

YOUR PAMCAH-UA LOCAL 675 PENSION AND ANNUITY PLANS:

# Update on Your Retirement Benefits



As a member of PAMCAH-UA Local 675, you are eligible for a comprehensive retirement package that includes a pension plan and an annuity plan. Together, these plans are designed to provide a balanced income when you stop working. Recently, the Board of Trustees took action to strengthen your retirement benefits. Following is a status update.



## Your Complete Retirement Package

Pension Plan	Annuity Plan	Health Benefits Subsidy	Social Security Benefits
Provided by PAMCAH-UA Local 675	Provided by PAMCAH-UA Local 675	Provided by PAMCAH-UA Local 675	Provided by the federal government
The plan receives money from employer contributions and plan investment returns to pay members' benefits	Your employer makes contributions to your individual account, which is invested by the Fund	Your health and welfare benefit subsidy is determined by your years of service and retirement age	Your benefit amount is determined by your age when you retire and the number of years you've worked
The value of your benefit is based on the "Benefit Unit Dollar Value" in effect during each year you work	Your benefit is available to you when you retire		Check in on your benefit at <a href="https://ssa.gov/myaccount/">ssa.gov/myaccount/</a>



## Financial Impact of COVID-19 in 2020

In 2019, the Trustees took steps to protect the pension plan's long-term financial health by better balancing the benefits earned and paid to members with money coming into the plan. But, we'll need further action to recover from investment losses due to the COVID-19 pandemic.

### Under Normal Conditions

Changes would have sufficiently positioned the plan to remain "in the green"

### COVID-19 Consequences

The pandemic disrupted the financial markets, causing our plan to lose a quarter of its assets at the peak of the stock market crash—so, we'll proceed with caution for the foreseeable future, with the goal of stabilizing the plan's financial position



## Proceeding with Caution: Set Benefit Unit Dollar Value at \$48

For the next plan year, the Trustees will set the Benefit Unit Dollar Value at \$48.

### What this means to the plan:

Aligning the Benefit Unit Dollar Value with the plan's income and assets will help protect the plan's future.

### What this means to you:

**Benefit Unit Dollar Values you've already earned for past years will remain unaffected;** for the next plan year, the retirement benefit you earn will be lower.

**\$48**

Our plan is designed to support a \$48 Benefit Unit Dollar Value. It's what the plan can comfortably afford over time.

**\$100**

Historically, the Benefit Unit Dollar Value has been much higher than \$48. (It's currently \$100.)

Higher Benefit Unit Dollar Values provide members with richer benefits, but they spike the plan's benefit expense higher and may become difficult to pay over time.



If we do not act, our plan could require harsher plan changes if it moves into the yellow or red zones.



## The Fund Offers Members Another Retirement Income Benefit: The Annuity Plan

Your employer makes agreed-upon contributions to an individual account created on your behalf. The money in this account represents your annuity benefit, which is available to you upon retirement.

The Fund invests the money in your account, along with all the other individual accounts, which enables it to grow while you're working. When you're ready to retire, you receive a payout based on the value of your annuity at that time.



## Change to Annuity Plan: Enhance Annuity Benefits to Better Balance Retirement Income

How enhanced annuity benefits will look:

**Add \$0.50 per hour**

to each active member's annuity  
beginning January 2021

**\$13,560**

Annual contribution increase for typical  
journeyperson who works 2,000 hours in 2021  
(a \$1,040 increase to your current annuity benefit)



## FOR MORE INFORMATION

Go to [pamcah-ualocal675-pension.com](http://pamcah-ualocal675-pension.com) for details. If you have questions, reach out to your local business agent or the Trust Fund Office (808-536-4408).