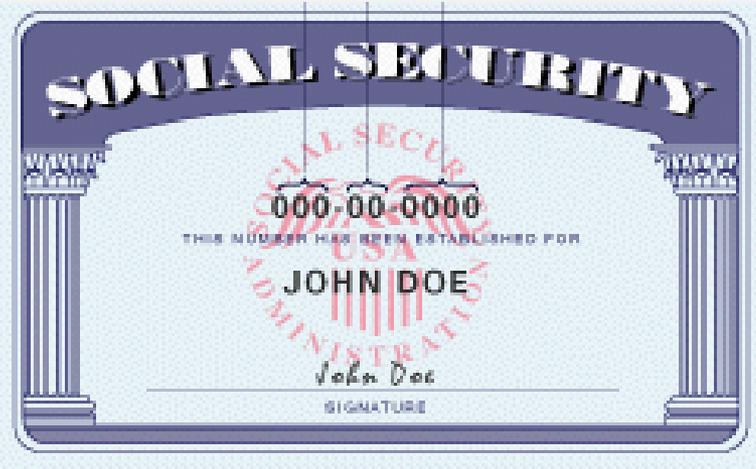
Example of 50% Joint & Survivor Pension

If you are married and retire at age 65 on a Regular Pension of \$1,200, and your spouse is also 65 years old:

- Under the 50% J&S Pension, you would receive \$1,068 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 \$534 per month for as long as they live.
- After your spouse dies, all pension payments stop.

Social Security Benefits

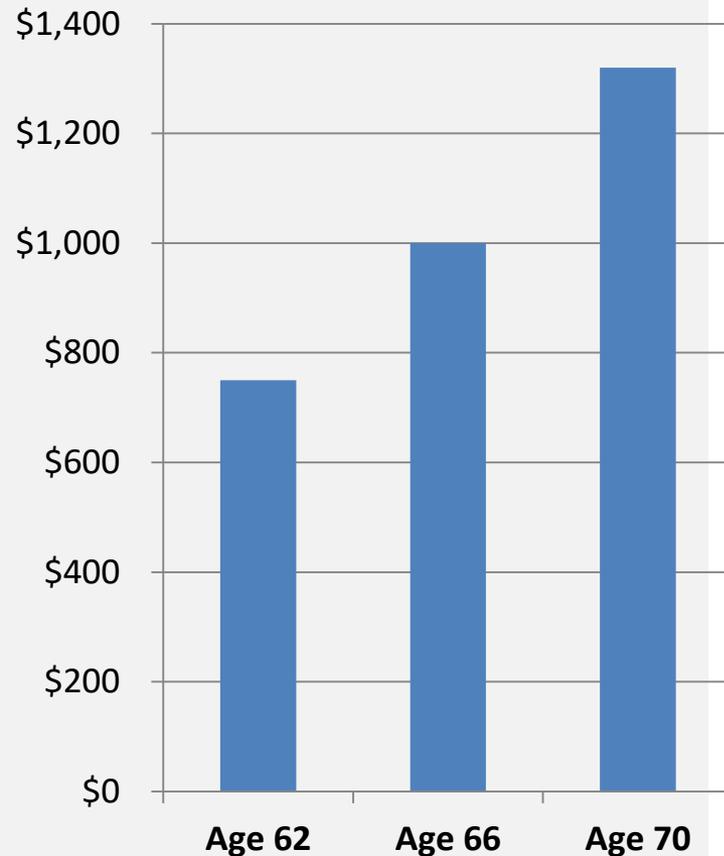
- Social Security will provide you a monthly payment for life.
- Social Security will not fully replace your income from work.
- Your 32BJ Pension, your SRSP account and your personal savings will supplement Social Security.
- Unlike pension, your Social Security is adjusted for inflation.
- The average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



Social Security Benefits

- 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.



Health Benefits After Retirement

If you retire
BEFORE age 65



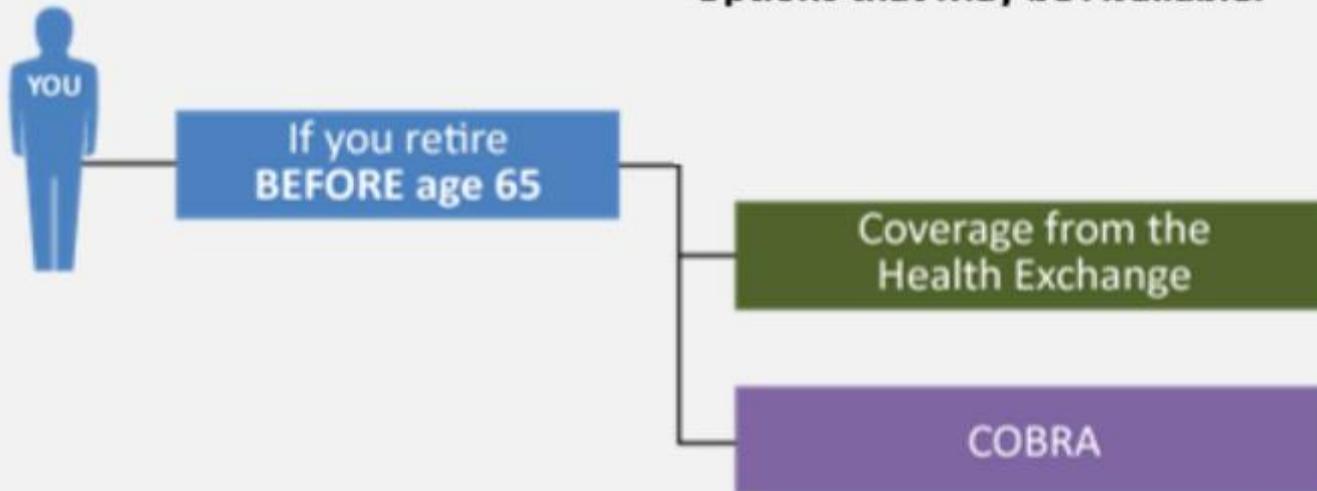
If you retire
AT age 65 or **OLDER**



65

Health Benefits if you Retire before 65

Options that May be Available:



Health under 65:

Insurance Marketplace (Obamacare)

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



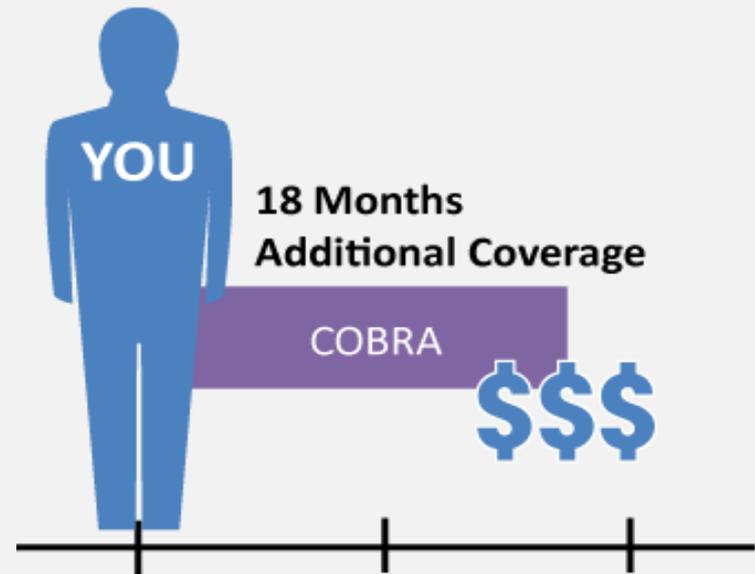
- New Jersey and all other states:
<https://www.healthcare.gov/>



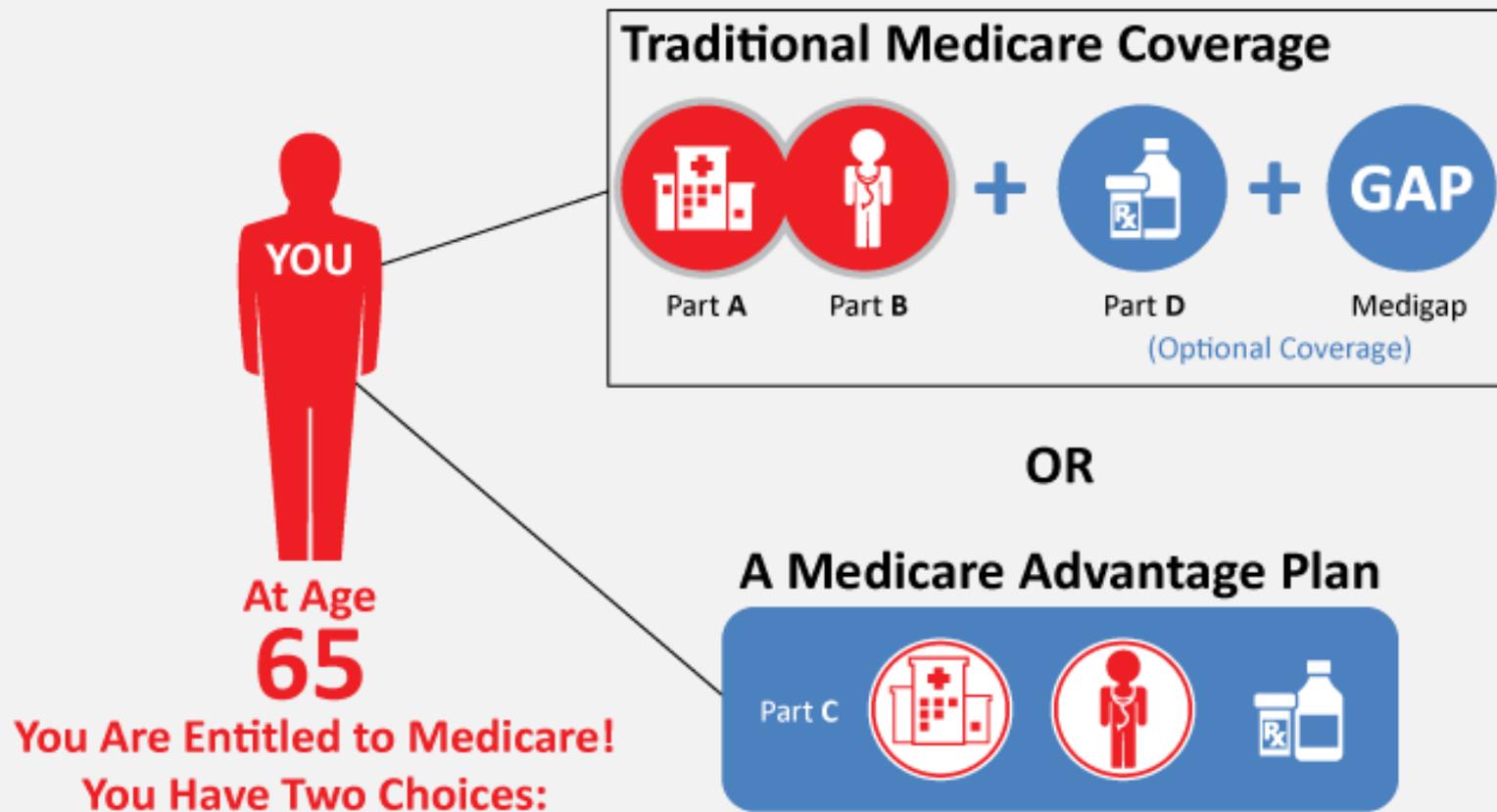
Health under 65:

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



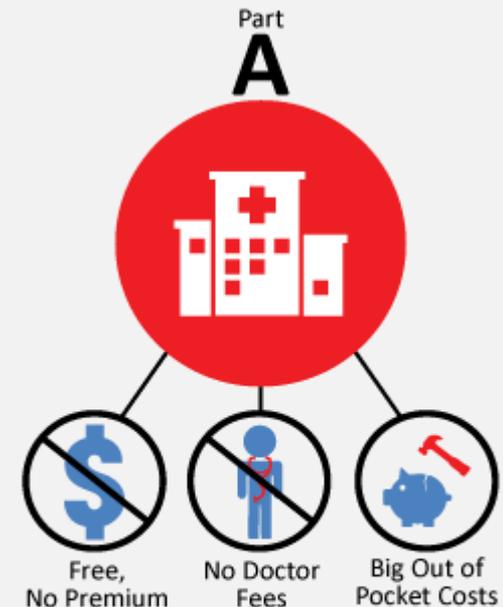
Retiree Health at 65 or older



Original Medicare

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

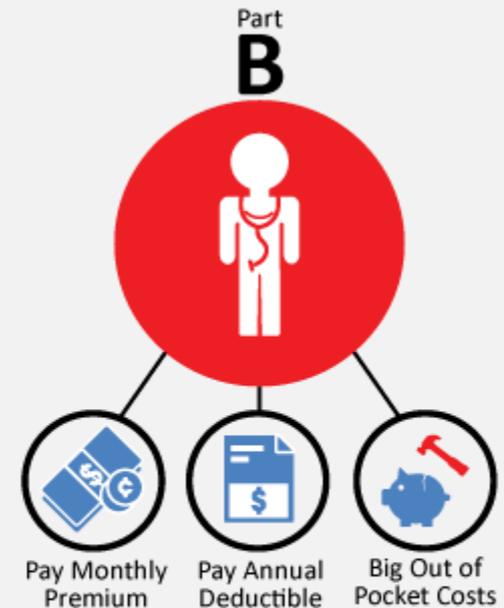


*If you or your spouse has worked for at least 10 years.

Original Medicare

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 2022 annual deductible 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!**

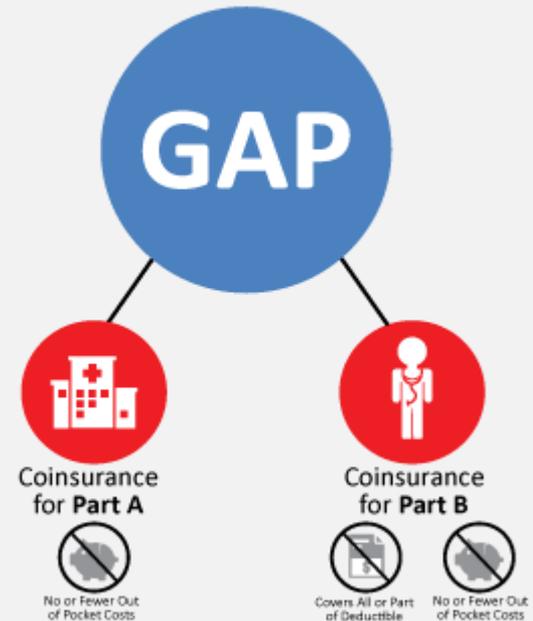


Original Medicare

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)



Original Medicare

Part D

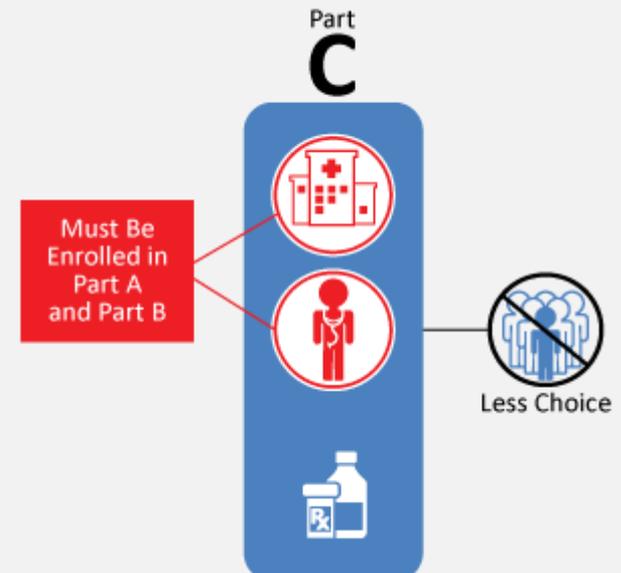
- Helps cover prescription drug costs.
- Run by Medicare-approved private insurance companies.
- Parts A and B have no drug coverage
- The 5 most popular Part D drug plans in NY can range in premiums from \$33.20- \$94.80 per month depending how rich a plan you select. You will also pay copays for your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



Medicare: Another Option

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



Medicare: FAQ

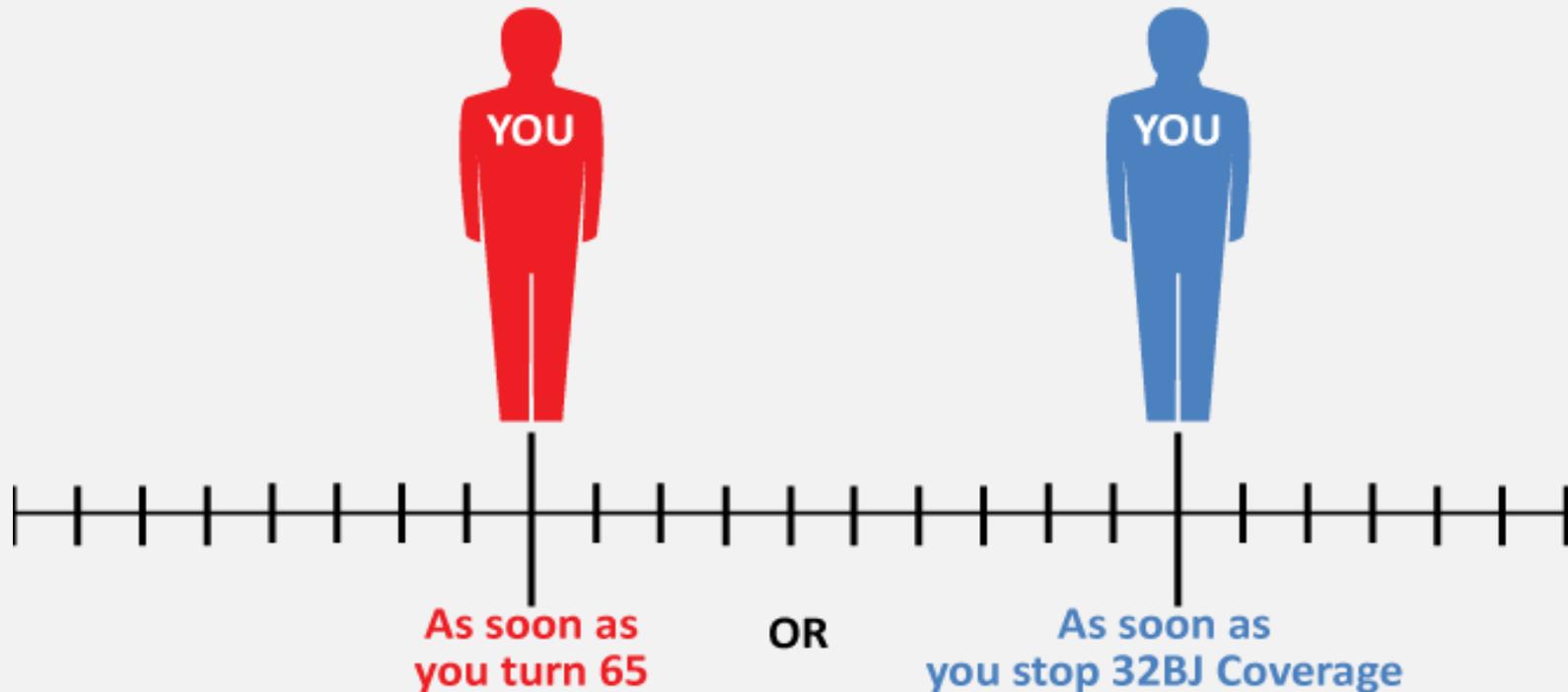
“I am 75 years old and still working. Will I get penalized because I did not register for Medicare when I turned 65?”

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.

Medicare: Don't Delay

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.

More Information about Medicare

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)



Retirement Planning Reminders

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.

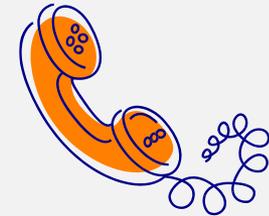
Alive and Well

As pensioners, you will be asked to participate in the annual **Alive and Well** solicitation. The Pension Fund will send you documents to be completed by you in front of a notary public on a yearly basis. If you do not complete and return the documents or the documents are returned as undeliverable, your pension payments will be suspended until the completed documents are returned to the Pension Fund.

For More Information...

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.

