

# The Pension Planner

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## RETIREMENT OUTLINE FOR OLDER AMERICANS

Transition to the retirement of your dreams takes carefully planned steps.

**M**aking the leap into retirement is not a decision to take lightly or make quickly. It can undoubtedly be a very overwhelming process - if you're unprepared. Transitioning into retirement takes extensive planning to ensure you'll have enough savings, investments and other financial means, such as your retirement benefit from the NYSNA Pension Plan, to fund a hopefully long and active retirement. You'll also need to consider and make informed decisions about Social Security and Medicare.

The timeline provided below from the U.S. Department of Labor can help you plan for the retirement you have been dreaming of since you began working decades ago.

### AGE 50

Begin making catch-up contributions - an extra amount that those over age 50 can add to 401(k) or 403(b) plans available through their employers.

It's a good idea to create an online Social Security account at any age by going to [ssa.gov](https://ssa.gov). Then, check your online Social Security statement online every year for earnings accuracy and determine what your estimated Social Security benefit will be.

Review your annual NYSNA Pension Plan statement mailed to you between October and December to determine your estimated pension benefit. Or, call the Pension Plan office at (877) RN BENEFITS [762-3633] to speak with a pension analyst who can provide you with information regarding your future benefit.

### AGE 59 ½

There are no longer tax penalties on early withdrawals from employer-provided savings plans such as 403(b) or 401(k) plans. However, leaving money in these accounts gives it more time for it to grow in value. The withdrawals will be taxed as regular income as well.

### AGE 62

This is the earliest age Americans can begin collecting Social Security retirement benefits. However, collecting these benefits before reaching your full retirement age will result in reduced monthly benefits.

### AGE 65

Generally, you're first eligible to sign up for Medicare Part A and Part B during the period starting three months before you turn 65 and ending three months after the month you turn 65. You may delay Part B if you're still working and covered through an employer health plan, like the NYSNA Benefits Fund.

Failure to enroll in Medicare at the correct time can cost a good deal of money in penalties throughout retirement. You'll want to make sure you sign up for Medicare Part D, which covers prescription drugs, as well.

### AGE 67-70

You may earn Social Security Delayed Retirement Credits, which increase monthly benefits for each month claiming your benefits is delayed between your full retirement age and age 70.

### AGE 73

You must begin taking required distributions from your retirement savings accounts (like a 403(b) or 401(k)). Otherwise, you may be charged heavy penalties from the IRS. •

### PREPARING FOR RETIREMENT WITH THE PENSION PLAN

Once you've made the decision to retire and begin collecting your NYSNA Pension Plan benefit, no matter what your age, there will be some decisions and planning necessary to ensure the process proceeds in a smooth and timely manner with the Pension Plan office. In general you should:

- Contact a pension analyst at the Pension Plan at (877) RN BENEFITS [762-3633] no less than 30 days and no more than 180 days before your planned retirement date.
- Read the packet of information your analyst sends you through the post office or email, which provides a full explanation of all your pension options.
- You'll need to secure copies of all required documents needed by the Plan in order to begin processing your benefit. Send them to the Plan office, along with your signed application and other essential forms. Your pension analyst will then walk you through every step of the retirement process, until you receive your first payment.

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## PLAN BUZZ

### JOIN US ON FACEBOOK!

The Pension Plan is now on Facebook! Follow our page for up-to-date Pension Plan related news and reminders, details on site visits to Pension Plan-participating facilities, important Plan office information, and more.

Follow us now by scanning this QR code.



### 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](mailto:communicationsdepartment@rnbenefits.org).

*We look forward to hearing from you!*

### PLAN'S FINANCIAL DOCUMENTS AVAILABLE

Pension Plan participants who are interested in reviewing the Plan's annual report may do so by visiting the Plan's website at [rnbenefits.org/Pension-Plan/Required-Disclosures](http://rnbenefits.org/Pension-Plan/Required-Disclosures). 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 "Required Disclosures" page from the main menu.

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. In early 2024, the Plan's actuary certified that the Plan was in good standing and was not in endangered, critical, or critical and declining status for the 2023 Plan Year.

THE PENSION PLAN OFFICE WILL BE  
CLOSED MONDAY, JANUARY 20 IN OBSERVANCE  
OF MARTIN LUTHER KING JR DAY AND  
MONDAY, FEBRUARY 17 FOR  
PRESIDENTS DAY

## YOUR MONEY:

# WHAT'S A MONEY MARKET ACCOUNT AND HOW DOES IT WORK?

Everyone knows about checking and savings accounts, but you may not be aware that there's a third type of account. According to *Forbes Advisor*, a money-market savings account combines features of checking and savings accounts but earns higher interest than those traditional accounts, and still allows you access to your money.

Here's a closer look at what you need to know to decide if one is right for you.

### WHAT IS A MONEY-MARKET SAVINGS ACCOUNT?

Think of a money market account as a hybrid account that mixes the most beneficial features from both savings and checking account. Like savings and checking accounts, money-market savings accounts are deposit accounts, containing money you've put into a bank or credit union, and they're insured by the Federal Deposit Insurance Corporation up to \$250,000. Many of the accounts come with a debit card and check-writing opportunity. They let you grow your money more quickly but without the uncertainty of investment accounts, advises Forbes.

### HOW DO MONEY MARKET ACCOUNTS WORK?

Money market accounts work like any other deposit accounts such as savings accounts. You deposit your funds in a money market account and earn interest on those funds. The money in the accounts is accessible anytime you need it, without being subject to a withdrawal penalty. In addition, interest earned on a money market account is compounded daily and paid monthly, according to Forbes. You can find money market accounts available through traditional banks and credit unions as well as online banks.

Traditionally, money market accounts were limited to six transfers or withdrawals per month, including debit card purchases. However, since April 2020 the Federal Reserve suspended the limit on withdrawals but banks and credit unions may still impose a fee if the usual monthly limit is exceeded, says Forbes.

### PROS AND CONS OF MONEY MARKET ACCOUNTS

While a money market account can be a great alternative for your banking needs, it may not be suitable for everyone. Forbes outlines the pros and cons below:

#### Pros

- Competitive annual percentage yield (APY)
- Deposits insured by the FDIC or NCUA
- Check-writing privileges
- May include a debit card

#### Cons

- Typically requires a higher minimum balance
- May have a higher initial deposit requirement
- Variable interest rate
- Monthly withdrawal limits

### IS A MONEY MARKET ACCOUNT RIGHT FOR YOU?

A money-market account can be a good idea if you'd like to earn more on your savings while retaining the ability to do a few transactions a month. They're a good vehicle for allowing you to separate specific money from your everyday bank account to save for the future.

Forbes suggests money market accounts are particularly advantages to use for:

- Emergency fund
- Wedding expenses
- Vacation fund
- Tax payments
- Home renovation fund
- Retirement savings

As you may have determined from the above list, while money market accounts are perfect for socking away some money for a short- or long-term savings goal, they're probably not the best account for everyday banking, says Forbes.

As always, do your homework and research money market accounts and consider your personal and financial goals before deciding if a money market account is right for you. ●

## PENSION PLAN 101: BREAK IN SERVICE

**N**YSNA Pension Plan participants must work at least 500 hours in covered employment in one calendar year to receive credited service. Any calendar year in which you work less than 500 hours in covered employment will result in 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. You won't lose any of the service credit you've earned so far.

If the break in service occurs before you've vested, you'll hold onto 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. 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. If you return to work more than five years after the break, you'll lose credit for the previous three years of service.

Whether or not you're vested, you'll retain credit for all previous years of service if your break is an allowed break in service. Such breaks include:

- 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)

If you experience a break in service, have credited service restored when re-employed in a covered position, and work less than five years in covered employment following the break, your pension benefit will be calculated in two parts. One portion will be calculated based on your years of service and final average earnings before the break, and any Plan provisions in effect at that time. The other portion of your benefit will be calculated based on your years of service and final average earnings after the break.

Because break in service rules have changed over the years, call a pension analyst at (877) RN BENEFITS [762-3633] if you have any questions. More detailed information also can be found on Page 9 of our most recent *Summary Plan Description* dated 2024. •

*Happy New Year  
from the  
Pension Plan!*

## Ask the Pension Plan

### Q

**What is the 60/20 early retirement option?**

### A

The NYSNA Pension Plan's 60/20 early retirement option refers to the unreduced early retirement benefit available to vested participants who have accrued at least 20 years of credited service (including one year of future service) under the Plan and leave active, covered employment between the ages of 60 and 64. If you decide to retire before age 65 and begin receiving an unreduced early retirement benefit from the Pension Plan, you'll receive pension benefits for a longer period of time than if you took normal retirement at age 65 but, your benefit won't be reduced to cover the additional years that you'll be enjoying in retirement.

### Q

**What type of compensation is used to calculate my pension benefit upon retirement?**

### A

The NYSNA Pension Plan uses a mathematical formula to calculate your pension benefit and it is dependent on how many years of credited service you have and your final average earnings at your retirement date. In general, the calculation is 1.6 percent of your final average earnings multiplied by your years of credited service.

Final average earnings are calculated by taking your average earnings over the five highest calendar years in the last 10 or fewer calendar years of your covered employment.

Your base salary plus experience differential are used to determine your pension earnings. Additional compensation you may have earned such as overtime, bonuses, and education, certificate, or shift differentials, is NOT used in this calculation. •

*Have a question for the NYSNA Pension Plan that you'd like to see answered in this column? Email the Editor at [communications@rnbenefits.org](mailto: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

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*.

New York State Nurses Association

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## ARE YOU FAMILIAR WITH ANY OF THESE INDIVIDUALS? IF SO, LET US KNOW!

Despite our continued best efforts to locate them, their family members, or their beneficiaries, we simply don't have current contact information to reach some of our pensioners who are not receiving their well-deserved pension benefits.

**Therefore, we need your help.** If you have ANY information on the whereabouts of anyone on this list, please reach out to them, their families, or call the Plan office at (877) RN BENEFITS [762-3633] as soon as possible so we can start getting them their benefit.

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