

# Retirement Planning Workshop

32BJ CT Pension Fund – Cleaning Contractors



# 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 CT Pension Fund for Cleaning Contractors 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 the monthly amount of your 32BJ pension 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

---

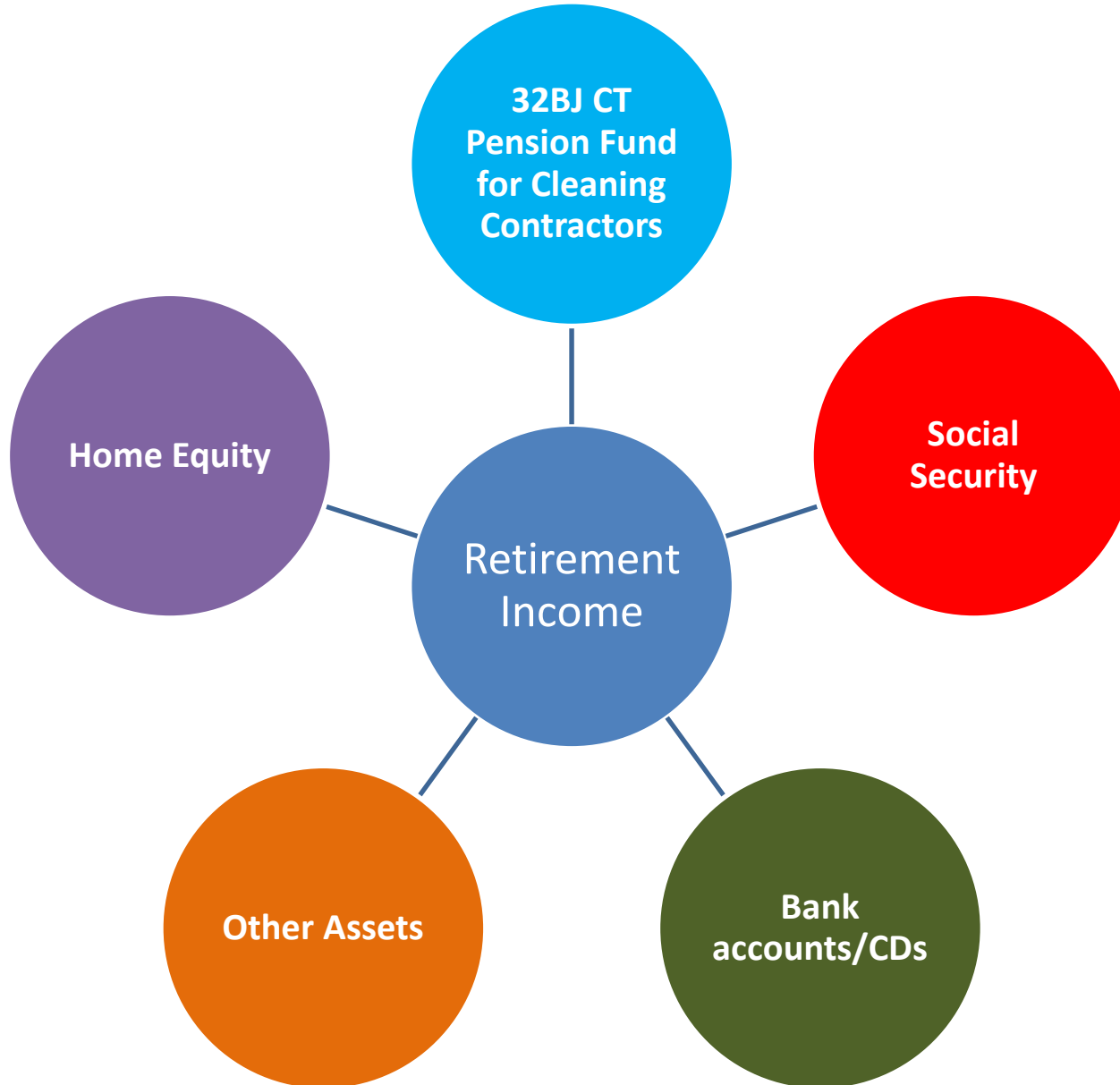
## Your Retirement Counselor will provide information about:

- 32BJ CT Pension Fund for Cleaning Contractors
- \$1,000 Pensioner Death Benefit
- Social Security
- Medicare



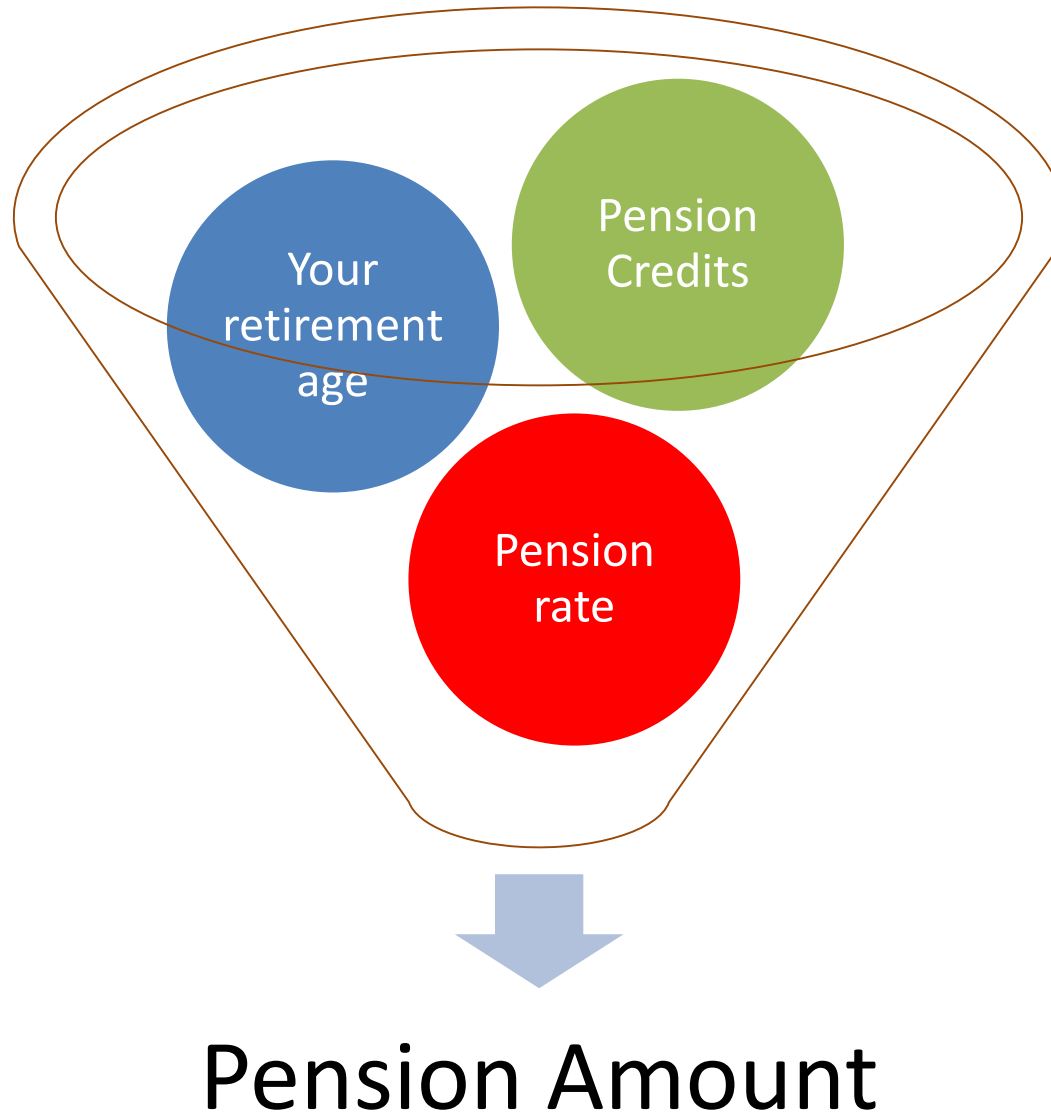
# Where your retirement money will come from

---



# Overview of the 32BJ CT Pension Fund – Cleaning Contractors

---





# Overview of the 32BJ CT Pension Fund – Cleaning Contractors

---

## 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.



# Basic Rules of the Participation

---

## How and When do I Become a Participant of the Plan?

- You become a Participant of the Plan on the first day of the month on or after you complete 30 days of Covered Employment
- Covered Employment is work for which an Employer is required to remit contributions to the Fund under a Collective Bargaining Agreement (CBA) or other written agreement on behalf of an Employee



### What is Vesting?

- Vesting is the process by which you become entitled to a pension.
- You earn a year of Vesting Service if you work 1,000 or more hours during the plan year (January 1 through December 31).
- You are 100 % vested once you earn 5 years of Vesting Service.



### What is Credited Service?

- Credited Service is used to determine the amount of your Pension.
- The more Credited Service you have, the more your monthly pension will be.
- You earn years of Credited Service based on the number of Hours of Service you are credited each Plan Year.



## Basic Rules of the 32BJ CT Pension Fund – Cleaning Contractors

---

### What is Credited Service?

- You receive years of Credited Service based on your Hours of Service during a Plan Year as follows:

Hours of Service in Year of Covered Employment	Year of Credited Service
1,500 or more	1
1,000 but less than 1,500	1/2
520 but less than 1,000	1/4
Less than 520	0

Prior to January 1, 2011, you received one year of Credited Service during the first year of Employment, regardless of the number of Hours of Service earned.



# Types of Pensions

---

## Normal Retirement

Age 65, or if later, your 5<sup>th</sup> anniversary of your participation in the Plan

Your Pension amount is determined as follows:

- (1) \$18 for each year of Credited Service as of 7/31/2008  
*plus*
- (2) The monthly Benefit Accrual Rate multiplied by each year of Credited Service earned on or after 8/1/2008 through 12/31/19  
*plus*
- (3) The monthly Benefit Accrual Rate multiplied by each year of Credited Service earned on or after 1/1/2020



# Types of Pensions

---

## Early Retirement

- Age 55
- At least ten Years of Vesting Service

Your Pension amount is calculated the same way as a Normal Retirement Pension, but is reduced by 6% per year or one-half of one percent for each month your Early Retirement Date precedes age 65



## How to Calculate Your 32BJ CT Pension Fund – Cleaning Contractors Benefit

Monthly Pension Benefit Accrual Rates for Credited Service from 8/1/2008 through 12/31/2019 are based on the following Employer Contribution Rates:

Employer's Contribution Rate	Monthly Pension Benefit Accrual Rate
Less than \$0.15 per hour	\$0.00
\$0.15 but less than \$0.30 per hour	\$4.50
\$0.30 but less than \$0.45 per hour	\$9.00
\$0.45 but less than \$0.60 per hour	\$13.50
\$0.60 but less than \$0.70 per hour	\$18.00
\$0.70 or more per hour	\$19.00





## How to Calculate Your 32BJ CT Pension Fund – Cleaning Contractors Benefit

**Monthly Pension Benefit Accrual Rates for Credited Service on or after 12/1/2020 are based on the following Employer Contribution Rates:**

<b>Employer's Contribution Rate</b>	<b>Monthly Pension Benefit Accrual Rate</b>
\$0.35	\$9.00
\$0.40	\$11.00
\$0.45	\$13.50
\$0.50	\$15.00
\$0.55	\$16.50
\$0.60	\$18.00
\$0.65	\$18.50
\$0.70	\$19.00
\$0.75	\$21.00
\$0.80	\$22.50
\$0.85	\$24.00
\$0.90	\$25.50
\$0.95	\$27.00
\$1.00	\$28.50



## How to Calculate Your 32BJ CT Pension Fund – Cleaning Contractors Benefit

---

### Example #1:

David retires at age 65 on January 1, 2022.

He earned the following:

- 25 years of Credited Service prior to January 1, 2009
- 10 years of Credited Service from January 1, 2009 to December 31, 2019
- 2 years of Credited Service from January 1, 2020 to December 31, 2021.

From January 1, 2009 through December 31, 2019, his employer's contribution rate was \$0.60 per hour.

On January 1, 2020, the contribution rate increased to \$0.70 per hour and remained at that rate through 2021.



## How to Calculate Your 32BJ CT Pension Fund – Cleaning Contractors Benefit

David's Pension is determined in 3 parts:

1. Benefit Earned Prior to 2009

$\$18.00 \times 25 \text{ Years of Credited Service} = \$450.00$

2. Benefit Earned Prior to from 2009 to 2019

$\$18.00 \times 10 \text{ Years of Credited Service} = \$180.00$

3. Benefit Earned from 2020 to 2021

$\$19.00 \times 2 \text{ Years of Credited Service} = \$38.00$

Normal Retirement Benefit:

$\$450.00 + \$180.00 + \$38.00 = \$668.00/\text{month}$



### Example #2:

Marta decides to retire at age 62 at the end of July 2021 with 23 ½ years of Credited Service. She earned the following:

- 12 years of Credited Service prior to January 1, 2009
- 10 years of Credited Service from January 1, 2009 to December 31, 2019
- 1 ½ years of Credited Service from January 1, 2020 to December 31, 2021.

Her employer's contribution rate was \$0.60 per hour from January 1, 2009 through December 31, 2020.

On January 1, 2021 her employer's contribution rate increased to \$0.70 per hour.



## How to Calculate Your 32BJ CT Pension Fund – Cleaning Contractors Benefit

Marta's Pension is determined in 4 parts:

1. Benefit Earned Prior to 2009

$$\$18.00 \times 12 \text{ Years of Credited Service} = \$216.00$$

2. Benefit Earned from 2009 to 2019

$$\$18.00 \times 10 \text{ Years of Credited Service} = \$180.00$$

3. Benefit Earned in 2020

$$\$18.00 \times 1 \text{ Years of Credited Service} = \$18.00$$

4. Benefit Earned in 2021

$$\$19.00 \times \frac{1}{2} \text{ Years of Credited Service} = \$9.50$$

Normal Retirement Benefit:

$$\$216.00 + \$180.00 + \$18.00 + \$9.50 = \\ \$423.50/\text{month}$$



## How to Calculate Your 32BJ CT Pension Fund – Cleaning Contractors Benefit

As Marta is retiring at age 62, or 36 months prior to her Normal Retirement Date of age 65, her monthly benefit is reduced because it is expected that she will receive a greater number of payments over her lifetime.

Her benefit is calculated as follows:

Monthly Normal Retirement Pension at age 65	\$423.50
Early Retirement Reduction Factor (36 months x 1/2%)	18%
Early Retirement Reduction Factor x the Normal Retirement Pension at age 65	\$76.23
Monthly Normal Retirement Pension at age 65	\$423.50
Less Early Retirement Reduction amount	\$76.23
Marta's Monthly Early Retirement Pension	\$347.27



# How Your Pension Will be Paid

---

## **If you are single: Five-Year Certain and Life Pension**

- ✓ Pays a benefit for your lifetime.
- ✓ If you die before receiving at least 60 months of payments, the remainder of your payments will be paid to your beneficiary.

## **Other options for single participants:**

### **Ten-Year Certain and Life Pension**

- ✓ Pays a benefit for your lifetime.
- ✓ If you die before receiving at least 120 months of payments, the remainder of your payments will be paid to your beneficiary.

### **Lump-Sum Cash Out**

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



# How Will Pension be Paid

---

## If 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.

## Other options for married participants:

- ✓ 100% Joint & Survivor Pension – If you die before your spouse, they will receive 100% of the pension amount they were receiving prior to their death for their lifetime.
- ✓ 75% Joint & Survivor Pension – If you die before your spouse, they will receive 75% of the pension amount they were receiving prior to their death for their lifetime.
- ✓ 66 2/3% Joint & Survivor Pension– If you die before your spouse, they will receive 66 2/3% of the pension amount they were receiving prior to their death for their lifetime.
- ✓ Five-Year Certain and Life Pension-If you die before receiving at least 60 months of payments, the remainder of your payments will be paid to your spouse or beneficiary (notarized consent from your spouse will be required).
- ✓ Ten-Year Certain and Life Pension- If you die before receiving at least 120 months of payments, the remainder of your payments will be paid to your spouse or beneficiary (notarized consent from your spouse will be required).
- ✓ Lump-Sum Cash Out – Only available if the present value of your benefit at your pension start date is \$5,000 or less.



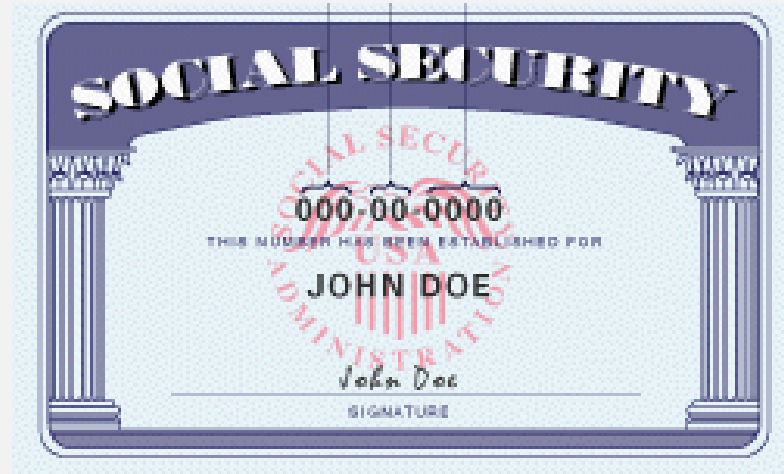


### \$1,000 Lump Sum Death Benefit

- ✓ Payable to your designated beneficiary upon your death
- ✓ If you are married, designation of a beneficiary other than your spouse is subject to your spouse's notarized consent of the designation

# Social Security Benefits

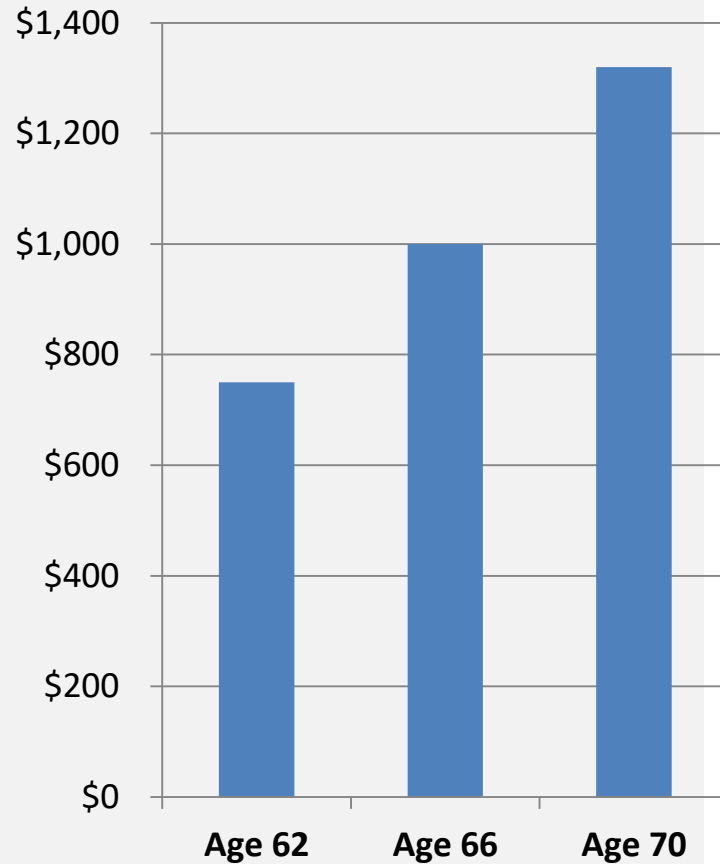
- Social Security will provide you a monthly payment for life.
- Social Security will not fully replace your income from work.
- Your 32BJ Pension and your personal savings will supplement Social Security.
- Unlike pension, your Social Security is adjusted for inflation.
- The average monthly Social 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

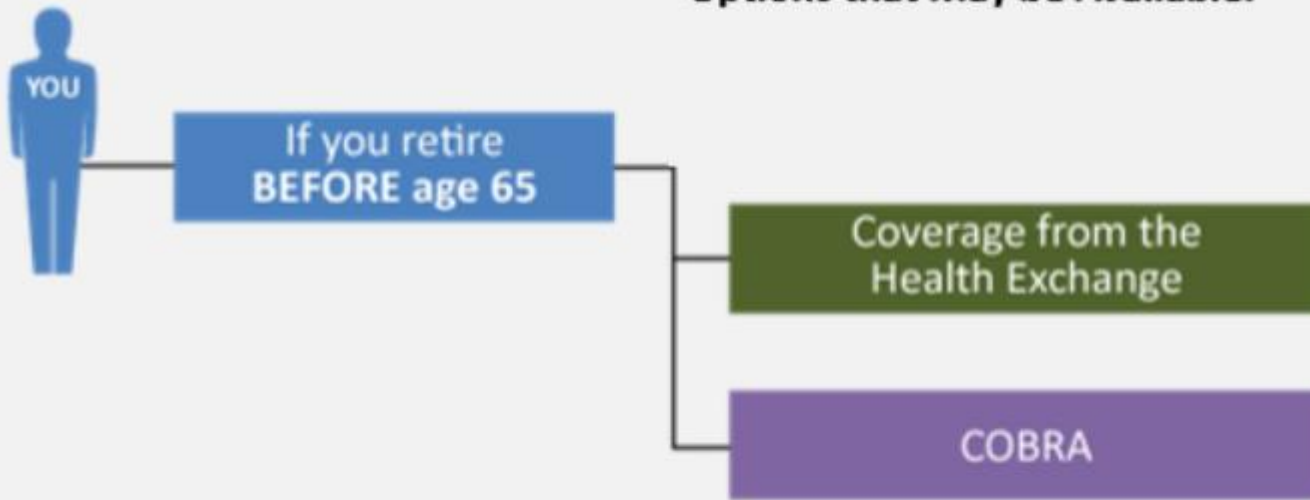


65

# Health Benefits if you Retire before 65

---

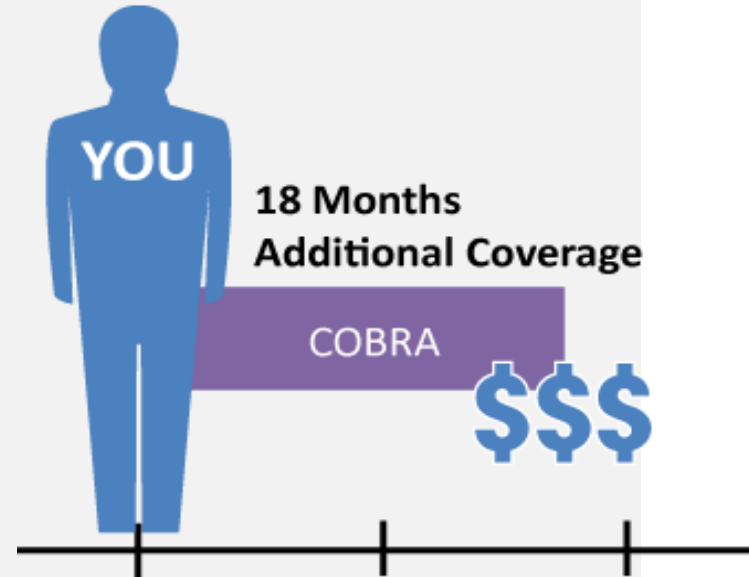
Options that May be Available:



# Health under 65:

## 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 \$1,344.41 per month
- Self-pay the full premium

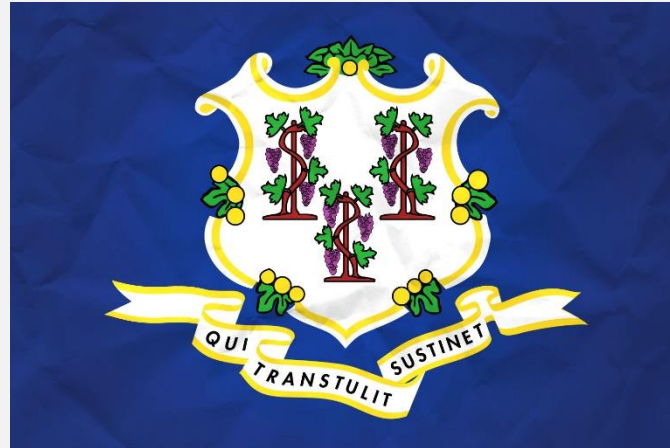


# Health under 65:

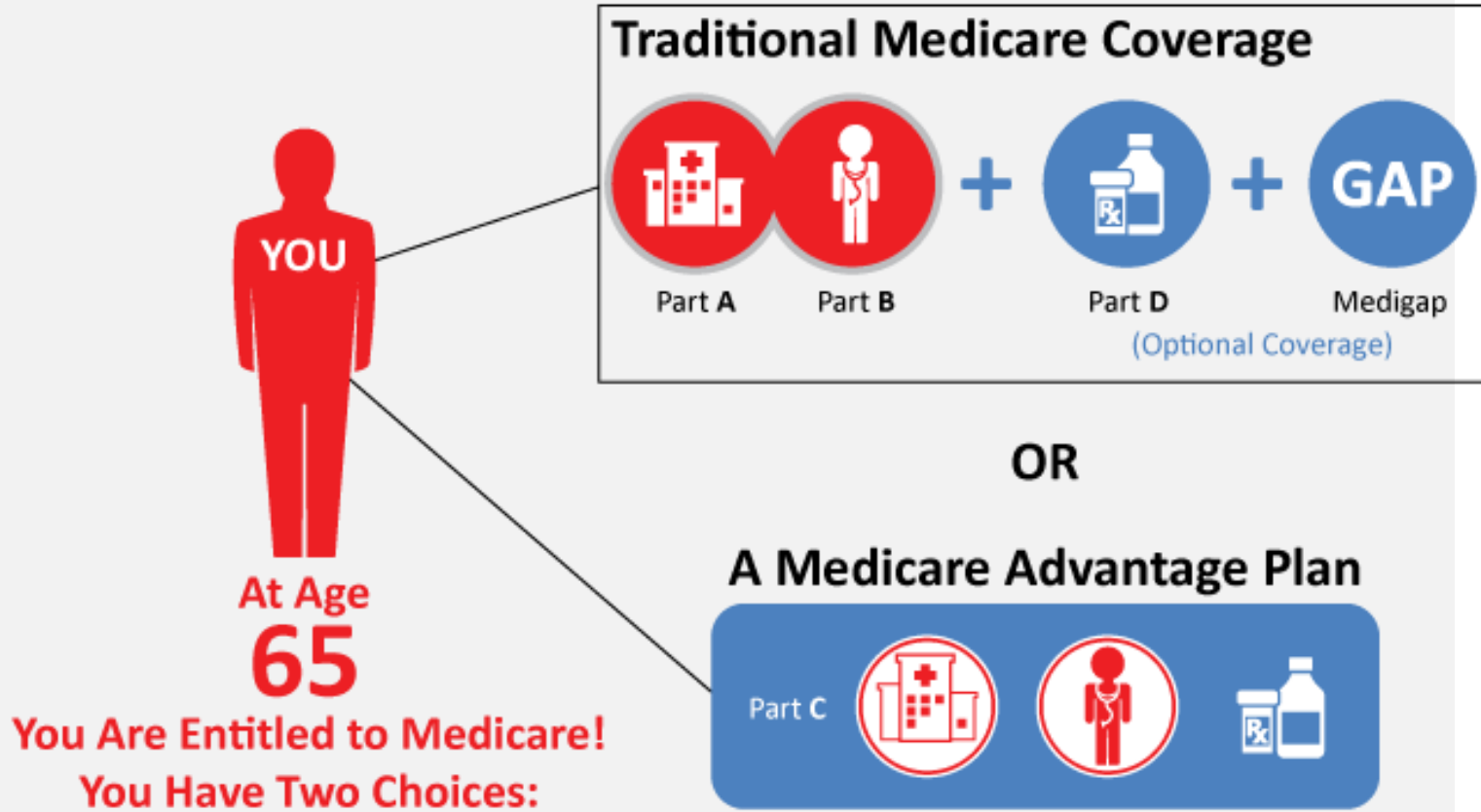
---

## Insurance Marketplace (Obamacare)

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



# Retiree Health at 65 or older

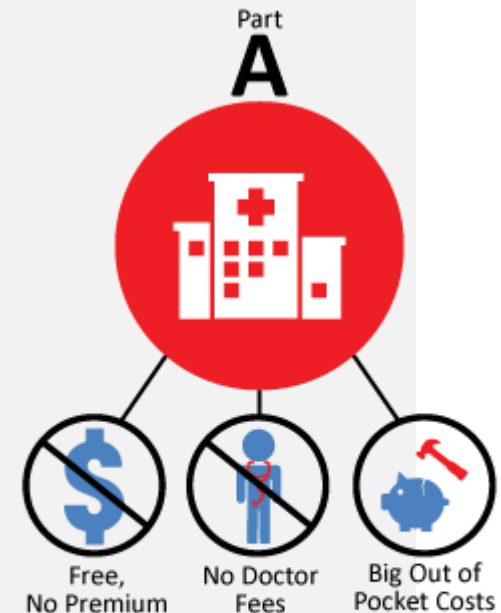




# Original Medicare

## 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

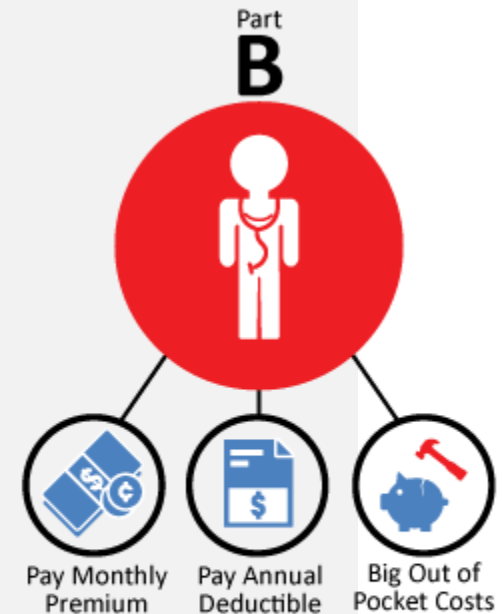


\*If you or your spouse has worked for at least 10 years.

# 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 \$148.50 per month, if first enrolling in 2021. On 1/1/21, the cost for an individual will increase to \$170.00 per month.
  - There may be a penalty if you do not enroll when first eligible.
- Part B has an annual deductible of \$203 (\$233 in 2022) 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!**

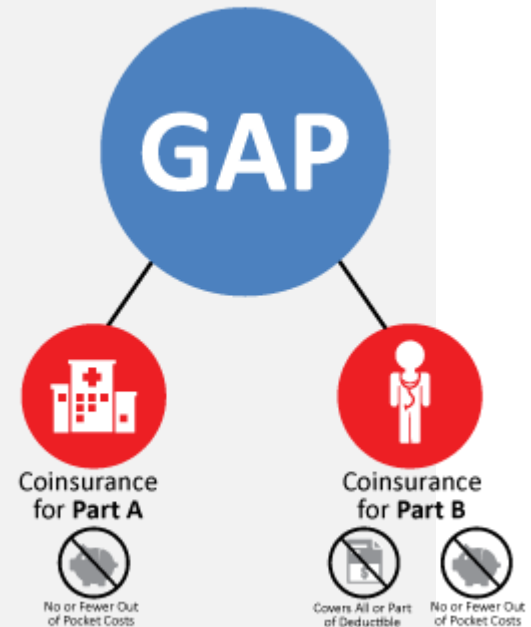


# Original Medicare

## 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

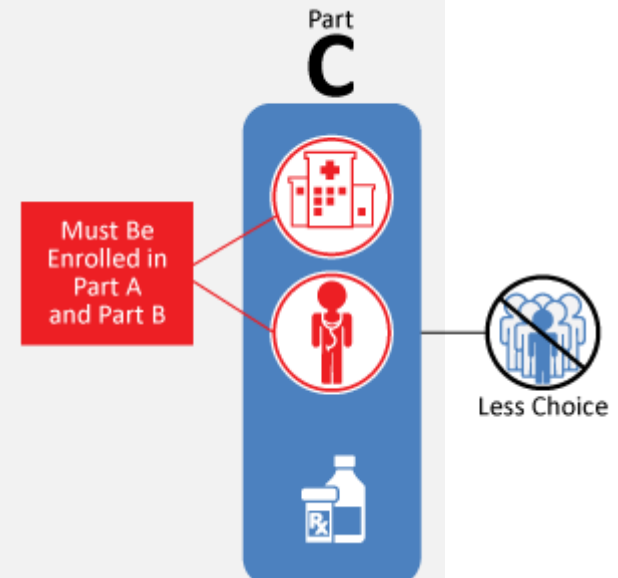
- Helps cover prescription drug costs.
- Run by Medicare-approved private insurance companies.
- Parts A and B have no drug coverage
- The 5 most popular Part D drug plans can range in premiums from \$33.20-\$94.80 per month depending how rich a plan you select. You will also pay copays for your medications.
- 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



# Medicare: FAQ

---

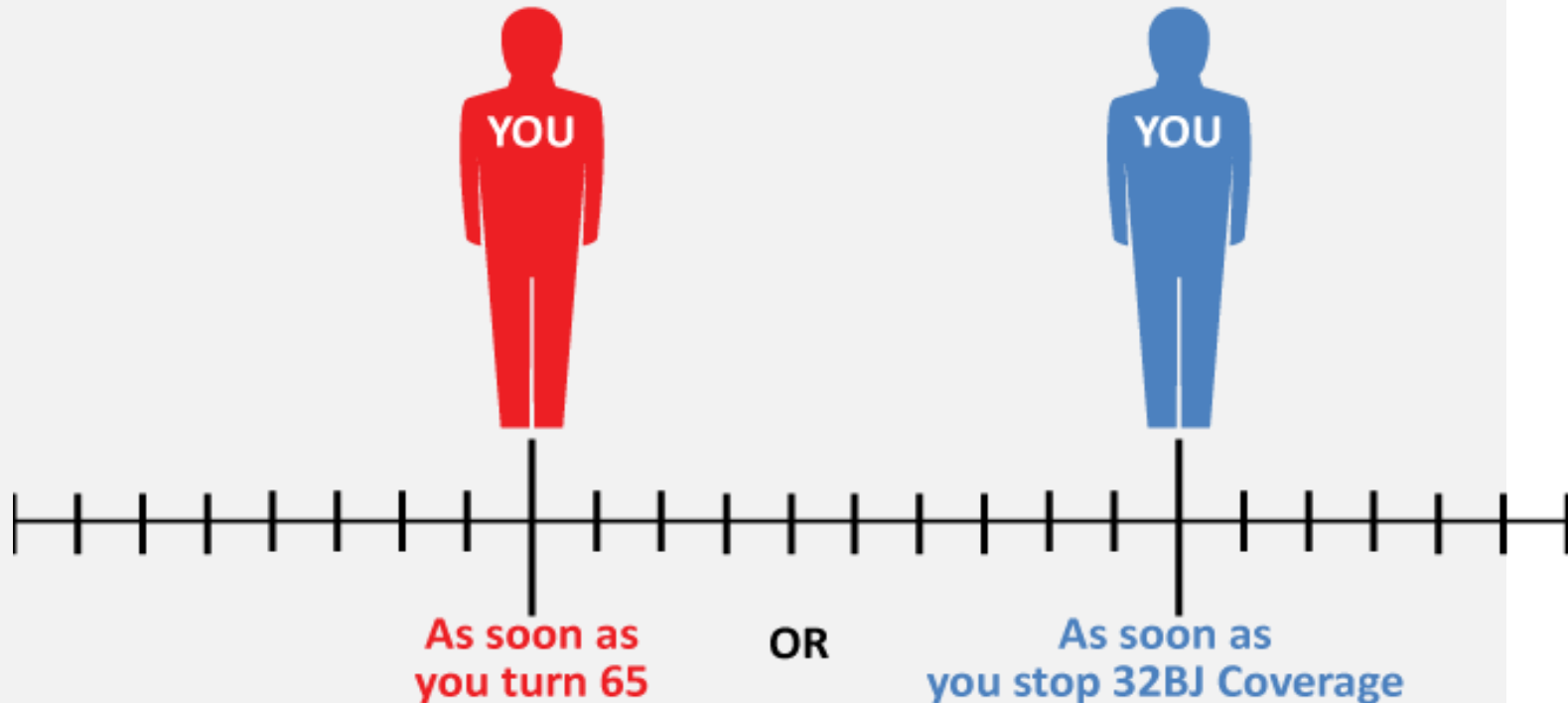
**“I am 75 years old and still working. Will I get penalized because I did not register for Medicare when I turned 65?”**

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 may be asked to participate in an **Alive and Well** solicitation. The Pension Fund may 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.



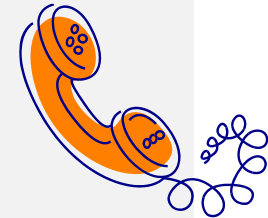
# For More Information...

---

Please visit our **Connecticut Office**:

✓ Monday-Friday: 9:00 a.m.- 5:00 p.m.

885 Wethersfield Avenue  
Hartford, CT 06114



Call Member Services:

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

Visit [www.32bjfunds.org](http://www.32bjfunds.org).

