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# Midwest Operating Engineers 2024 Pre-Retirement Seminar

Your Local 150 *Retirement Journey*



# Housekeeping Items

- Please silence your phones
- Feel free to get up for refreshments, water, coffee, or restrooms
- We will stop after each section to allow for questions
- We will stick around if you have questions, please stop by the MOE staff and vendor tables
- Be sure to drop your raffle ticket in the raffle drum
- Raffles will be pulled at the completion of the presentation



# Agenda

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Introductions

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Your Retirement Journey

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Pension Types/Benefit Options

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Returning to Work in Retirement

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Retirement Enhancement Fund

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Death Benefits

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Life Insurance

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Retiree Welfare Plan

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Retiree Medical Savings Plan

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Medicare



## SUPPLEMENTAL CONTRIBUTIONS “BUCKET MONEY” DISTRIBUTION PLAN

### If you were Retired as of June 1, 2021 or before:

- You received a “BUCKET” Repayment Check in December of 2021 for 40% of your “BUCKET” Contributions
- You will receive **ANOTHER** 13th check in **December** equal to 10% of your Supplemental “BUCKET” Contributions + 2% interest!
- This is a total of 50% of your “BUCKET” Repayment with these two checks

### If you Retired between July 1, 2021 and before July 1, 2024:

- You will receive a 13th check in **December** equal to 50% of your Supplemental “BUCKET” Contributions + 2% interest

### If you are still working:

- 50% of your Supplemental “BUCKET” Contributions will be added to your Pension Benefit Accrual based on a 1% multiplier

The amount of your Supplemental “BUCKET” Contributions can be found on your recent quarterly statement located on your My150 My Hours Page.

The Fund Office will send you a letter in the coming weeks with all the details of your distribution.



→ Pension Fund net assets - \$5,604,301,136.41 as of March 31, 2024

→ Our 2023 funding percentage – 91.7% funded – **Green Zone**

August 2024 Pension statistics:

→ 12,640 pensioners

→ \$35,173,907.86 grand total paid for Pension benefits

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## State of the Pension Fund



# Inside Your Local 150 *Retirement Journey* Folder

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- ⇒ Benefit Estimate at Normal Retirement Age
- ⇒ Retirement Enhancement Fund (REF) Statement
- ⇒ Today's Presentation
- ⇒ Retiree Welfare Plan Premiums
- ⇒ Fringe Benefits Contact List
- ⇒ Supplemental Contributions "Bucket Money"  
Distribution Plan flyer

# Your Retirement Journey

## Thinking of retirement:

- Attend a Pre-Retirement Seminar
- Request a “Retirement Planning” appointment with the Retirement Services Group
  - Discuss available Pension options
- Obtain a benefit estimate from the Retirement Services Group
- Speak with a financial advisor to discuss your retirement portfolio
  - Megent is available to assist with your Local 150 retirement

# Request a Pension Application

- Contact the Retirement Services Group and request a Pension Application
  - Up to 180 days prior to your anticipated retirement
- Begin gathering required documents:
  - Valid Drivers License
  - Birth Certificate and Spouse Birth Certificate
  - Medicare Card (if applicable)
  - Social Cards
  - Marriage Certificate
  - Divorce Decree, Marital Settlement Agreement (MSA), Qualified Domestic Relations Order (QDRO), if applicable
  - DD214 (if discharged from the military)
  - Social Security Statement (Level Income Option + WRP)
  - SSA Award Letter, if applying for All Work Total Disability
- Failure to submit all required documents will delay your retirement



# Submitting Your Pension Application

- Schedule a “Pension Application” appointment with the Retirement Services Group (RSG)
- Come prepared with the following:
  - Your application
    - Complete as much of the application as possible prior to your appointment
  - Required documents
  - Voided check OR a letter from your financial institution with account details
  - To designate beneficiary(ies), you will need the following:
    - Name, address, date of birth, SSN

# Your Pension Payments

- Your first Pension payment will be processed once your application has been received, approved and the Fund Office receives your final hours from your Employer
- Your Pension payment will be retro active to your retirement date
- All Pension payments are required to be done via direct deposit

# Designating Beneficiary(ies)

Beneficiary(ies) will need to be designated for each of the following benefit types:

## Designate at time of Retirement:

- Pension
- Post-Retirement Death Benefit, if applicable
- Retiree Medical Savings Plan (RMSP) – **can also update through My150**

## Designate through Fidelity:

- Retirement Enhancement Fund (REF), if applicable

## Designate through Voya:

- \$10,000 Life Insurance
- Supplemental Life Insurance, if purchased

**It is very important to keep your beneficiary(ies) current**



# Questions?

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# Pension Types

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- ⇒ Normal Retirement – 60 years + and vested
- ⇒ Early Retirement – 55 to 59 years and vested
- ⇒ Vested Pension – 55 years +, vested, and previously left covered employment
- ⇒ Disability – contact MOE
  - Operating Engineers
  - All Work Total Disability
- ⇒ Vested monthly accrued benefit is payable when you meet the eligibility requirements

# Vesting

- One Vesting Service Year = 500 hours worked 4/1 – 3/31
- After 7 years of service, you are 100% vested
- You are only eligible for early retirement, Retiree Welfare Plan coverage, and Post – Retirement Death Benefit after earning 10 Vesting Service Years

<u>Vesting Service Years</u>	<u>Vesting Percentage</u>
Less than 3 years	None
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%

# Normal Retirement Age (NRA)

## Requirements:

- The accumulation of at least 10 Vesting Service Years
- The attainment of a specified age depending on when you first worked one hour of service in Covered Employment
- If you do not have 10 Vesting Service Years, your Normal Retirement Age will be age 65 or later
- Your Normal Retirement Date is the first of the month coincident with or immediately following Normal Retirement Age

<u>Participation Date</u>	<u>NRA</u>
Before 04/01/2014	60
On or after 04/01/2014	61
On or after 04/01/2015	62
On or after 04/01/2016	63
On or after 04/01/2017	64
On or after 04/01/2018	65

## Early Retirement Age (ERA)

### Requirements:

- The accumulation of at least 10 Vesting Service Years **AND**
- The attainment of a specified age depending on when you first worked one hour of service in Covered Employment
- Your Early Retirement Date is the first of the month with or immediately following your Early Retirement Age

<u>Participation Date</u>	<u>Early Retirement Age</u>
Before 04/01/2014	55
On or after 04/01/2014	56
On or after 04/01/2015	57
On or after 04/01/2016	58
On or after 04/01/2017	59
On or after 04/01/2018	60



## Early Retirement Pension

Employer contributions prior to April 1, 2006:	\$66,000	x	3.6%	=	\$2,376
<i>Plus</i> Employer contributions from April 1, 2006 - December 31, 2008:	\$16,500	x	3.0%	=	\$495
<i>Plus</i> Employer contributions from January 1, 2009 - September 30, 2009:	\$4,500	x	2.0%	=	\$90
<i>Plus</i> Employer contributions from October 1, 2009 – September 30, 2013:	\$18,000	x	1.5%	=	\$270
<i>Plus</i> Employer contributions from October 1, 2013 – March 31, 2020:	\$45,000	x	1.0%	=	\$450
<i>Plus</i> Employer contributions from April 1, 2020 - March 31, 2023:	\$20,000	x	1.0%	=	\$200
<i>Equals</i>					\$3,881
<i>Times Your Vested Percentage</i>				x	100%
<b>Monthly Normal Retirement Pension</b>					<b>\$3,881</b>

- Assume Normal Retirement Age (NRA) is 60 and member wants to retire at age 55
- Early Retirement Reduction (\$3,881 x 15%) is \$582.15
- Early Retirement Pension equals \$3,881 - \$582.15 = **\$3,298.85**

## Normal or Early Retirement Pension – Benefit Amount

- Based on the provisions of the Plan when the member terminates Covered Employment
- Amount will be adjusted if you have a Qualified Domestic Relations Order (QDRO) whereby a portion of your benefit is assigned to an Alternate Payee
- Adjusted depending on the form of benefit you choose
- If you retire after the Normal Retirement Age (NRA), you may be due a post NRA adjustment increase, if you qualify
- Amount reduced for early retirement
  - Reduction is 3% per year or 0.25% per month for each month prior to your NRA



# Questions?

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# Benefit Options – Forms of Payment

## Single Life Benefit:

- 5 Year Certain & Life
- 10 Year Certain & Life

## Survivor Benefit:

- Joint & 50% / 75 % / 100% Survivor - Married
- Joint & 50% / 75% / 100% Survivor with Pop-Up - Married
- Accelerated Level Income on applicable forms of payment

If you and your spouse elect one of the Joint & Survivor (J & S) options, after your death, your spouse's monthly benefit will be payable based on the elected % and will be payable over your spouse's lifetime

**Your benefit option cannot be changed once you have received your first benefit payment**

# Pop-Up Benefit Option

- The pop-up can be chosen for any J&S option when choosing your benefit
- This option will change the Member benefit to the full Normal Retirement Benefit (no reduction) if the spouse passes away before the member
- Your benefit option cannot be changed once you have received your first benefit payment
- Assume the member chose J&S 100% with Pop-Up

**Example: Normal Retirement Benefit: \$3,166.45**

<b>J&amp;S 100% Option with Pop-Up</b>	<b>Member Benefit</b>	<b>Survivor Benefit</b>	<b>Member Benefit if Spouse Passes Away (Pop-Up)</b>
\$2,438.17	\$2,438.17	\$2,438.17	\$3,166.45

# Accelerated Level Income Option

If you decide to take your Social Security benefit early, your pension benefit will still be reduced by your FULL normal Social Security retirement amount

- Your MOE monthly pension benefit is increased (leveling benefit) until you reach your full Social Security retirement age
- Your benefit will be reduced by the full Social Security amount when you reach full Social Security retirement age
- This is available to members who are eligible for an Early or Normal retirement pension and retire before their full Social Security Normal Retirement Age
- Only available for this option if you worked 500 hours in the Plan Year you retired or the prior Plan Year

# Accelerated Level Income Option Example

- Roy has selected the 5 Year Certain & Life Annuity - his monthly accrued Pension payment is \$3,000
- Based on the Accelerated Level Income Option example below, Roy would receive an increased monthly Pension payment of \$3,828 up to age 67
- At the age of 67, Roy’s monthly Pension payment will be reduced to \$2,028 (\$3,828 – \$1,800 (Roy’s Social Security benefit))

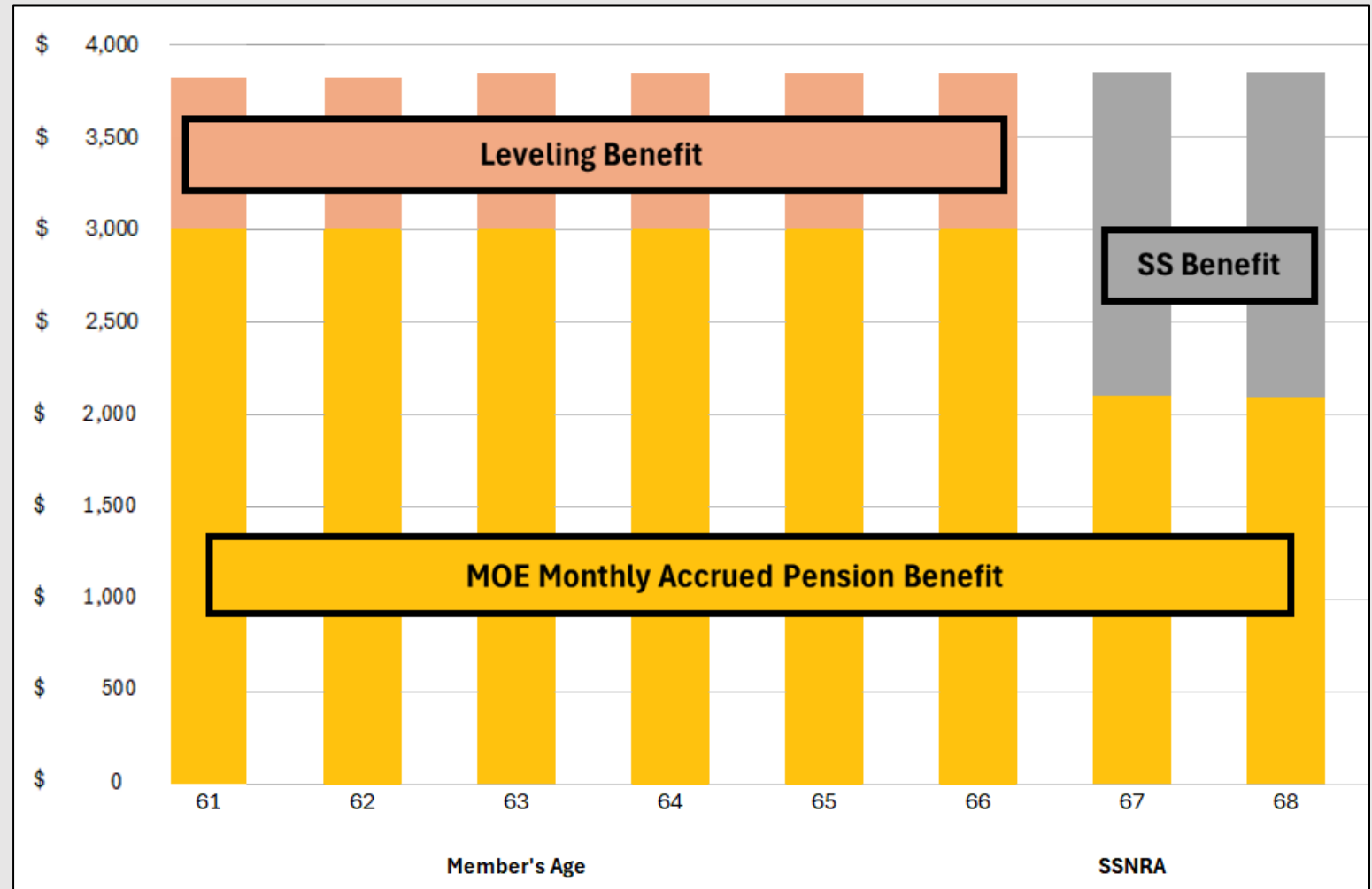
### Monthly Benefits

	Roy’s Monthly Benefits Before Age 67	Roy’s Monthly Benefits After Age 67
Midwest Operating Engineers pension with Accelerated Level Income Option	\$3,828 ←	\$2,028 ←
Social Security benefit	\$0	\$1,800
<b>Total monthly benefit</b>	<b>\$3,828</b>	<b>\$3,828</b>

Because Roy selected the 5 Year Certain and Life Annuity with the accelerated (level) income option, he is guaranteed that a minimum of five years of monthly payments (60 payments) will be made.

- This benefit is not connected to your Social Security benefit
- If you are considering this option, we highly recommend speaking with a Retirement Services Group representative

# Accelerated Level Income Option





# Benefit Estimate Example

PENSION BENEFIT OPTIONS AS OF 6/01/2024 - NORMAL RETIREMENT

YOUR BENEFITS ARE 100% VESTED!!

YOU ARE ELIGIBLE FOR THE POST-RETIREMENT LUMP-SUM DEATH BENEFIT

LAST REPORTED EMPLOYER: 44217 PHOENIX SERVICE - IN H. EAST

LAST REPORTED WORK MONTH: 1/2019

PAST SERVICE CREDIT .00 FUTURE SERVICE 20.00

NORMAL RETIREMENT AT 65-4 \$3,166.45

MEMBER'S SPOUSE AT 63

PENSION TYPE - NORMAL		MEMBER BENEFIT	SURVIVOR AMOUNT	POP-UP AMOUNT
5 YEAR CERTAIN & LIFE		\$3,166.45		
10 YEAR CERTAIN & LIFE	.93300	\$2,954.30		
J & S 50% OPTION	.89130	\$2,822.26	\$1,411.13	
J & S 50% OPTION W/POP-UP	.88110	\$2,789.96	\$1,394.98	\$3,166.45
J & S 75% OPTION	.83610	\$2,647.47	\$1,985.60	
J & S 75% OPTION W/POP-UP	.82180	\$2,602.19	\$1,951.64	\$3,166.45
J & S 100% OPTION	.78740	\$2,493.26	\$2,493.26	
J & S 100% OPTION W/POP-UP	.77000	\$2,438.17	\$2,438.17	\$3,166.45

# Taxes

- Certain payment forms are subject to mandatory withholding and some to voluntary withholding
- Your monthly Pension payments are subject to voluntary withholding
- Voluntary withholding means that you can elect whether or not to have Federal income tax withheld from your distributions
- You may want to consult with your tax advisor prior to making your election
- Today state taxes are applicable to pension income in Indiana, but not applicable in Illinois and Iowa

# Divorce

- Contact the Retirement Services Group to request a model Qualified Domestic Relations Order (QDRO) if one is not already established
  - Pension – The Fund's model order is FREE, otherwise the cost could be \$500 - \$2,000
  - Retirement Enhancement Fund (REF) – Administered by Fidelity; their model order cost is \$300, otherwise cost will be \$1,200
- Contact the Benefits & Eligibility Group if you have not notified us of your marital status change
  - Provide a copy of the Marital Settlement Agreement (MSA) and Divorce Decree
- Update your Beneficiary for all fringes and other Local 150 benefits!



# Questions?

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# Workers Retention Program (WRP)

- Incentivizes skilled Local 150 members to continue to work past Normal Retirement Age (NRA)
- Members may earn additional accrued benefits at the time of actual retirement payable up to the Social Security Normal Retirement Age (SSNRA) but may not exceed the SSNRA annual benefit amount
- Members that work past their NRA are automatically in this program, if eligible

## Eligibility Requirements:

- Must retire at least 12 months after your Normal Retirement Age
- Must retire before your Social Security Normal Retirement Age
- Continue to work in Covered Employment for a minimum of 800 hours for the 12 months following your Normal Retirement Age
- Continue to meet 800-hour Retiree Welfare Plan rule or have at least 800 hours for every Plan Year after your Normal Retirement Age prior to retiring

## Workers Retention Program (WRP) Continued

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### Conditions of the WRP benefit:

- Not a vested benefit
- Not subject to Qualified Domestic Relations Order (QDRO)
- Only payable to the member
- Not payable if the member dies
- Can be terminated at the discretion of the Trustees
- Benefits accrued are paid out monthly at an amount equal to your Social Security Normal Retirement Age benefit
- Benefits end when your WRP benefits are exhausted OR when you reach Social Security Normal Retirement Age (SSNRA), whichever comes first

## Workers Retention Program (WRP) Continued

<b>Example 1:</b>		<b>2 Year Delay from Normal Retirement Age</b>
<b>MOE Normal Retirement Age</b>		60
<b>Social Security Normal Retirement Age</b>		67
Age 60 Monthly Pension Benefit		\$3,000
<b>Planned Retirement Age</b>		62
Incorporates the required 12 months/800 hours		
<b>Social Security Normal Retirement Age Monthly Benefit</b>		\$2,500
<b>WRP Account Balance</b>		\$72,000 (\$3,000 X 24 months)
<b>WRP monthly amount added to your Pension Benefit</b>		Member will receive an additional \$2,500 / month (approximately 29 months)

\* This is an extremely general example, everyone's benefit amount differs

Total monthly direct deposit amount: **\$5,500**

# Workers Retention Program (WRP) Estimate

- If you would like a WRP estimate, submit a copy of your Social Security Benefit Statement
- [www.ssa.gov](https://www.ssa.gov) → Login → Your Social Security Statement





# Social Security Statement Example



## Your Social Security Statement

### Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn credits through your work - up to four each year.

Your full retirement age is **67**, based on your date of birth: . As shown in the chart, you can start your benefits at any time between **ages 62 and 70**. **For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn \$104,101 per year until you start your benefits. Learn more at [ssa.gov/benefits/retirement/learn.html](https://ssa.gov/benefits/retirement/learn.html).

### Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now and you have enough recent work, your monthly payment would be about **\$2,961**. Learn more at [ssa.gov/disability](https://ssa.gov/disability).

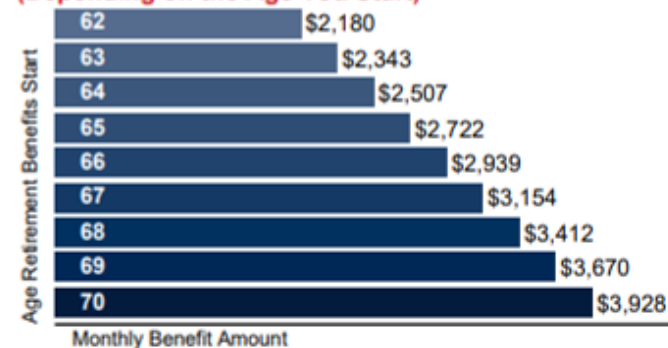
### Survivors Benefits

You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

Minor child:	<b>\$2,276</b>
Spouse, if caring for a disabled child or child younger than age 16:	<b>\$2,276</b>
Spouse, if benefits start at full retirement age:	<b>\$3,034</b>
Total family benefits cannot be more than:	<b>\$5,311</b>

Your spouse or minor child may be eligible for an additional one-time death benefit of **\$255**. Learn more at [ssa.gov/survivors](https://ssa.gov/survivors).

### Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



### Medicare

You have enough credits to qualify for Medicare at age 65.

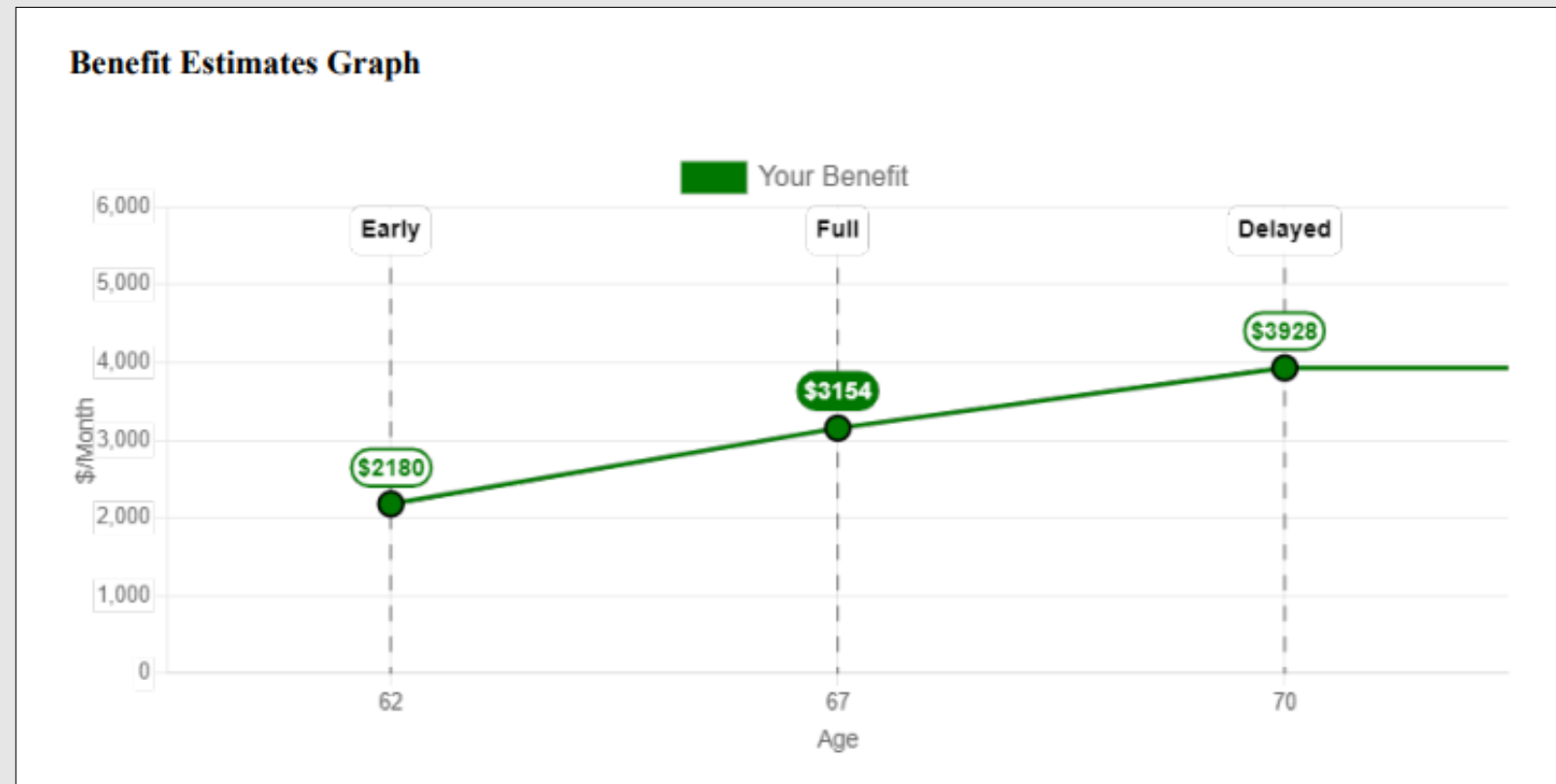
Medicare is the federal health insurance program for people:

- age 65 and older,
- under 65 with certain disabilities, and
- of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit [medicare.gov](https://medicare.gov) or [ssa.gov/medicare](https://ssa.gov/medicare) or call **1-800-MEDICARE (1-800-633-4227)** (TTY 1-877-486-2048).

# Social Security Benefit Estimate



For questions regarding the WRP, contact the Retirement Services Group at (708) 579-6630.

## Disqualifying Employment (DE)

Employment or self-employment in:

- The construction industry or any other industry in which members were employed as Operating Engineers
- The same “trade or craft” in which the member was employed at any time while covered by the Plan or supervisory activities relating to such trade or craft. Trade or craft extends to any job or occupation using the same skill or skills.
- The geographic area covered by the Plan includes any State of the United States or a Province of Canada in which Employer Contributions have been made, or have been required to be made to the Trust Fund, on behalf of the member

# Rules of Disqualifying Employment (DE)

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## Prior to Normal Retirement Age:

- Member will have monthly benefits suspended for any month in which he/she works or was paid for any hours in Disqualifying Employment

## After Normal Retirement Age:

- Member will have monthly benefits suspended for any month in which he/she works or was paid for more than 40 hours in Disqualifying Employment
- As of April 1, of the calendar year following the calendar year in which the member attains age 70 1/2, no employment will be considered disqualifying employment

If a member is found to be working in Disqualifying Employment, the Fund will require a repayment of Pension benefits for the months worked in Disqualifying Employment

# Returning to Work In Retirement

→ Contact the Retirement Services Group prior to starting employment if you are considering returning to work while in retirement

- The following information is required:
  - Company name and address
  - Job title
  - Detailed job description
  - Number of hours per month
  - Start date
- Member must sit out for 30 days before returning to work

# Returning to Work In Retirement

Continued






→ Be sure you understand Dispatch/Hiring Hall Rules which are not the same as the Pension Plan document rules

- You must be on the retiree out-of-work list and be dispatched
- If you are called out of retirement to work a special piece of equipment, you may fall under the Temporary Waiver of Suspension Rules
  - You will be required to sign the Temporary Waiver of Suspension Rules form
  - Sign a form related to your H&W coverage
  - BOTH forms must be returned to dispatch before returning to work
  - Dispatch's form is only good until 12/31

**If you are unsure, ask questions!**

# Returning to Work In Retirement Continued

- Assumes member retired with over 10 Vesting Service Years
- Assumes Early Retirement Age (ERA) is 55 and NRA is 60

Type of Work	Age at Re-hire	Hours Worked Per Month	Allowed
Pipeline	57	35	→ 
Heavy Equipment Mechanic	61	45	→ 
Sell Life Insurance	58	Unlimited	→ 
Dispatch contacted you to come back to work as an Operator	62	Unlimited	→  Temporary Waiver
Slag	65	35	→ 

# Suspension of Benefits

- If your benefit is suspended and if you are eligible under the RWP, you are allowed to return to work only one time without affecting RWP eligibility
- If your benefit is suspended and if you return to work a second time, you are no longer eligible for the RWP
- Where applicable, the Retirement Services Group will send out an annual Suspension of Benefits Notice
- If you qualify under the Temporary Waiver, you can work as many hours as you want and continue to receive your monthly pension benefit
  - If you work over 500 hours in a Plan Year, your benefit will be recalculated each April 1
  - There is no guarantee that you will be called back to work under the Temporary Waiver
- If you do not qualify under the Temporary Waiver and your benefit is suspended, your benefit will be recalculated on your next retirement date
- Your new benefit will never be less than what was previously received



## Retiree Temporary Waiver

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- If you return to work and become eligible under the MOE Health Plan Marketplace, dispatch requires you to sign a form indicating whether you want to return to active coverage or remain under the RWP
  - If you want to remain under the RWP, you will forfeit your credits allocated to the Credit Bank for the entire Plan Year
  - If you regain eligibility under the active Welfare Fund and you do not want to forfeit credits, you will remain under the Active Plan and will no longer have premiums deducted from your Retiree Medical Savings Plan (RMSP) or pension check. However, you will be enrolled into the Bronze PPO based on the appropriate coverage tier
- Benefit of the temporary waiver is that you can continue to collect your monthly pension benefit AND at the same time receive an active paycheck



# Questions?

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# Retirement Enhancement Fund (REF)

What is the REF?

- Self Directed 401(a) plan
- Another means of supplementing your future retirement benefits
- Contributions are made to this Fund by your employer on a pre-tax basis for each hour worked at the hourly contribution rate specified in your Collective Bargaining Agreement (CBA)
- Today most CBA's include REF contributions
- Fidelity Investments is our current Record Keeper
- Your contributions will automatically be directed into a default aged-based Fund, and will remain there unless you direct them into other available investment options

# Retirement Enhancement Fund (REF) Continued

- Current REF Contributions reflects Employer Contributions made through the current work month
- The personalized statement does not reflect any gains/losses on your account



## Midwest Operating Engineers Retirement Enhancement Fund (REF)

Fidelity Investments is the plan provider of the Midwest Operating Engineers REF. Fidelity, you can trust in the strength, commitment, and experience of a reputable record keeper and experience the planning support and customer service Local 150 members deserve.

Member's Name: Randy Stone – Crusher  
MOE ID #: 898989898

Current REF Contributions<sup>1</sup>: **\$17,467.14** ←

<sup>1</sup>Contributions do not reflect any gains/losses in your account

# Retirement Enhancement Fund (REF) Continued

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## Divorce:

- If you are divorced and you have a Qualified Domestic Relations Order (QDRO), you must submit to Fidelity at [gdofidelity.com](https://gd.fidelity.com) (QDRO fees apply)
- If you have a pending divorce, contact the Retirement Services Group to request information regarding a Divorce Packet

## Action Items:

- Visit [NetBenefits.com/atwork](https://NetBenefits.com/atwork), create an account, and review your account information
- Review your asset allocations such as contributions defaulted into one of the default aged-based Freedom Funds
- Consider diversifying your portfolio
- Check/update your REF beneficiaries in your Fidelity account

# When Can You Access Your REF Account?

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- After you retire at Early or Normal Retirement Age
  - Penalties may apply for benefits taken early
- If not retired – after you have gone 12 consecutive months without employer contributions
- If retired – after the receipt of your first Pension payment
- The member's Required Beginning Date (RBD)
- Your beneficiary can collect upon your death
- You are not required to take a distribution until your RBD, so you can leave your account as is, if desired

## REF Forms of Payment

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- Single lump sum payment – subject to direct rollover rules
- Recurring monthly installments
- Specific dollar amount – can be changed every Calendar Year

# Death Benefits

Post – Retirement Death Benefit

Post – Retirement Lump Sum Death Benefit





## Post – Retirement Death Benefit

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### Single Member:

- Your beneficiary will receive any remaining guaranteed payments under either the 5 or 10 Year Certain & Life

### Married Member:

- Your surviving spouse will continue to receive the surviving spouse portion, elected at retirement (i.e., 50%, 75% or 100%), for lifetime

If the Member or Surviving Spouse should die, and the monthly benefits are less than the total amount of Employer Contributions paid in on your behalf, the named beneficiary(ies) will receive the difference paid out in a single lump sum

## Post – Retirement Lump Sum Death Benefit

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### To be eligible for this benefit:

- You must have 10 Vesting Service Years by your retirement effective date
- OR**
- If you are eligible for the Retiree Welfare Plan coverage, you are also eligible for the Post – Retirement Lump Sum Death Benefit

### Named beneficiary(ies) will receive:

- An elected percentage of \$20,000 lump sum
  - Paid as a tax-free benefit
  - Administered by Voya

## Life Insurance & Supplemental Life Insurance

Available through the through the Midwest Coalition of Labor (MCL) and administered by Voya:

- Automatic \$10,000 in free life insurance
  - Members are automatically enrolled
  - You must designate & update beneficiaries with Voya directly
  - Ends upon retirement
- Option to purchase supplemental life insurance
  - Up to \$350,000 in Supplemental Life Insurance
  - Up to \$350,000 in Accidental Death & Dismemberment
  - Spousal coverage of \$30,000
  - Child(ren) coverage of \$15,000

## Supplemental Life Insurance Continued

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- Can be purchased during Open Enrollment – October 1st – October 31st  
→ No questions asked!
- Supplemental Life Insurance is a tax-free benefit
- Monthly premiums are automatically deducted from bank account
- Must enroll in this benefit during active coverage
- You must designate & update beneficiaries with Voya directly for your supplemental policy
- The beneficiaries that you designate for the \$10,000 Life Insurance mentioned previously, does not carry over to your supplemental policy

# Supplemental Life Insurance Continued

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- Supplemental Life Insurance policy will remain in effect up to age 75 regardless if you are active or retired as long as you began coverage before retirement
  - There is no change in the cost schedule; will still get value of the group plan
  - You no longer have to cancel your policy and convert coverage at retirement
- After age 75, member can convert coverage at retirement
  - Conversion – Allows you to convert coverage from a group term life to an individual whole life policy
    - A whole life policy has a guaranteed cash value and is payable to age 121
    - Only available to members who lose coverage
    - Accidental Death & Dismemberment will not be converted
    - Monthly premiums will change
- Voya Financial will provide you information regarding these available options → Conversion is time sensitive!



# Questions?

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# Retiree Welfare Plan

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- ⇒ Medical, Prescription Drug, and Dental coverage
  - ⇒ Family Supplemental Benefit – \$1,500
  - ⇒ MOE free services - must follow primary insurance rules once retired and on Medicare
  - ⇒ Local 150 Health Centers
- 
- ⇒ Plan Year is January 1 – December 31
  - ⇒ Deductibles and out-of-pocket maximums do not transfer from the Active Plan to the RWP

# Retiree Welfare Plan (RWP) Eligibility Requirements

- Be at least age 55 (except for Disability Pensioners) and retired from active employment

**AND**

- Receiving a Normal, Early or Disability benefit from the MOE Pension Plan

**AND**

- Have at least 10 Vesting Service Years in the MOE Pension Plan

**AND**

- Be a member in “good standing”

**AND**

- Lesser of (i) or (ii)
  - i. Continuously eligible in Active Welfare Fund since 4/1/2019
  - ii. Have at least 120 consecutive months of Eligibility under the Active Welfare Fund

**AND**

- Have 800 hours/year in 5 Active Plan Years immediately preceding Plan Year containing Retirement Date



# Retiree Welfare Plan (RWP) Eligibility Requirements

Continued

- If you don't meet 800 hours/year in the 5 plan years leading up to your retirement, but you have a total of 5,000 hours during that same period, you may meet the rule
- Exceptions:
  - To meet the 800 hours per year in 5 Active Plan Years immediately preceding Plan Year containing Retirement Date:
    - May be granted 40 hours per week for continuous disability
    - May be granted 40 hours per week if you are called to active military duty
    - May be granted 40 hours per week if you are caring for and primarily responsible for an ill parent, child, or spouse
    - Hours are only granted for eligibility purposes

# Maintaining Active Eligibility

- Maintaining active eligibility may affect whether you meet the service requirements for RWP
- Each of the following counts toward your active eligibility requirements
  - Downgrades extend your active eligibility coverage
    - Allowed one downgrade per Plan Year
  - Self-payment
    - Allowed one per eligibility period
  - Pay COBRA

# Retiree Welfare Plan (RWP) Monthly Premium

## RETIREE WELFARE PLAN PREMIUMS

**These rates are effective July 1, 2024 thru June 30, 2025**

*Please Note: These rates are subject to change each year on July 1<sup>st</sup> based on the cost of the prior Plan Year.*

**FOR RETIREES BORN IN AND BEFORE 1970: The Retiree Monthly Premium will be determined by your year of birth, pension vesting service credits, and having participated prior to January 1, 2011.**

Pre-Medicare Rate \$1,287/month					Medicare Rate \$480/month	
Year of Birth	Vesting Service Years at Retirement	% of Plan Cost (a)	Retiree Monthly Premium (a) X \$1,287		% of Plan Cost (b)	Retiree Monthly Premium (b) X \$480
1950 and Before	30	12%	\$154.44		20%	\$96.00
	25-29	17%	\$218.79		30%	\$144.00
	20-24	22%	\$283.14		40%	\$192.00
	15-19	27%	\$347.49		50%	\$240.00
	10-14	32%	\$411.84		60%	\$288.00
1951 - 1955	30	15%	\$193.05		25%	\$120.00
	25-29	20%	\$257.40		35%	\$168.00
	20-24	25%	\$321.75		45%	\$216.00
	10-19	35%	\$450.45		60%	\$288.00
1956 - 1960	30	18%	\$231.66		30%	\$144.00
	25-29	23%	\$296.01		40%	\$192.00
	10-24	38%	\$489.06		60%	\$288.00
1961 - 1965	30	21%	\$270.27		35%	\$168.00
	10-29	41%	\$527.67		60%	\$288.00
1966 - 1970	N/A	45%	\$579.15		70%	\$336.00

- The retiree monthly premium is per person per month
- You can elect to have your monthly premium paid through your Retiree Medical Savings Plan (RMSP)
- Once you have depleted your RMSP account, the premium will automatically be deducted from your monthly pension payment
- Pay through My150

# Retiree Medical Savings Plan (RMSP)

## What is the RMSP?

- Assists with managing the cost of health care during retirement and are funded by employer contributions earning a 4% return typically
- RMSP can be used for qualified medical expenses in retirement such as:
  - Retiree Welfare Plan premiums
  - Tax-qualified long-term care insurance premiums
  - Tax-qualified nursing care expenses
  - Premiums for another group healthcare plan
  - Medicare Part A and/or Part B premiums
  - Eff. 6/1/2024: Cataract laser surgery with Toric lenses and/or laser add-on covered under the Retiree Welfare Plan
  - Eff. 6/1/2024: Hearing aid expenses covered under the Retiree Welfare Plan when prescribed by a Physician, not including over-the-counter hearing aids
- Your balance can be viewed in your My150 account under My RMSP

# RMSP Credit Transfers

- Open Enrollment prior to retirement is the **best** time to transfer credits from your active credit bank to your Retiree Medical Savings Plan (RMSP) account
- Must be age 55, turning Age 55, or retiring in the 2025/2026 Plan Year to be eligible to transfer credits
- Your situation will determine the number of credits you can transfer such as:
  - When you plan to retire
  - If you are eligible for the Retiree Welfare Plan (RWP)
  - The number of dependents you will cover under the RWP
  - If you are already receiving Medicare or are at Medicare age

## RMSP Credit Transfers Continued

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- If you do not transfer enough credits, they will be used to run out active coverage before you go on to the Retiree Welfare Plan (RWP), if eligible
- Credits **cannot be** transferred back to your active credit bank
- It is important to meet with Fund Office staff and/or a Retirement Services Group representative during the Open Enrollment, prior to your retirement effective date, to discuss the number of credits you should transfer
- My150 RMSP Wizard tool will assist with how many credits can be transferred depending on whether you are retiring in the coming 2025/2026 Plan Year

## Retiree Medical Savings Plan (RMSP) – Member's Death

The remaining eligible dependents can utilize the remaining active credits to receive medical/Rx coverage.

The named beneficiary(ies) can use the member's RMSP account to be reimbursed for out-of-pocket qualified medical expenses.

If there is no named beneficiary, then the surviving spouse can:

- Continue to use the active credit bank until depleted, then transition to the RWP
- Use the member's RMSP account to pay for Retiree Welfare Plan (RWP) premiums
- Use the member's RMSP account to pay for other qualified medical insurance (i.e., other insurance or Medicare premiums)

# Retiree Welfare Plan (RWP) Prescription Drug Coverage

- Once eligible for the Retiree Welfare Plan and not Medicare-eligible, you and covered dependents will have the same commercial prescription coverage as you have today under the Active Plan
- You should continue to present your vendor card at the pharmacy and pay the standard copays
- Once you or any of your covered dependents become Medicare-eligible, you will each be automatically enrolled in the RWP Medicare Prescription Drug Plan (PDP) as long as
  - The individual being enrolled has Medicare Part A and/or B AND
  - The Fund Office has the Medicare Beneficiary Identifier (MBI), located on their Medicare card, on file
- Any covered dependents that are not eligible for Medicare will not be impacted and should continue to use their vendor card to fill prescriptions under the commercial plan



## Retiree Welfare Plan (RWP) Medicare Prescription Drug Plan

- RWP Medicare PDP combines a standard Medicare Part D prescription drug plan with additional coverage provided by the Retiree Welfare Plan – referred to as the wrap plan
  - The wrap plan covers some prescription drugs not normally covered under Medicare Part D
- Can fill 30 or 90-day supplies
- Prescriptions can be filled at any network pharmacy
  - Not required to only use a CVS pharmacy to fill maintenance medication

## Retiree Welfare Plan (RWP) Medicare Prescription Drug Plan

- Once you have been successfully enrolled in the RWP Medicare PDP, you will receive a new OptumRx MedicareRx card and a Welcome Letter with your RWP Medicare PDP effective date
- Due to the PDP enrollment period, it is possible that your RWP Medicare PDP effective date is different than the date you become eligible for Medicare
- You will not have a lapse in prescription drug coverage
- Continue to use your vendor card to fill prescriptions & begin presenting your OptumRx MedicareRx card on/after your RWP Medicare PDP effective date



Services vary by location.  
Scan the QR code for a  
complete list of services.



## MOE Free Services

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- **Local 150 Health Centers** - all plan covered services are free
  - **Some of the Services Offered include:**
    - Annual/School physicals
    - Flu shots, immunizations, and vaccinations
    - Allergy Management
    - Behavioral Health services
    - Clinical laboratory Services
    - Disease/Condition management
    - Patient Education
    - On-site Physical Therapy
    - DOT Physicals
    - On-site Pharmacy
    - In-person and virtual appointments
    - 24/7 Nurse Line After Hours Assistance
    - Breast cancer screenings
    - Pelvic exams
    - Cervical cancer screenings (Pap smears)

# MOE Free Services Continued

## 15 Local 150 Health Center Locations



## MOE Free Services Continued

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- Free MRI, CT/PET scans<sup>1</sup> through **Absolute Solutions Imaging Network** (if medically necessary)
- Free substance abuse treatment<sup>1</sup> through **Gateway Foundation & Recovery Centers of America (RCA)**
- Free physical therapy services<sup>2</sup> through **ATI** (if medically necessary)
- Five free counseling sessions (per episode) through our Member Assistance Program **Employee Resource Systems (ERS)**
- Free/discounted services for dues paying members through the **Midwest Coalition of Labor (MCL)**
- Plan covered services are free at **MinuteClinic**
- Free type 2 diabetes management program through **Virta** (if you qualify)

<sup>1</sup> Free service is not available to Medicare primary members/dependents

<sup>2</sup> If you have other primary insurance, you must follow your primary insurance guidelines

Medicare  
[www.medicare.gov](http://www.medicare.gov)

### Important Plan rules:

- When entitled to Medicare, you must elect Medicare Part A **AND** Medicare Part B
  - If Medicare Part B was delayed as a result of Active coverage, you must request a CMS-L564 from the Fund Office to avoid Part B penalties
- If you are covered under the RWP and you are awarded a Social Security benefit before age 65:
  - You must elect Medicare Part A AND Medicare Part B
- If you are covered under RWP and you are not awarded a Social Security benefit before age 65:
  - The enrollment period starts 3 months before the month you turn 65 and ends 3 months after the month you turn 65

# Medicare – Retiree Welfare Plan

## Coordination of Benefits

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- In general, Medicare will be primary for your medical services and the retiree plan will be secondary once the member retires
- Please note that if you are a spouse that is covered under your OWN active plan and RWP, **once you are eligible for Medicare, you must still take Medicare Part A and Part B**

## Medicare – Consequences

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- If you do not elect Medicare Part A or Medicare Part B coverage, **you will be responsible for much higher out of pocket costs** than if you were enrolled in Part A/ Part B
  - Your claims will be paid as if you enrolled into both Medicare Parts A & B, which may result in significant out of pocket expenses
- Per Medicare guidelines, if you did not enroll in Medicare Part B when you were first eligible, your monthly premium may increase 10% for each 12-month period you could have had Medicare Part B
  - The penalty increases the longer you go without Medicare Part B coverage



# Medicare Continued

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## Advantage Plans (Medicare Part C):

- If you enroll into an Advantage Plan (Medicare Part C) there will be no benefits payable under the Retiree Welfare Plan

## Medicare Part D (Prescription Coverage):

- If you enroll into another Medicare Part D (Drug Program), you will be disenrolled from prescription drug coverage under the RWP Medicare PDP

# Medicare Recap

		<u>Elect Coverage?</u>
<u>Medicare Plan A</u>	→	✓
<u>Medicare Plan B</u>	→	✓
<u>Medicare Plan C</u>	→	✗
<u>Medicare Plan D</u>	→	✗

# Resources

## Retirement Services Group

(708) 579-6630

## Medicare

(800) 633-4227

[www.medicare.gov](http://www.medicare.gov)

## Social Security

(800) 772-1213

[www.ssa.gov](http://www.ssa.gov)

## Local 150 Advocates

Juli Kresge, Member Advocate

(708) 579-6672

Anna Bozich, Pharmacy Advocate

(708) 937-1745

Tanya Reed, Retirement Services Advocate

(708) 937-1744

## Fund Office Website

[local150.org/moe/](http://local150.org/moe/)



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Orland Park, IL 60462

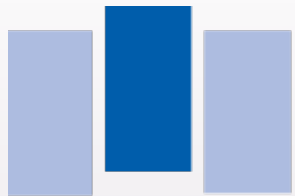
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Satellite Offices located in Oak Brook and Chicago - by appointment only



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# Questions

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THANK YOU FOR ATTENDING!