



The Central Pension Fund of the International Union of Operating Engineers and Participating Employers

Presentation to Local 94

May 17, 2018

Can You Still Find a Lifetime Source of Retirement Income ? Yes, If You Become an Operating Engineer and Join the Central Pension Fund



- The Central Pension Fund is the second largest multiemployer defined benefit pension plan in the United States
- Total assets as of January 31, 2018 over \$18.16 Billion
- Fully funded for vested benefit obligations and 95% funded on total accrued benefit obligations
- Last year benefit payments to retiree and beneficiaries totaled \$1.060 Billion

Average Participant Statistics – Local 094

- Average hourly contribution rate - \$3.88
- Average participant hours per year – 2,178
- Average participant contribution per year - \$9,149
- Accrued monthly benefit earned per year \$114.00

Participant Eligibility and Benefits

- The Normal Retirement Age for participants in the Central Pension Fund is age 65 with 5 years of vesting service. This is the lowest vesting service requirement we can offer without negative impact to our funding status. In addition, a pension is a lifetime retirement income stream that is attained by giving the industry 5 years of service
- A Special Retirement provision can be selected at age 62 if the participant has 25 years of credited service, benefit amount unreduced. Again, this is the minimum service to age requirement that we can provide without reducing overall plan benefits.
- Early Retirement Age is 55 years or later with 10 years of vesting service; benefit reduced $\frac{1}{4}\%$ per month or 3% per year
- Disability benefits are payable at any age with 15 years of vesting service. If disability onset after August 1, 2005, benefit amount is Early Retirement benefit.

Benefits Payable Upon Death

- A pre-retirement death benefit, equal to 50% of the participant's accrued benefit is immediately payable for life to the qualified surviving spouse of a vested participant.
- To be considered qualified spouse, for purposes of pre-retirement survivor annuity, must have been married to participant for at least one year
- Return of contributions Death Benefit payable to beneficiaries of vested participants and participants who die within 24 months of last month reported.
- Post-retirement surviving spouse benefits may be selected at 50%, 66 ²/₃%, 75% or 100% of the participant's benefit with a pop-up feature.

Pop-Up Feature

- This benefit provides that if you retire on or after January 1, 1990, and your spouse should die after you have begun receiving a Qualified Joint and Survivor Annuity (QJSA), your monthly benefit will be increased to the amount you would have been entitled to receive under the Single Life Annuity.
- This Pop-up feature applies only in the event your spouse at retirement dies. It does not apply in any other circumstance.

Qualified Joint & Survivor Annuity (QJSA)

Normal form of payment for married participant is 50% Qualified Joint & Survivor Annuity. The following examples are based on a participant and his/her spouse, who are both age 65 at retirement.

- The discount from single life annuity benefit is 9.9% for a surviving spouse's benefit equal to 50% of the participant's benefit
- Example – assume the participant's accrued benefit is \$2,000.00 per month and payment to be made in the form of 50% J&S: participant will receive \$1,802.00 during his lifetime and surviving spouse receives \$901.00 for life after participant is deceased
- The discount from the single life benefit is 12.7% for a 66^{2/3}% J&S benefit
- The discount from the single life benefit is 14.1% for a 75% J&S benefit
- The discount from the single life benefit is 17.9% for a 100% J&S benefit

Planning For Your Retirement

Applying for Benefits with CPF

- Start application process about 90-120 days before planned retirement date. Also, members can request an estimate of benefits at anytime.
- Application forms can be obtained through our CPF website, your Local Union Office or by contacting our office. Forms online are fillable PDF files
- Documentation needed to support application can be found at Section 11 of “Guide to Your Benefits”.
- CPF does not accept rollover distributions from other qualified plans in which you may have also been a participant, but does have Money Follows the Man reciprocity with certain other IUOE Pension Funds.

Return to Work Rules

- **Prior to age 70 ½** - After you have completely ceased working for at least one month and actually retired, you can return to work in a job classification which you previously worked while earning your retirement benefit and continue to receive your monthly benefit, **provided** you do not work more than 40 hours in a calendar month. You do not have a right to a monthly benefit for the month(s) in which you work more than 40 hours in disqualifying employment.
- **After age 70 ½** - After you have completely ceased working for at least one month and actually retired there are no restrictions on post retirement employment once you reach age 70 ½.

Communications

- Semi Annual Participant Statements. Twice each year all active participants, as well as inactive participants with a Vested Interest, receive Statements showing the hours and contributions received on their behalf in the past six months. The Statements are prepared for the six-month periods of January 1 through June 30, and July 1 through December 31. The Statements are normally sent from the Fund Office to your current address on file in September for the period ending June 30, and in March for the period ending December 31.
- The figures provided on the Semi-Annual Statements are based on a Single Life Annuity Amount at Normal Retirement Age (65, or age 62 with 25 years of credited service). The calculation is based on contributions through the period ending date on the Semi Annual Participant Statement. Estimates with an earlier retirement date and Joint and Survivor figures can be requested in writing at any time.

Questions & Answers?
