

YOUR PAMCAH-UA LOCAL 675 PENSION:

Changes to Secure Income for your Retirement



Your PAMCAH-UA Local 675 Pension Fund's Board of Trustees is taking action to make the plan stronger and secure for years to come. We are making changes that will help to keep costs in check and increase the amount of money coming into the plan.



SUMMARY

Our goal is to balance costs and funding

As previously announced, the Fund is making several changes that will help to ensure the plan is well-funded and secure for the future.

REDUCE AND STABILIZE PLAN COSTS

We will change the disability pension, the post-retirement death benefit, and early retirement pension benefits to reduce overall plan costs.

INCREASE PLAN FUNDING

We will ask employers to make additional contributions to the plan and ask members to reallocate funds from union dues, training, and other funds to the pension plan.

CHANGE #1



The disability pension benefit is being phased out

WHAT THIS MEANS TO YOU:

Beginning September 1, 2019, the plan will no longer award disability pension benefits.

This change does **not** affect you if before September 1, 2019:



You started receiving a disability pension benefit.

-or-



You applied for a disability pension and the Social Security Administration approved your disability benefit.

CHANGE #2



The post-retirement death benefit maximum is capped

WHAT THIS MEANS TO YOU:

The formula and maximum benefit for your beneficiary will be:

\$175

(current benefit formula uses \$350)

X

**EARNED
BENEFIT
UNITS**

(capped at 35)

=

**DEATH
BENEFIT**

(maximum \$6,125)

CHANGE #3



Pension benefit reduction for retirements BEFORE age 55

WHAT THIS MEANS TO YOU:

If you plan to retire *before* age 55, this change has two parts and it applies to Benefit Units earned on or after September 1, 2019. If you plan to retire at age 55 or older, this change does not apply to you.

Your benefit will be reduced by **3%** for each year that you are between ages 55 to 60.

+

Your benefit will be reduced another **6%** for each year that you are younger than age 55 when you retire.

=

**Benefit
change at
retirement**

EXAMPLE: If you retire at age **53**, the Benefit Units earned on or after September 1 is reduced by:

15%

(3% x 5 years)

+

12%

(6% x 2 years)

=

27%

Benefit reduction

REMINDER:

an **additional reduction** applies for your Benefit Units earned between September 1, 2018, and September 1, 2019, **if you retire before age 55**. The Trustees announced this change last year. Your benefit will be reduced by **2% for each year you are younger than age 60**. So, in the example, with retirement at age 53, your benefit is reduced by an additional 14% (2% X 7 years below age 60).

CHANGE #4



Bringing additional funds into the pension plan

The Trustees are asking employers, the union, and members for help to improve our plan's funding:

EMPLOYERS*

The Trustees requested approval for contributions to the pension plan for the Step 1 and 2 Apprentices. Also, to help boost members' retirement savings, employers are considering making additional contributions to the Annuity Fund.

MEMBERS*

The Trustees requested reallocation of contributions from the Cooperation Fund, Training Fund, and Vacation & Holiday Operating Fund—to go to the pension plan.

UNION

The union agreed to reduce its operating costs, giving it the ability to allocate dues toward the pension plan.

* All changes are subject to employer and member approval

FAQ

Q: When are the changes effective?

Changes are effective September 1, 2019.

Q: I am currently receiving a pension benefit. Will it be reduced or changed in any way?

If you are currently receiving a pension benefit, these changes will not affect or change that benefit. However, if the plan's funds fall short or the plan runs out of money, your benefit may be reduced.

Q: If the Social Security Administration approved my disability benefit am I still eligible for a disability pension benefit?

Those who apply for a disability pension before September 1, 2019, and the Social Security Administration deems entitled to a Social Security disability benefit prior to that date, remain eligible. If you currently receive a disability pension, you are not affected by this change. As of September 1, 2019, and after, the plan will no longer award disability pensions.

Q: Why is there a maximum on the death benefits?

By adjusting the formula and putting a cap on the benefit, the Fund saves money. This helps us balance costs and funding so a retirement benefit can continue to be available to our members.

Q: I'm still working. Do these changes reduce my future pension benefit?

It depends on your individual situation. For example, if you plan to retire before age 55, plan changes will reduce your benefit by a certain percentage based on your age at retirement. In addition, the plan will no longer award disability pension benefits as of September 1, 2019. Otherwise, members will continue to earn Benefit Units based on the hours they work each year and the Benefit Unit Dollar Value will be set by the Trustees each year. At retirement, these values will be used to determine your monthly benefit.

YOUR RESOURCES



Go to www.pamcah-ualocal675-pension.com for details, including an informational video series and a training presentation you can watch from your smart phone. Reach out to your local business agent or the Trust Fund Office if you have questions.