

The Pension Planner

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PENSION PLAN OFFERS MULTIPLE PENSION PAYMENT OPTIONS

We break down the choices available to you upon retirement.

When planning for retirement there's many factors to consider and decisions to make to ensure that you'll have a secure financial future once you're no longer working. For participants of the NYSNA Pension Plan, one of the most important decisions you'll have at retirement is choosing your pension payment option. There are several benefit payment options available to participants to choose from when the times comes. But remember, regardless of which payment option you choose, vested participants are guaranteed to receive a monthly pension benefit for the rest of your life.

Note: The information below is intended to be a brief summary of some rules and benefits of the NYSNA Pension Plan. For complete information, please refer to the Plan's Summary Plan Description.

THE OPTIONS

The Pension Plan offers four benefit payment options with additional options within two of those forms. The choice you make:

- will affect how your beneficiary(ies) is paid,
- determines whether your pension benefit payment will have a reduction taken in order to continue lifetime payments for your beneficiary(ies), and
- will be based primarily on your marital status and, in some cases, the ages of you and your beneficiary.

Regardless of the form of payment you select at retirement, you cannot change your form of payment once your benefit commences. Therefore, it's very important to fully understand all of your options ahead of time.

MARRIED PARTICIPANTS

If you're married, the normal form of payment is the Joint and Survivor at 50% pension unless you and your spouse waive this option. This form of payment provides protection for your spouse should you die first. The Joint and Survivor pension reduces your monthly pension benefit to ensure that when you die, your spouse will receive either 50 percent or 75 percent of your pension (percentage selected by you at retirement) for the rest of his or her life.

The amount of the reduction is based on your age and your spouse's age when your payments begin. Although this benefit payment form is required for married participants, your spouse can waive his or her right to receive it.

If your spouse waives his or her right to receive the Joint and Survivor form of payment, you can opt instead for the Five Year Certain or Ten Year Certain form of payment. If you choose the Contingent Annuitant form of payment, consent from your spouse isn't required unless you designate someone other than your spouse as beneficiary.

You cannot change your beneficiary once you begin receiving your benefit payments under the Joint and Survivor form of payment.

SINGLE, WIDOWED, OR DIVORCED PARTICIPANTS

If you're single, widowed, or divorced, the normal form of payment is the *Five Year Certain* benefit payment form. The Five Year Certain benefit payment option provides unreduced benefit payments that you'll receive monthly for the rest of your life.

The reference to "five years" refers to the period of time in which your beneficiary(ies) would receive the remainder of your pension benefit payments should you die within five years of your pension start date. This means, if you die after you retire but before you receive all of the first 60 guaranteed monthly payments (five years of payments), your beneficiary or beneficiaries will receive any remaining guaranteed payments. If you die after receiving 60 payments, no further benefits are due to your beneficiary(ies).

When choosing the Five Year Certain form of benefit payment, you can change your beneficiary after you begin receiving payments.

If you don't elect the Five Year Certain pension, you must select one of the following reduced payment forms:

Ten Year Certain provides a reduced lifetime pension benefit. If you die after you retire but before you receive the first 120 guaranteed benefit payments (10 years of payments), your beneficiary or beneficiaries will receive any remaining guaranteed payments. If you die after receiving 120 payments, no further benefits are due to your beneficiary(ies). The reduction for the Ten Year Certain benefit payment form is based on the participant's age.

Note that with the Ten Year Certain, you can change your beneficiary after you begin receiving payments.

The Contingent Annuitant form of payment has four options: 50%, 66-2/3%, 75%, and 100%. The Contingent Annuitant option provides a reduced pension benefit for the rest of your life. If you die after you retire but before you receive the first 60 guaranteed payments (five years), your beneficiary will receive any remaining guaranteed payments. After that, your beneficiary will receive the benefit you chose at retirement: 50 percent, 66 2/3 percent, 75 percent, or 100 percent of a reduced monthly pension for the rest of his or her life. Only one beneficiary can be named for this option (Also, restrictions may apply depending on the age of your beneficiary).

You cannot change your beneficiary once you begin receiving your benefit payments under the Contingent Annuitant form of payment.

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ANNUAL REPORT AVAILABLE ONLINE

Pension Plan participants who are interested in reviewing the Plan's annual report may do so by visiting the Plan Web site at rnbenefits.org. Each year, the Plan publishes its annual report, a comprehensive review of the organization's activities and financial performance for the previous year.

If you're interested in viewing this information, click on the Pension Plan "Resources" page. In addition to the annual report, the Plan also publishes our annual Funding Notice, which includes important information about the funding status of the Plan.

For more details about the vast selection of information available to Plan participants on our Web site, please see the article titled "Get the Plan information you need 24/7" on Page 4 of this newsletter.

As always, if you have any questions about your pension benefits, please contact a Pension Analyst at (877) RN BENEFITS [762-3633].

PENSION PLAN IN SOLID FINANCIAL STANDING FOR PLAN YEAR 2022

The NYSNA Pension Plan is pleased to report that our actuary has certified the Plan to be in the "Green Zone," for 2023. The Plan's 2022 Plan Year Funding Notice, which provides more detailed information regarding the solid financial standing of the Pension Plan, is being mailed to all participants this month. You may also find a copy on our website at rnbenefits.org/Pension-Plan/Resources/Annual-Report-Funding-Notice.

DO YOU HAVE A POA ON FILE?

It's important for Pension Plan participants to have a power of attorney (POA) on file with the NYSNA Pension Plan office in the event you become incapacitated and are unable to sign certain required forms and other documents to initiate your pension or to respond to a pension verification letter.

The Plan office requires a complete copy of your power of attorney document. If the documents aren't current, you may be required to provide an affidavit that the POA is still in full force.

Keep in mind, even if our office has a POA on file for you, this doesn't mean that you can't sign on your own behalf when necessary.

SHARE YOUR EXPERIENCE!

At the NYSNA Pension Plan, one of our primary goals is providing our participants with a seamless transition to retirement and supplying you with the necessary information needed to make an informed decision on exactly when that retirement will happen.

So, how are we doing? We'd like to hear from you and possibly include your thoughts in an upcoming issue of *The Pension Planner*.

Please e-mail your comments to:

communicationsdepartment@rnbenefits.org.

We look forward to hearing from you!

YOUR MONEY:

THE IMPORTANCE OF HAVING EMERGENCY SAVINGS - AND HOW TO BUILD IT

It's understandable that saving money – especially for an unknown emergency that may not even occur – can be challenging. However, an emergency fund of money set aside to cover life's unexpected events or financial setbacks might be one of the best financial decisions you can make, no matter how old you are or what stage you're at in your career.

HOW MUCH SHOULD YOU SAVE?

Unfortunately, there's no one-size-fits-all answer as to how much you should have in your emergency fund. The answer depends on factors including your income level, family status (one-income family versus two-income family), and your lifestyle/living expenses. In general, many financial experts recommend establishing an emergency fund equal to at least three to six months' worth of living expenses, which would cover basic expenses for that duration.

To determine your goal, start by calculating your monthly living expenses, including mortgage or rent, utility bills, food, and any transportation costs like gas, parking, or public transportation. If there's several people relying on your income, you'll want to plan for closer to six months of savings.

IF YOU BUILD IT...

There are many strategies to saving – and successfully sticking to your savings habits, including:

1 Setting a specific monetary goal can help you stay motivated as you see your savings grow. You may want to consider setting smaller spending goals, at least when you're first starting out, so you're more likely to reach your goals and stay motivated.

2 Open a separate savings account for your emergency funds. Shop around to find an account with a good interest rate and no - or low - fees. You may need to take some measures to keep your money "safe" from yourself. This means you might need to open an account at a different financial institution from the one you do your regular banking with. Or, if you go with your regular bank, make sure the account isn't linked to your bank card, so you won't be tempted to make withdrawals that aren't emergent in nature.

3 Create a system for making consistent contributions to your emergency fund. To do this, you may decide to set aside a specific amount of cash each day, week, or payroll period and then make a deposit into your emergency fund. Another common strategy is to simply set up reoccurring transfers through your bank or credit union so the money is moved automatically from your checking account to your emergency fund. You may also consider saving automatically through your employer if you have the option to divide your paycheck between two accounts.

4 Regularly monitor your progress, which can give you the necessary encouragement to keep going on your savings mission.

5 Take advantage of one-time opportunities to save. A bonus at work? A bigger than expected tax return? An unexpected monetary gift from your great aunt? While it's tempting to spend this money, saving all or a portion immediately in your emergency fund, could help you meet your emergency fund goal sooner than expected. Plus, it's money you weren't counting on, so you shouldn't miss it. Don't forget to replenish your fund if you're forced to use it. Unplanned expenses aren't one and done. •

PROTECT YOUR LOVED ONES

Benefit available for participants who die before retirement.

As a NYSNA Pension Plan participant, you're entitled to the Plan's Preretirement Survivor Benefits benefit that provides your loved ones with a pension benefit for the rest of their lives if you die before you retire.

To qualify, you must be vested and:

- Die while in active employment, or
- Die while receiving a pension disability benefit, or
- Die after you terminate employment and before you begin collecting your pension benefit.

YOU MUST DESIGNATE A BENEFICIARY(IES) OR NO BENEFIT WILL BE PAID TO ANYONE UPON YOUR DEATH!

Eligible participants who are unmarried may designate up two Preretirement Survivor beneficiaries and a contingent beneficiary. You can designate any person to be a beneficiary – your child, a sibling, a parent, another relative, a friend, even a coworker. In addition, if a previously-named beneficiary dies before you and you don't name another beneficiary, **no death benefit will be paid**.

If you're a married participant, your spouse is automatically your preretirement survivor beneficiary. You may also designate a contingent beneficiary. If you wish to name someone other than your spouse as beneficiary, and your spouse consents, you may do so by completing a Beneficiary Designation Form available from the Plan office or on our website, rnbenefits.org. If you divorce or your spouse predeceases you, please contact the Plan office to update your marital status in our files and request a form to change your beneficiary designation. If you don't name a new beneficiary, **no benefit will be paid**.

ARE THESE DOCUMENTS ACCESSIBLE IF YOU NEED THEM?

The NYSNA Pension Plan will, in certain situations, require verification of your identity or confirmation of a marriage, divorce, or loss of a spouse. To do so, we'll need to see copies of important documents, so it's always a good idea to verify you have these documents accessible:

- ✓ Marriage certificate for all marriages
- ✓ Divorce decree for all divorces
- ✓ Birth certificate
- ✓ Driver's license and passport (in the event a birth certificate isn't available)
- ✓ Certified original death certificate.

THE PENSION PLAN OFFICE WILL BE
CLOSED MONDAY, MAY 29 FOR
MEMORIAL DAY, AND MONDAY JUNE 19
IN OBSERVANCE OF JUNETEENTH.

Ask the Pension Plan

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What happens to my pension if I take an extended leave from my job?

A It depends on how long you're on an extended leave and your vested status in the Plan. To be vested in the Plan a participant must have at least five years of credited service. The amount of credited service that a participant may earn each calendar year is based on their total paid hours for time worked in covered employment as follows:

- Between 500 to 650 hours, you'll receive one-third of a year of credited service.
- From 651 to 850 hours, you'll receive two-thirds of a year of credited service.
- You'll obtain a full year of credited service if you work 851 hours or more within a calendar year.
- Any calendar year in which a participant works less than 500 hours in covered employment will result in what is called a break in service.

If the break in service takes place after you've vested in the Plan, you're still eligible to receive a benefit at retirement age and you won't lose any of the service credit you've earned so far.

If the break in service occurs before you're vested, you won't earn credit for that year, but you'll secure credit for all previous years of service if you return to work in a covered position within five years of when the break occurred and you work at least 500 hours in covered employment that year. If you return to work more than five years after the break, you'll lose credit for your previous years of service.

For example, if you work three years in a covered position and then take a four year break prior to returning to work in another covered position, you'll keep the service credit you earned for the three years before the break.

Whether or not you're vested, you can retain credit for all previous years of service if your break is an allowed break in service, which includes:

- Military service (while your re-employment rights are protected by law)
- Maternity or paternity leave
- Absence due to disability (approved by the Trustees)
- Leave of absence (approved by the Trustees)
- Absence due to strike or lockout
- Absence due to layoff or furlough (as long as you're re-employed within six months).

Because break in service rules have changed over the years, please call a pension analyst at (877) RN BENEFITS [762-3633] if you have any questions. More detailed information may also be found on Pages 9 to 10 of your Pension Plan Summary Plan Description.

Have a question for the NYSNA Pension Plan that you'd like to see answered in this column? E-mail the Editor at communications@rnbenefits.org. For specific questions about your pension benefit contact a Pension Analyst at (877) RN BENEFITS [762-3633], Monday through Friday 7:30 a.m. to 5:30 p.m.

The Pension Planner is published four times a year as a service to participants of the New York State Nurses Association Pension Plan. The information in this newsletter is not intended to be complete Plan information, and is not a substitute for the *Summary Plan Description* or the Plan's official plan document. Please address questions about this newsletter to the Communications Department.

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Please notify us if your address changes so you won't miss the next issue of *The Pension Planner*.

GET THE PLAN INFORMATION YOU NEED 24/7

When calling just isn't convenient, the Pension Plan's website is a great resource for a wide array of retirement and pension information. Our site, rnbenefits.org, provides up-to-date news and Plan details while on-the-go from your mobile device, laptop/tablet, or home computer 24 hours a day, seven days a week. From the home page just click on the "Pension Plan" tab to find links to:

MY PENSION

The "My Pension" link provides in-depth information on vesting in the Plan, retirement options, the preretirement survivor benefit, disability pension, and benefit payment options as well as the Plan's *Summary Plan Description* and Funding Notice documents.

FAQS

The Frequently Asked Questions tab answers an extensive list of questions like:

- "When am I vested?"
- "Is my pension guaranteed?"
- "What do I do when I am ready to retire?"
- "How is my pension benefit paid?"
- "What happens to my pension benefit if I die before I retire?"

NEWSLETTERS

Find the latest issue of the Plan's quarterly *Pension Planner* newsletter, as well as an archive of past issues going back over a decade. We also offer a link to our *For Your Retirement Benefit* guide, which provides information on:

- Retiree health insurance options
- Coverage for Medicare-eligible retirees
- Medicare and Medigap supplemental insurance fees
- Enrollment deadlines
- COBRA coverage, and more.

FORMS

The site also offers links to important forms, including those necessary for:

- Direct deposit
- Pension enrollment
- Pre-retirement beneficiary designation
- Retiree change of address

RESOURCES

The Resources section of the site is broken down into six areas that provide links and information about our:

- Annual Report and Plan Funding Notice
- *Summary Plan Description*
- Participating Employers
- Board of Trustees
- Retirement planning materials and facts about Social Security and Medicare
- Financial education and government agency resources

PENSION CALCULATOR

Our online pension calculator was designed to provide participants with an estimate of your future annual and monthly pension benefit in order to assist you with your long-range retirement planning.

WHERE'S SHARRON?

Elsewhere on the Plan's website you'll also find an up-to-date calendar for Communications Representative, Sharron Carlson, who routinely visits participating Pension facilities or holds virtual Zoom informational sessions for participants where you can get answers to your Pension Plan questions. •