

The Pension Planner

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ALL YOUR PENSION PLAN QUESTIONS ANSWERED

Whether you're a participant who is new to the NYSNA Pension Plan or a veteran participant that has been with the Plan for several decades and is now nearing the end of your career, it's always important to understand the role this Plan will play in your retirement. From knowing when and how you become vested in the plan (and what does being "vested" actually mean?) or knowing the retirement options that come with the Plan so you can make the most informed decision on when to retire, this article will answer those frequently asked questions and more. (Note: The information below is intended to be a brief summary of some rules and benefits of the Plan. For complete information, refer to the Plan's Summary Plan Description.)

1 I DON'T UNDERSTAND WHAT IT MEANS TO BE A PARTICIPANT OF THE NYSNA PENSION PLAN. CAN YOU EXPLAIN?

You became a NYSNA Pension Plan participant on your date of hire in covered employment or the date your employer was required to make contributions to the Plan on your behalf, whichever came later. You'll become vested after five years as long as you continue working with a Pension Plan-participating employer (see Question #2 below for more details). This plan is a defined benefit pension plan, which means the Plan will pay you a fixed, lifetime, monthly benefit when you retire as long as you're vested before you retire.

2 WHAT DOES BEING "VESTED" MEAN?

You're vested when you have earned five years of credited service, including at least one year of "future service" (credited service earned after your employer joined the Plan is considered future service credit). Once you're vested, you're eligible to receive a pension benefit when you reach early or normal retirement age.

You'll earn a full year of credited service if you work 851 hours or more within a calendar year. If you work between 651 to 850 hours, you'll gain 2/3 of a year of credited service. Between 500 and 650 hours equals 1/3 of a year of credited service. If you work less than 500 hours in a calendar year, you won't receive any credited service for that year.

3 DO I HAVE TO PAY ANYTHING TOWARD MY PENSION?

Your employer makes all contributions to the Plan on your behalf as outlined by the terms of the collective bargaining agreement

negotiated by NYSNA and your employer. You cannot make any direct monetary contributions of your own to this Plan.

4 IF I LEAVE MY CURRENT EMPLOYER AND TRANSFER TO ANOTHER MEDICAL FACILITY TO WORK WILL I STILL RECEIVE A PENSION WHEN I RETIRE?

Provided that NYSNA has also bargained your new employer into the NYSNA Pension Plan, you'll be able to transfer any Pension Plan service credit you earned from one participating facility to another participating facility, subject to any of the Plan's "break in service rules." (See Page 8 and 9 of your Summary Plan Description for more details on service credit and "break in service" rules.) This benefit is referred to as pension portability.

For more information regarding pension portability, refer to Page 9 of your Pension Plan *Summary Plan Description* or call a pension analyst at (877) RN BENEFITS [762-3633].

5 WHAT HAPPENS TO MY PENSION IF I LEAVE MY JOB BEFORE I RETIRE AND DON'T CONTINUE WORKING AT ANOTHER PENSION PLAN-PARTICIPATING FACILITY?

If you're vested, you'll be eligible for a *deferred vested benefit*. The benefit is payable at your normal retirement date, which is the first day of the month in which you turn 65, or between the ages of 55 and 64. If you take the benefit before age 65, early retirement reductions will apply.

6 HOW MUCH MONEY WILL I RECEIVE EACH MONTH WHEN I RETIRE?

That depends on how many years of credited service you have and your final average earnings. Whether you choose early, normal, or a later retirement, the Plan uses the same mathematical formula to calculate your pension benefit. Generally, the calculation is 1.6 percent of your final average earnings times your years of credited service.

Each fall between September and December, a pension statement is sent from the Plan office to all active participants. It provides your years of service and the estimated annual benefit

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DO YOU HAVE A POWER OF ATTORNEY ON FILE?

It's important for Pension Plan participants to have a power of attorney 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. Not having an updated power of attorney or current address on file may result in delayed payments.

The Plan office requires a complete copy of your power of attorney document. If the documents aren't current (drafted within a year), you will be required to provide a notarized affidavit confirming that the power of attorney is still in full force.

Keep in mind, even if our office has a power of attorney on file for you, this doesn't mean that you can't sign on your own behalf when necessary. If you have any questions, contact the Pension Department at (877) RN BENEFITS [762-3633].

In addition to this newsletter, the NYSNA Pension Plan frequently sends important Plan information to our participants with legally required documents, reminders, and updates. In order for these communications to reach you, we must have your most current contact information on file here at the Plan office, including:

- Phone number (cell and/or home phone)
- Mailing address
- E-mail address
- Emergency contact name and phone number (only in the event we can't reach you directly in certain situations regarding your pension).

To verify or update your contact information in our database, please call the Pension Plan office at (877) RN BENEFITS [762-3633]. You may also e-mail the Plan at pensions@rnbenefits.org with any changes.

YOUR MONEY:



ELDER FRAUD IS A GROWING PROBLEM

LEARN HOW TO PROTECT YOURSELF AND LOVED ONES

Unfortunately, each year millions of older Americans fall victim to some type of financial fraud — and the criminals are getting harder to outsmart. In 2022, seniors are susceptible to schemes related to romance, the lottery, their children or grandchildren, COVID, and even the Federal government. Older victims are often attractive targets for scammers because they tend to be trusting and polite, have financial savings, own a home, and have good credit.

COMMON ELDER FRAUD SCHEMES

According to the FBI and AARP, these are some of the most common fraud schemes targeted toward older adults today.

Romance scam: Criminals pose as interested romantic partners on social media, dating websites, through online prayer groups and book clubs, even online games like Words with Friends, to capitalize on their elderly victims' desire to find companions.

Tech support scam: Scammers pose as technology support representatives and offer to fix non-existent computer issues. Then, they gain remote access to victims' devices and sensitive information.

Grandparent scam: Criminals pose as a relative — usually a child or grandchild — claiming to be in immediate financial need and ask for money via wire transfer, credit card, check, cash, and even gifts cards.

Government impersonation scam: Scammers pose as government employees and threaten to arrest or prosecute victims unless they agree to provide funds or other payments. Other scams related to Medicare involve scammers offering new cards with microchips or offers of pandemic-related services to those who "verify" their Medicare ID number. Please remember, the IRS will never contact taxpayers by phone, email, or text to request personal information.

Sweepstakes/charity/lottery scam: Criminals claim to work for legitimate charitable organizations to gain victims' trust. Or they claim their targets have won a foreign lottery or sweepstakes, which they can collect for a "fee."

COVID-related scams: Criminals call or email posing as Medicare employees offering free at-home test kits but are merely phish-

ing for Medicare IDs or Social security numbers. In other cases, criminals posing as so-called "contact tracers" ask for personal information that would never be asked for in relation to a potential COVID virus exposure.

TV/radio scam: Criminals target potential victims using illegitimate advertisements about legitimate services, such as reverse mortgages or credit repair.

Account takeover scams: Scammers send fake text messages alleging there's trouble with an internet account, credit card, bank account, or shopping order on Amazon. They try to get the victim to click on links to fraudulent sites and provide personal info.

PROTECTION TIPS

If you're worried about a senior member of your family, a friend, or a neighbor getting scammed, try discussing the following tips with them:

- If you suspect something is a scam, end all communication as quickly as possible whether by phone, email, or text.
- Search online for the contact information (name, email, phone number, addresses) and the proposed offer. Others may have reported or posted information online about individuals and businesses trying to run scams.
- Resist the pressure to act quickly. Scammers create a sense of urgency to produce fear and lure victims into making immediate decisions.
- Never give or send any personally identifiable information, money, jewelry, gift cards, checks, or wire information to unverified people or businesses.
- Be careful what you download. Never open email attachments or click on links from unsolicited emails, texts or social media messages, and be cautious of email attachments forwarded to you.

Please be advised, on occasion the Pension Plan may send you a text with Plan information and ask you to call the Plan office. We will always identify ourselves and provide our Plan office phone number (877) 762-3633. •

ONLINE CALCULATOR HELPS PARTICIPANTS PLAN FOR THEIR FUTURE

At one time or another, most of us have likely imagined what we'll be doing and where we'll be living once we reach retirement. If you've done this, you've also likely questioned how much money you'll need in order to live the type of lifestyle you're imagining for your retirement years.

Online retirement calculators can be a helpful tool for anyone nearing retirement – or even those with several decades yet to work and save. These simple tools will give a rough idea of what you'll need to save, spend, and invest in order to afford the retirement lifestyle you desire.

The NYSNA Pension Plan's Pension Calculator provides you with an estimate of your future annual and monthly pension benefits and may assist with your long-range retirement planning. The calculator can be accessed by visiting our website at rnbenefits.org. Click on the "Pension Calculator" link found under the Pension Plan heading in the main menu.

SIMPLE CALCULATION

The Pension Calculator conducts the simplest of calculations. It uses the Plan formula to determine an annual and monthly benefit based on information you enter to the best of your knowledge. In addition, it will provide an expected lifetime benefit amount based on the number of years of expected retirement.

The calculation derived through this tool is provided as a convenience since it's based solely on the information you enter and doesn't access any of the salary or service information used by our pension analysts when they calculate an "official" estimate of retirement benefits. It doesn't include calculations where past service credit is involved, however it does take into consideration the unreduced early retirement option at age 60 (past service credit may be earned if you already were employed when your facility joined the Plan, provided the employer made contributions to cover this past service credit). In addition, the calculator doesn't factor in other criteria that may ultimately affect your actual benefit such as breaks in service, time worked in a non-covered position, your current age, or your marital status.

BE PREPARED

Once on the Pension Calculator page, you should be prepared to answer a few questions in order to complete the calculation, including:

- Your estimated retirement age;
- Your estimated years of service with your employer;
- Your estimated final average earnings; and
- Your estimated number of years of retirement.

We've provided some guidance on how best to answer these questions in the form of a question and answer resource on the Pension Calculator page of our website. •



Q Does it matter if I retire in the middle of the calendar year or should I wait until December 31?

A It's generally a good idea to wait until December 31 to retire because your pension benefit may be higher if you retire at the end of the calendar year. To calculate your pension benefit, the Pension Plan uses a mathematical formula that's based on the highest average earnings for any five years during the last 10 years immediately prior to your retirement date. If you're working full time prior to retirement, your earnings will likely be at their highest level.

To ensure that the earnings for your final year of work are included in the calculation, you must terminate employment effective **December 31**. So, you certainly could have an incentive to wait until the end of the year to retire.

Please call the Plan office at (877) RN BENEFITS [762-3633] if you have any questions about the timing of your planned retirement. A pension analyst can calculate your pension benefit showing the difference between retiring on December 31 as opposed to an earlier date in the calendar year. •

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.

PENSION PLAN RELIES ON EARNINGS INFORMATION RECORDED BY EMPLOYERS

Did you ever wonder how the value of your pension payment is determined and where the information comes from for the calculation? If so, read on.

When you call the Plan office, our pension analysts calculate your pension benefit by multiplying your final average earnings by your years of credited service and by the Plan's formula. Generally, the Plan's formula is 1.6 percent but that could vary depending on your period of employment.

VERIFY YOUR INFORMATION

To complete this calculation, the Plan uses the earnings figures provided to us by your employer. Therefore, we suggest checking with your employer's personnel/human resources office and the Plan office every few years to make sure your years of service, earnings, and experience differential are recorded accurately. This is especially important if you're getting ready to retire.

It's also advisable to check the pension estimate you

receive from our office, as well as your annual pension statement from the Pension Plan. Make sure the salary information and years of service are recorded correctly. If there's a discrepancy, check with the human resources department at your facility to work out the problem as soon as possible.

FINAL AVERAGE EARNINGS

Final average earnings are determined by taking your average earnings for any five complete calendar years during the last 10 or fewer years immediately prior to your expected retirement date. Your final average earnings include your base salary plus experience differential (all earnings before 1989 include base salary only). They don't include overtime, bonuses, or other differentials – such as shift, specialty, or education. (Please see your *Summary Plan Description* for more detailed information). •

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.

Chief Executive Officer
Ronald F. Lamy, CPA, CEBS

Chief Operating Officer
Christopher J. Rosetti
CPA, CFE, CFF

Pension Department Manager

Timothy M. Antoniak, ACS

Senior Communications Specialist/*The Pension Planner*

Editor

Tricia E. Cupp

Communications Specialist
Meighan C. Rask

Communications Representative
Sharron Carlson, CEBS

NYSNA Pension Plan
PO BOX 12430

Albany, NY 12212-2430
(518) 869-9501

(877) RN BENEFITS
(800) 342-4324
rnbenefits.org

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

PLAN QUESTIONS ANSWERED

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payable at your projected retirement date. The benefit calculation is based on information provided by your employer, and includes a written estimate of your monthly pension benefit.

As you get closer to retirement, you may also call the Pension Plan for an estimate of your benefit or use the Plan's online Pension Calculator found at rnbenefits.org/Pension-Plan/Pension-Calculator to generate an estimate yourself anytime you like.

7 WHEN CAN I RETIRE AND START GETTING MY PENSION?

Early retirement can be taken between the ages of 55 and 64. Since you'll be retired longer than if you took retirement at age 65, your monthly benefit is reduced by one-half percent for each month that early retirement precedes your normal retirement date.

Unreduced early retirement can be taken between the ages of 60 and 64 if you have at least 20 years of credited service, including one year of future service, and retire from active covered employment after reaching age 60. No reduction is taken to cover the five or fewer additional years you'll be retired.

Normal retirement can be taken starting on the first day of the month you turn 65.

8 WHAT SHOULD I DO WHEN I'M READY TO RETIRE?

To get the ball rolling when you *think* you're ready to retire, call the Plan office no less than 30 and no more than 180 days before your planned retirement date to request a retirement packet. You'll be able to discuss your retirement options with a Pension Plan analyst who can also answer any questions you may have about the process – because there's a lot to know!

Once you've decided to move forward with the process, the analyst will email or mail you your retirement packet. Please be sure that you read all the paperwork very carefully. If you have any questions or are unsure about the information we require, always call the Pension Plan. We'd be happy to help you fill in the blanks!

The forms you receive must be filled out and returned to the Plan office before your retirement date, along with copies of required documents such as birth or marriage certificates or a divorce decree. The Plan office requires a certified original death certificate, if applicable. It's a lot to take care of, but don't worry, we'll be right with you to help every step of the way.

9 DO YOU NEED TO NOTIFY THE PLAN IF MY ADDRESS OR OTHER CONTACT INFORMATION CHANGES OR WILL MY EMPLOYER PASS THOSE CHANGES ON TO THE PLAN FOR ME?

Your employer does not send any contact information you provide to them on to the Plan office. If any of the contact information that you provide to us upon your enrollment in the Plan changes, you must call us and inform us of those changes yourself. This includes:

- Address
- Home/cell phone numbers
- Tax information
- Marital status
- Beneficiary status