

Disclaimer

This workshop is designed to be educational in nature and is not intended to provide investment, tax, or legal advice.

You should consult with your own tax, legal, accounting professionals or any other advisors for advice on the implementation of any plan of action in your particular situation.



Pension Workshop

- *Pension Board & Board Retained Service Providers*
- *Retirement Plan Update*
- *Overview of Benefits*
- *Processing of Applications*

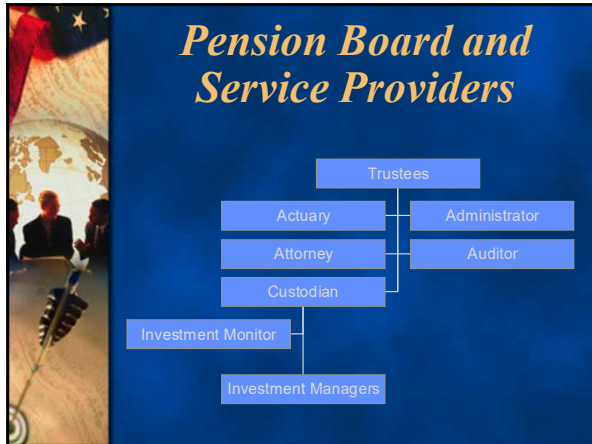


Orlando Pension Office

- Tom Lapins, Emeritus
- Orlando Office:
Resource Centers, LLC
231 East Colonial Drive, Suite 100
Orlando, FL 32801
Phone: (561) 729-8897
Email: Tom@ResourceCenters.com
- Tuesday & Thursday
11:00 AM – 4:00 PM, Appointment



***Pension Board
(Plan Administrator)***



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- Trustees:
Administer Plan**
- *Three Union Trustees*
 - *Three Year Terms*
 - *Appointed by Union President*
 - *Three Employer Trustees*
 - *Three Year Terms*
 - *Appointed by Authority*

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- Trustees**
- *Three Union Appointed Trustees:*
 - *Ronald Morgan, CPPT, Board Chair*
 - *Frank Luna, CPPT*
 - *Maria Carrera*
 - *Three Trustees Appointed by Authority:*
 - *Bert Francis, Board Secretary*
 - *Donna Tefertiller*
 - *Brian Anderson*
- *CPPT = Certified Public Pension Trustee*

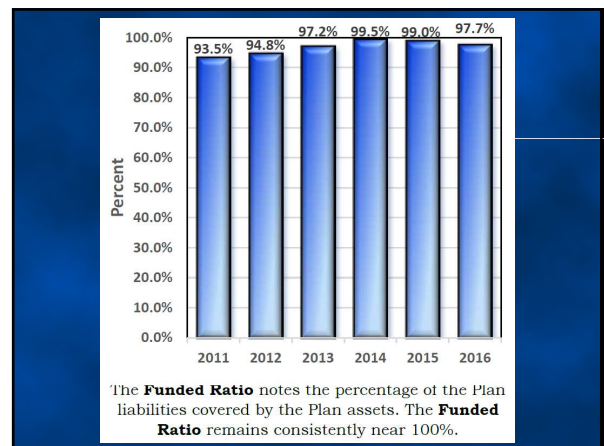
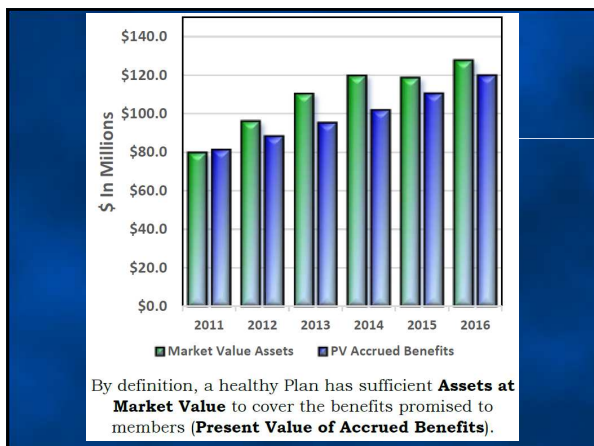
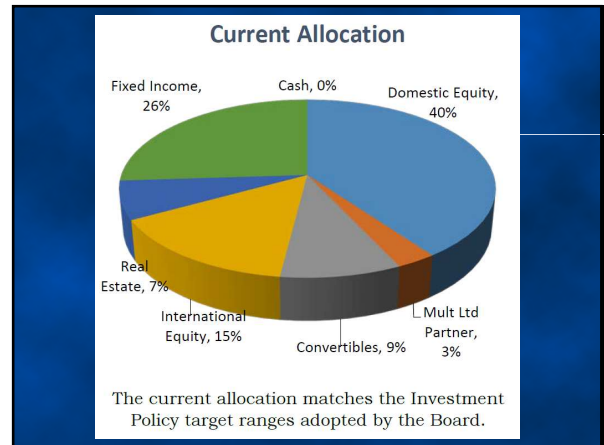
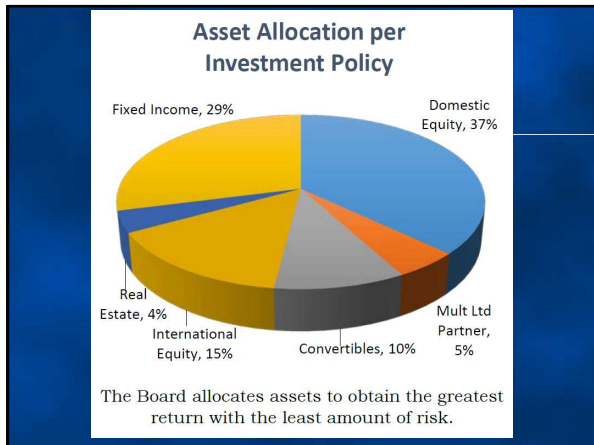
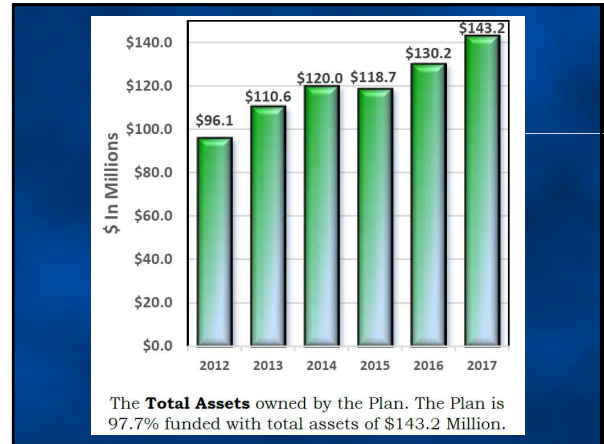
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- Pension Board
(Plan Administrator)**
- *Meets Quarterly*
 - *Additional Meetings as Needed*
 - *Hires and Manages All Service Providers*
 - *Reviews and Approves All Benefits*
 - *Trustees Serve as Fiduciaries*

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- Board: Administers Plan**
- *Maintains Plan Document*
 - *Plan Document*
 - *Florida State Law*
 - *Establishes and Enforces Board Policies for Plan*
 - *Complies with State, Federal, and IRS Requirements*

-
- Board Retained Service Providers**
- *Actuary: Gabriel Roeder Smith*
 - *Auditor: Cherry Bekaert Holland*
 - *Legal Counsel: Sugarman & Susskind*
 - *Custodian: Amalgamated Bank*
 - *Investment Managers: Multiple*
 - *Investment Consultant: Burgess Chambers*
 - *Plan Administrator: Resource Centers*

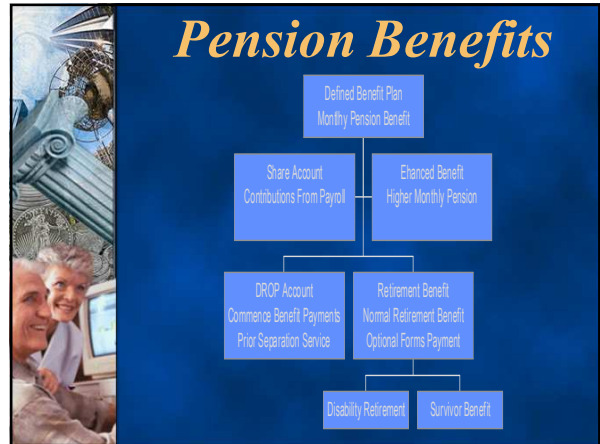



Defined Benefit Pension Plan





Pension Overview



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- ### Defined Pension Benefit
- Bargaining unit employees eligible to participate
 - Plan closed as of March 1, 2014
 - Partial vesting after 5 years service, full vesting with 10 years service
 - Funded by combination employer + employee contributions
 - Authority contributes 12.31% of payroll
 - Employees contribute 6.07% of payroll



Vesting Schedule

Years of Credited Service	Vesting Percentage
< 5 Years	0
Between 5 And 6 Years	50
Between 6 And 7 Years	60
Between 7 And 8 Years	70
Between 8 And 9 Years	80
Between 9 And 10 Years	90
> 10 Years	100

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- ### Vesting
- Plan Year Begins October 1 And Ends September 30 Next Calendar Year
 - Full Year Vesting Credit For Each Plan Year That Member Works More Than 1,000 Hours
 - Member Becomes Partially Vested In Fifth Plan Year With More Than 1,000 Hours
 - Member Can Become Fully Vested With Less Than 10 Years Service
 - Members Not Eligible To Receive Refund Of Contributions Once Fully Vested

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- ### Eligibility for Retirement
- Normal retirement
 - Age 62 with any amount of benefit credits
 - Age 58 with 20 years of vesting service
 - Early retirement
 - Age 55 with 10 years of vesting service and 10 benefit credits
 - For members with 20 years of vesting service, benefit reduced 5/9% for each month retirement precedes age 58
 - For members with less than 20 years of vesting service, benefit reduced 5/9% for each month retirement precedes age 62
 - Vested deferred benefit payable at normal retirement date based on vesting percentage



Benefit Formula

- Pension Formula:
 $(\text{Average of Highest 5 Years of Salary}) \times (\text{Benefit Credits}) \times 2.13\%$
- Maximum benefit cannot exceed 100% of final average salary
- Benefit always paid for life of member
- Optional forms of benefit available to provide survivor income to spouse or beneficiary



Benefit Credits

Hours of Service	Benefit Credits
2500 or More	1.3
2300 – 2499	1.2
2100 – 2299	1.1
1900 – 2099	1.0
1700 – 1899	0.9
1500 – 1699	0.8
1300 – 1499	0.7
1100 – 1299	0.6
900 – 1099	0.5
700 – 899	0.4
500 – 699	0.3
Below 500	0.0



Additional Plan Provisions



Disability Benefits

- Must have 10 or more benefit credits
- Definition of Disability
 - Member qualifies for Social Security disability benefits
 - Member totally & permanently disabled
- Benefit amount determined in same manner as normal retirement
- No reduction for age



Pre-Retirement Death Benefits

- All members should keep pension beneficiary up-to-date
- Spouse of member eligible for normal retirement receives 100% contingent annuity benefit
- Spouse of member not eligible for normal retirement receives deferred benefit
 - Amount equal to 100% contingent annuity for vested deferred benefit amount
 - Benefit commences on earliest early retirement date for deceased member



Enhanced Benefit

- Increase multiplier by 0.25% or 0.5%
- Member contributions additional 2.5% or 5.0% of payroll (8.57% or 11.07% Total)
- Enrollment effective on October 1 each year
- Cannot change or revoke election for enhanced benefit



Share Accounts




Share Accounts

- *Member contributions 3% or 6% of payroll*
 - Member contributions immediately vested
 - Contributions invested with plan assets
 - Interest credited at net investment return for plan
- *Quarterly statements*
- *Enrollment effective on October 1 each year*
- *Member can increase or decrease contribution each year*



Distribution Options Share Account

- *Distribution Options*
 - Lump Sum Distribution
 - Partial Distribution
 - Systematic Withdrawals
- *10% IRS Penalty + Income Tax For Early Distributions*
- *Rollovers To IRA Account*



DROP Plan

- *Participant must be eligible for retirement*
- *Retirement benefit paid into account while participant continues to work*
- *Maximum Participation For Five Years Prior To Termination of Employment*
- *Member Receives Quarterly Statements*



Additional Provisions

- *Buy-Back Of Prior Service:*
No Longer Available Following Plan Closure
- *Vesting and credit in plan may be available if member out of work on temporary disability*



Application Procedures for Retirement

- *Application Filed With Administrator*
- *Administrator Determines Final Average Salary, Reviews Calculation With Participant*
- *Actuary Determines Benefit And Payment Alternatives*
- *Participant Elects Form Of Benefit Payment Through Administrator*
- *Trustees Approve Benefit*
- *Administrator Pays Benefits To Retired Participants*



Application Procedures for Retirement

- *Application: 1-2 Weeks Prior To Retirement*
- *Benefit Calculation: 1-2 Weeks Following Receipt of Final Payroll*
- *Review By Actuary: 1-2 Weeks*
- *Benefit Calculation & Forms Mailed to Member*
- *Member: 1-2 Weeks to Respond*
- *Set Up Pension Payment: 1 Week*
- *Actual Receipt First Check: Additional Mail Time*

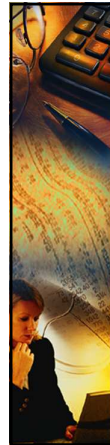
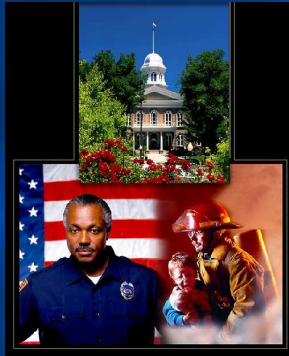


Application Procedures for Retirement

- *Required Forms*
 - Application for Retirement
 - Tax Withholding Form (W-4P)
 - Benefit Election Form
 - Copy Birth Certificate or Driver's License
- *Optional Forms*
 - Direct Deposit Form
 - Spousal Waiver
 - Beneficiary Designation



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Virtual Pension Office

- *Pension plan documents*
 - Ordinance
 - Summary Plan Description
- *Board approved minutes*
- *Forms & applications*
- *Recent Plan investment performance*
- *Links to other service providers*
- *Plan Email box:*
atu1596@resourcecenters.com
- *Online benefit calculation & account inquiry system*



Online Benefit Calculation & Account Inquiry System

Select *ATU Local 1596 Pension Fund*
Click on the "Benefit Calculator" Icon
For Pension Benefit Projections

Select *ATU Local 1596 Pension Fund*
Click on the "Account Inquiry" Icon
For Share & DROP Account Balances



Time To Answer Questions . . .

