



Hanford Employee Welfare Trust

Hanford Retirement

Benefits Homepage:

www.hanford.gov/hr

Lynn Ramos, Benefits Administration 376-0623



Benefits for Retirement – Eligible Participants

- Savings [401(k)] [401(a)]
- Insurances (Medical, Life)
- Accrued Pension



How Do I Know If I Am Retirement Eligible

- Must be at least 55 years of age
- Must have at least 10 years of “Vesting” service in the Hanford Pension Plan(s)
- Must be employed by a Plan Sponsor



Investment/Savings Plan

■ Options at Retirement

- Leave Funds in Plan; change fund mix
- Continue Loan Payments; new loans available
- Lump Sum distribution or rollover at any time
- Monthly or Yearly distribution payments
- Distributions will begin at age 70-1/2; required by IRS

■ Vanguard

- Phone: 1-800-523-1188
- Web: www.vanguard.com



Investment and Savings Plans

Operations & Engineering Investment Plan



HAMTC Savings Plan



Hanford Guards Union (HGU) Savings Plan



Summary Plan Descriptions:

<http://msa.hanford.gov/hr/?page=89>

Insurance At Retirement



Provisions and structures are subject to change!!



Insurance for “Early” Retirement

1. Medical Insurance for you and your eligible dependents
2. Basic Group Life Insurance
3. Dependent Life Insurance Continuation



What is “Early” Retirement?

- Must be at least 55 years of age
- Must have at least 10 years of “Vesting” service in the O&E, HAMTC, or HGU plans
- Must be employed by a HEWT sponsor



Medical Coverage for “Early” Retirement

- Elect coverage
 - May drop once, with rights of re-enrollment one-time.

- Defer, With Option to Re-Enroll in Future
 - Your responsibility to contact **Benefits Administration** for re-enrollment
 1. Life event within 31 days, effective first of month.
 2. Any open enrollment, effective January 1 of following calendar year.



Medical Coverage for “Early” Retirement

2012 Contribution Structure (Subject to Change)

RETIREES / SURVIVING SPOUSES AND DEPENDENTS	
<u>UNDER AGE 65 (NOT MEDICARE-ELIGIBLE)</u>	
UnitedHealthcare – <u>PPO</u>	<u>“Options”</u> Group Health
\$333.87 Per Person / Month	\$196.15 Per Person / Month
Retirees under age 65 can continue coverage for eligible dependent children. The total cost / dependent child will be: PPO - \$333.87; Options - \$196.15.	



Basic Life Insurance for “Early” Retirement

2 options available:

■ Option 1: ENHANCED

Coverage = 1 X Ending Annual Base Pay Rate, rounded to the next \$1,000 to a maximum of \$50,000.00. Cost = \$1.75/\$1,000 for coverage in excess of \$15,000.

- Example: Sally is retirement eligible and decides to retire. At the time of her retirement, she earns \$42,500.00 per year. If Sally chooses Enhanced PRL coverage, then her coverage would be \$43,000.00 and the cost would be \$49.00 per month.



Basic Life Insurance for “Early” Retirement

- Option 2: BASIC
Coverage = \$15,000.00 at no cost to the participant



Dependent Life for “Early” Retirement

- Dependent Life Insurance
 - **Same level of coverage with respective cost may be continued until the first of the month following the Retiree’s 65th birthday.**



“Normal” Retirement

Age 65

- Medical Insurance for you and your spouse, if applicable. (Secondary to Medicare), effective November 1, 2003:
 - Elect coverage, secondary to Medicare
 - Defer coverage
- Basic Group Life Insurance Coverage = \$15,000.00 policy at no cost to the participant



Medical Coverage for “Normal” Retirement

Supplemental Coverage through

ExtendHealth

- EH will contact the eligible participant three months prior to their 65th birthday if in retirement status.
- If a participant is 65 or has an eligible dependent who is 65 upon retirement, HEWT will send information to EH in order for enrollment to occur immediately.
- HEWT provides an annual \$1800.00 funding of the Health Reimbursement Arrangement (HRA) on behalf of the participant. The account may be utilized to reimburse yourself for out of pocket expenses throughout the calendar year.



Insurance Plans Not Available

- Dental (Available through COBRA for up to 18m)
- Vision – UHC
- Personal Accident Insurance
- AD&D
- Short-Term Disability Insurance
- Long-Term Disability Insurance
- Travel Accident Insurance



Pension Plans

HAMTC

***Operations
&
Engineering***

***Hanford
Guards
Union***

Plans Amended and Restated January, 2011

Summary Plan Descriptions:

<http://msa.hanford.gov/hr/?page=88>



Benefits for Retirement – Eligible Participants

■ Early Retirement

- **Age 55 with 10+ years of vesting service**
- **Early retirement benefits are reduced by .5% per month between ages 55 and 60 for monthly annuity**
- **If you retire at age 60 or later with 10+years of vesting service, no reductions apply for monthly annuity**

■ Normal Retirement

- **Age 65 or older with 10+ vesting service**
- **No Reductions**

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Pension Plan Base Annuity Calculation

- **1.6% X years of Benefit Service X average of high 60 months salary = 10-Year Certain and Life Annuity, Age 65 benefit (age 60 if 55+ with 10+ vesting years of service)**



Pension Plan Lump Sum Calculation

Ten-Year Certain and Life, Age 65 benefit

X

Factor (age/rate from actuarial table)



How Your Pension Is Paid

- Options
 1. **Defer Pension Payment (Effective 11/01/03)**
 2. **Lump Sum (Reductions from Age 65)**
 - **Distribution**
 - **Rollover**
 3. **Straight Life Annuity**
 4. **Five-Year Certain and Life annuity**
 5. **Ten-Year Certain and Life annuity**
 6. **Straight 50,75, or 100% Joint and Survivorship**
 7. **Certain and Life with Joint and Survivorship**



Other Pension Information

- Once pension payment election is effective, you cannot change it.
- Retirement is effective first day of the month following last day worked, or service ends (i.e., ROF, LTD, election is received from Deferral).
- Annuity payments will begin the first day of the month following effective date (initial check for two months).
- First payment includes effective date month, plus coming month, and first of each month following.



When You Leave the Company

- **Eligibility for a distribution requires termination from the Plan, as well as the "employer relationship." This means that if you are employed by an Employer Sponsor of the Plan, or at a location within your Corporation of the Employer you are leaving, you may not be eligible for a distribution.**
- **If you transfer to a corporate office, you are not eligible to elect a pension payment (either lump sum or monthly annuity) at this time. Currently, the Hanford Pension Plan is a multi-employer, defined benefit plan, and is governed by regulations restricting payment from the Plan until the "employer relationship" is severed in its entirety.**



Considering Retirement

- Contact Benefits Administration
 - Lynn Ramos, 376-0623
 - E-mail Request to Lynn_A_Ramos@ri.gov
- Call three to four months prior to your last day of work to request pension estimate report
- Make an appointment approximately 2-4 weeks prior to last day of work; spouse may attend



Pension Estimate Report Request

■ Required Information

■ Your legal name

- Social Security Number
- Payroll Number (optional)

■ Effective Date**

■ If married, provide:

- Spouse's name (legal name, not nickname)
- Birth date
- Social Security Number

■ Home mailing address

**If you have already requested a report, please DO NOT submit this form. Pension Accounting prioritizes by this date. Completed reports will be mailed to your home.

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