

## **WHAT PENSION OPTIONS DO I HAVE IF I AM MARRIED?**

- A. *Joint and 50% Survivor Form.* If you are married, your pension will be paid in the Joint and 50% Survivor Form, unless you elect an optional form of pension. If you elect a form other than a Joint and Survivor Form, your spouse must agree to the optional form and provide a written and notarized consent to the election.

If an optional form of benefit is elected, your benefit amount as calculated in Answer 6 is adjusted so that benefits payable under the optional forms of payment are “equivalent” to the benefit that would have been payable in the Normal Form. The *Normal Form* is a life pension with 60 monthly payments guaranteed. The adjustment is based on actuarial factors determined by your age and your spouse's age at the time of retirement. The reduction for the Joint and Survivor Form is generally between 9% - 20%. You will receive the reduced benefit for your lifetime (unless you elect one of the “pop-up” options and your spouse dies before you). If you die before your spouse, your spouse will receive a certain percentage (which depends on your election, i.e. 50%, 66-2/3%, 75%, or 100%) of your benefit amount for life. This benefit can only be paid to the spouse you are married to when you retire. If your spouse dies before you, then the benefit stops with your death.

For example, at retirement Bob Smith's monthly Normal Form Pension is \$2,400. He and his wife select the Joint & 50% Survivor option. Based on their respective ages, he would receive \$2,000 per month and his wife, if she survives him, would receive \$1,000 per month for her lifetime. If she dies first, Bob's pension would stay at \$2,000 per month.

- B. *Joint and 50% Survivor Form with “Pop-Up”.* The Plan also offers a “pop-up” option that can be elected at time of retirement, as an alternative to the Joint and 50% Survivor Form of Benefit. Your spouse receives a survivor's benefit if you die before your spouse for your spouse's lifetime. However, under this “pop-up” option, if your spouse dies before you, your benefit will revert to the Normal Form Pension. The benefits payable while you are married and after your death to your surviving spouse are lower by about 1% - 2% compared to the standard Joint and 50% Survivor Form.

For example, at retirement Bob Smith's monthly Normal Form Pension is \$2,400. He and his wife select the Joint and 50% Survivor Form with Pop-

Up. Based on their respective ages, he would receive \$1,960 per month while both are alive, and his wife would receive \$980 per month for her lifetime if he dies first. However, if she dies first, his pension would increase (pop back up) to his Normal Form Pension of \$2,400, beginning with the month following her death.

- C. *Joint and 66-2/3% Survivor, Joint and 75% Survivor, and Joint and 100% Survivor Forms.* These are similar to the 50% Form. In the 66-2/3% Form, your benefit would be lower than in the 50% Form, but your spouse would receive 66-2/3% of your benefit upon your death rather than 50%. In the 75% and 100% Forms, your benefit would be lower than the 66-2/3% option, but your spouse would receive either 75% or 100% of your benefit upon your death.

For example, John Smith’s Normal Form Pension amount is \$3,000 per month. He and his wife elect the 100% Joint & Survivor Form of Benefit. Based on their respective ages, he will receive \$2,400 per month while he is alive, and his spouse will receive \$2,400 per month for her lifetime if she survives him. If, however, she dies before John, his pension will stay at \$2,400.

- D. *Joint and 66-2/3% Survivor with Pop-Up, Joint and 75% Survivor with Pop-Up and Joint and 100% Survivor with “Pop-Up” Forms.* The pop-up option described in Section B above is also available for the Joint & 66-2/3%, Joint and 75% and Joint & 100% Survivor options.

Sample Joint and Survivor optional form factors are shown in the tables below:

If Participant and Spouse are the Same Age (% of Benefit Payable to Participant)					
	50	55	60	62	65
Joint and 50% Survivor Form	92.3%	91.5%	90.8%	90.6%	90.6%
Joint and 66-2/3% Survivor Form	89.8%	88.7%	87.7%	87.4%	87.1%
Joint and 75% Survivor Form	88.7%	87.4%	86.3%	85.9%	85.5%
Joint and 100% Survivor Form	85.3%	83.7%	82.2%	81.6%	81.0%
Joint and 50% Survivor Form w/ Pop-Up	90.8%	89.5%	88.4%	88.0%	87.6%
Joint and 66-2/3% Survivor Form w/ Pop-Up	87.9%	86.3%	84.6%	84.0%	83.3%
Joint and 75% Survivor Form w/ Pop-Up	86.6%	84.7%	82.9%	82.2%	81.3%
Joint and 100% Survivor Form w/ Pop-Up	82.7%	80.4%	78.0%	77.1%	75.9%

If Participant is 3 Years Older Than Spouse (% of Benefit Payable to Participant)					
	50	55	60	62	65
Joint and 50% Survivor Form	90.9%	89.8%	88.8%	88.4%	88.0%
Joint and 66-2/3% Survivor Form	88.1%	86.6%	85.2%	84.7%	84.0%
Joint and 75% Survivor Form	86.7%	85.1%	83.6%	82.9%	82.2%
Joint and 100% Survivor Form	83.0%	80.9%	78.9%	78.1%	77.0%
Joint and 50% Survivor Form w/ Pop-Up	89.5%	88.0%	86.5%	85.9%	85.3%
Joint and 66-2/3% Survivor Form w/ Pop-Up	86.4%	84.4%	82.4%	81.6%	80.6%
Joint and 75% Survivor Form w/ Pop-Up	84.9%	82.7%	80.5%	79.6%	78.4%
Joint and 100% Survivor Form w/ Pop-Up	80.7%	78.0%	75.2%	74.1%	72.5%

If Participant is 3 Years Younger Than Spouse (% of Benefit Payable to Participant)					
	50	55	60	62	65
Joint and 50% Survivor Form	93.6%	93.1%	92.7%	92.7%	92.9%
Joint and 66-2/3% Survivor Form	91.5%	90.7%	90.2%	90.0%	90.0%
Joint and 75% Survivor Form	90.5%	89.6%	88.9%	88.7%	88.6%
Joint and 100% Survivor Form	87.6%	86.4%	85.4%	85.1%	84.7%
Joint and 50% Survivor Form w/ Pop-Up	92.0%	91.0%	90.2%	90.0%	89.9%
Joint and 66-2/3% Survivor Form w/ Pop-Up	89.4%	88.1%	86.8%	86.4%	86.0%
Joint and 75% Survivor Form w/ Pop-Up	88.2%	86.7%	85.3%	84.8%	84.2%
Joint and 100% Survivor Form w/ Pop-Up	84.7%	82.7%	80.8%	80.1%	79.2%

- E. *Normal Form.* Your benefit amount as calculated in Answer 6 is paid to you for your lifetime, with 60 months guaranteed. If you die before 60 months are paid, the balance of the 60 months are paid to your designated beneficiary, and then stop.
- F. *Social Security Adjustment Form.* This form of benefit is available if you retire prior to age 65. It is designed to provide you with a level combined benefit from Social Security and your pension. This Form provides the highest possible monthly benefit to a retiree (up to your Social Security beginning date), but **THERE IS NO 60-MONTH GUARANTEE WITH THIS FORM. BENEFITS WILL STOP UPON YOUR DEATH, EVEN IF YOU RECEIVE ONLY ONE MONTH OF BENEFITS.** Your Social Security beginning date is assumed to be either age 62 or 65, whichever you elect when you retire under the Plan. Under the election of either age 62 or 65, the Plan benefits will be reduced at the elected age even if your Social Security benefits commence at a different age.

Under the age 62 option, there is a \$400 difference between the benefit before the Social Security (SS) Adjustment Age and the benefit after the SS Adjustment Age. Under the age 65 option, there is a \$500 difference between the benefit before and after the SS Adjustment Age.

The table below shows examples of the SS Adjustment option benefits at various ages as follows:

Age at Benefit Commencement	Social Security (SS) Adjustment Age	Plan Monthly Benefit at Commencement	Increase prior to SS Adjustment Age	Total Pension at Benefit Commencement	Total Pension After SS Adjustment Age
50	62	\$ 1,000.00	\$ 152.00	\$ 1,152.00	\$ 752.00
55	62	1,500.00	222.00	1,722.00	1,322.00
60	65	2,000.00	315.00	2,315.00	1,815.00
62	65	2,500.00	378.00	2,878.00	2,378.00

- G. *Joint and Survivor Social Security Adjustment Form.* Your combined estimated Social Security and pension benefit will be reduced to provide a 50%, 66-2/3%, 75% or 100% Joint and Survivor Form as described in (A) and (C) above. The monthly amount paid to you (or to your spouse if you die before Social Security begins) will be reduced on your Social Security beginning date as described in (F) above.

For example, Steve Smith is a 55-year old Participant with a 50 year old Spouse. He and his wife select the Joint and 50% Survivor Social Security Adjustment Age 62 Form. His Early Retirement Benefit at age 55 is \$700 per month payable in the Normal Form.

Steve's benefit under the Joint and 50% Survivor Form is \$620.20 ( $700 \times .886 = 620.20$ ). Under the Joint and 50% Survivor Social Security Adjustment Age 62 Form, his monthly benefit payable from retirement until age 62 will increase by \$236.00 to \$856.20. At age 62 his benefit will then reduce by \$400 to \$456.20 payable for the remainder of his lifetime.

If Steve dies, his spouse would receive \$428.10 ( $0.5 \times \$856.20$  until the date that Steve would have attained age 62 and \$228.10 ( $0.5 \times 456.20$ ) after Steve would have attained age 62.

Note: The "pop-up" option described above in (B) and (D) for the Joint and Survivor options is not available if the Joint & Survivor Social Security Adjustment Form is elected.

Article 5 of the Pension Plan document describes the benefit options in more detail.

When you apply for retirement, the Administrative Office will give you the amounts payable under each applicable benefit form. If you are married your spouse must consent to your election in writing. The consent must be witnessed by a notary public.

**9. WHAT PENSION OPTIONS DO I HAVE IF I AM NOT MARRIED?**

- A. *Normal Form Pension (see Answer 8E above).* If you die before receiving the guaranteed 60 months of benefits, the balance of the 60 months will be paid to your Designated Beneficiary.
- B. *Social Security Adjustment Form (see Answer 8F above).* There is no 60-month guarantee, so benefits would stop with your death.
- C. If you have a Registered Domestic Partner, you may elect to receive your pension in the Contingent Annuitant Option where your Registered Domestic Partner is your beneficiary. You will receive a reduced benefit for your lifetime. If you die before your Domestic Partner, 50% of your reduced pension will be payable for the lifetime of the Domestic Partner.

Articles 5.2, 5.3(c), 5.6 and 8.2 in the Pension Plan document provide additional details on options for unmarried participants.

