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## Planning for Retirement

Regardless of what you plan to do during retirement, you'll want to be financially comfortable. To maintain your current standard of living during retirement, experts say you may need between 70% and 80% of your preretirement income.

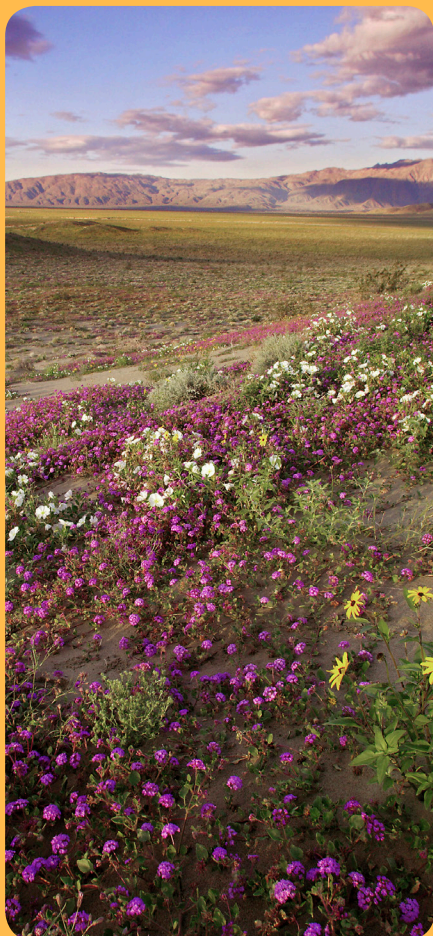
Retirement income generally comes from three sources: Social Security, personal savings, and pension benefits. Understanding how all three of these sources work can help you plan for a financially secure retirement.

This issue of Benefits Connection is dedicated to things you might not know about your Defined Benefit Pension Plan or pension plans in general. These articles give you some background information that might help you understand pensions better so that you can plan for your own retirement.

## How Did They Come Up with the Formula?

In developing a way to calculate a monthly benefit, actuaries considered the income that a retiree would need to maintain the standard of living he or she had before retirement. They assumed that by retirement, people would have paid off any loans for a home and any other debt and that their children would have moved out on their own. Based on those assumptions they determined that, on average, retirees would need between 70% and 80% of their pre-retirement income from the combination of a monthly pension benefit, a social security benefit, and some savings.

One way to think about that is to look at what happens when you take out a 30-year loan for a house. The loan payment is less than 25% of your income. That leaves 75% for other living expenses like food, clothing, and utilities. Assuming that by retirement you have paid off the home loan, you are left with the 75% of income that you were living on for the past 30 years.



## How Much Will I Receive?

Several factors go into determining your monthly pension, including the year you became a participant, the total number of hours you worked, the amount and timing of Employer Contributions you have accumulated, and the age you retire. If you would like an estimate of your accrued pension (what you've earned to date), you may request that information from the Administrative Office as follows:

- ✓ By email through the secure website at [www.scibew-neca.org](http://www.scibew-neca.org),
- ✓ By writing to the Administrative Office, or
- ✓ By calling at (800) 824-6935 or (323) 221-5861.

If you're not close to retirement, it may be more helpful to see an example for someone who entered the Plan in January of 1984, retired at age 65 ("Normal Retirement") on December 31, 2013 with 30 years of service (45,000 Covered Hours).

Click on your Local to see an example that applies to you:

[Local 11](#)

[Local 440](#)

[Local 441](#)

[Local 477](#)



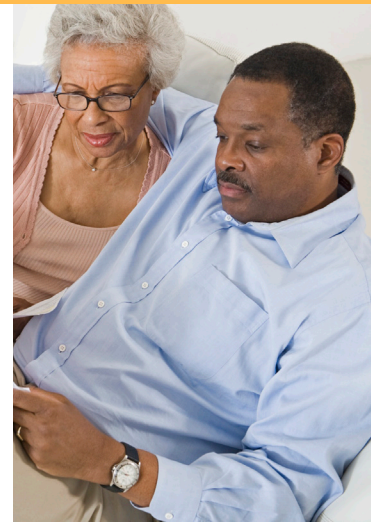
## When Can I Take Social Security

Social Security is one portion of your retirement income. The government has gradually increased the "full retirement age" for people born after 1937. Full retirement age is the age at which you can collect full retirement benefits from Social Security without any reduction for early retirement. For example, if you were born in 1960 or later, full Social Security benefits will be payable to you at age 67—not age 65.

You can begin receiving social security benefits as early as age 62, with a reduction. Your full retirement age is shown in the table below. You can also delay taking social security and receive an increase in your benefit.

### Full Retirement Age

The age at which you can collect retirement benefits from Social Security without any reduction for early retirement.



Social Security Full Retirement Age	
Year Of Birth	Full Retirement Age
1937 Or Earlier	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 - 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 Or Later	67

You will receive an estimate of your Social Security benefits from the Social Security Administration every two years. You should check the record of your earnings to be sure it is correct so that you receive the correct Social Security benefits in the future. To contact the Social Security Administration call (800) 772-1213. You can also go online to [www.ssa.gov](http://www.ssa.gov) and check your estimates by creating an account.

Social Security replaces a higher percentage of income for retiring participants at lower pay levels. A retiring participant with annual earnings of \$35,000.00 could expect Social Security to replace approximately 33% of his preretirement income. To reach the 70% to 80% income replacement levels, he'll need help from his pension benefits and personal savings.

Social Security benefits do not change your pension benefits. Your pension from this Plan is in *addition* to any benefits you or your spouse may receive from Social Security.



# How Do I Start Planning for Retirement?

There are many ways to get started. We always recommend going to a financial planner. However, you can always use the many other resources and tools available to you:

- Our website, [www.scibew-neca.org](http://www.scibew-neca.org) provides information about our benefit plans. Keep in mind that you need to consider medical coverage during retirement, which can be expensive, especially if you are not eligible for Medicare when you retire.
- The Social Security website, [www.ssa.gov](http://www.ssa.gov) has both information and your statement of estimates (need to establish an account).
- The Pension Trust Administrative Office can answer your questions and provide your monthly accrued benefit.
- Your banker or investment bank may provide some planning information or tools.
- The AARP website, [www.aarp.org](http://www.aarp.org) has information, interesting articles, and both a social security calculator and a total retirement calculator. (You will need to know your estimated savings balances, social security benefit and pension benefit.)
- Any bookstore will have several workbooks (often with online versions) that help you through the process.
- The New York Life website, <https://wwwcd.bcomplete.com>, will calculate approximate monthly retirement benefits. The website will convert a defined contribution account balance into a monthly annuity amount and has a worksheet to assist you in planning for retirement. You will need to have your savings balances and any other benefit amounts (i.e., defined benefits plan, NEBF, International IBEW, etc.) available to input into the calculator.
- The my.ibew.org website has a retirement planning worksheet similar to the New York Life website, but you will need to have additional information to complete the worksheet to determine your total monthly estimated income at retirement.

Whichever approach you take, start planning earlier rather than later to ensure a financially secure retirement that allows you the freedom to do what you want to do.



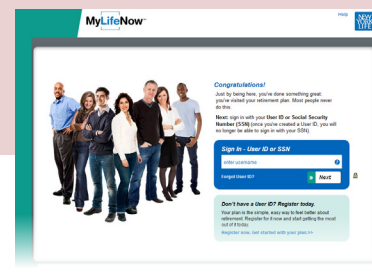
[www.scibew-neca.org](http://www.scibew-neca.org)



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



[www.aarp.org](http://www.aarp.org)



<https://wwwcd.bcomplete.com>

## Important Contact Information

**Southern California IBEW/NECA Health, Pension, and Defined Contribution plans (IBEW Local 11/LA NECA)**  
Phone: 323-221-5861 or 800-824-6935  
Website: [www.scibew-neca.org](http://www.scibew-neca.org)

**Orange County Electrical Industry Health & Welfare Trust (IBEW Local 441)**  
**United Administrative Services**  
Phone: 800-748-6417  
Website: [www.uastpa.com](http://www.uastpa.com)

**Orange County IBEW/NECA Electrical Workers Defined Contribution Pension Plan (IBEW Local 441)**  
**United Administrative Services**  
Phone: 800-743-5274  
Website: <https://www.massmutual.com>

**Local 440 Health Trust Allied Administrators**  
2831 Camino del Rio South Suite 311  
San Diego, CA 92108  
Phone: 619-297-8235  
Fax: 619-574-0645  
Email: [seatchel@alliedadministrators.com](mailto:seatchel@alliedadministrators.com)

**Local 477 Health Trust Delta Fund Administrators, LLC**  
1234 W. Oak  
Stockton, CA 95203  
Phone: 209-474-5671  
Fax: 209-474-5771  
Email: [pat.cororan@delapro.com](mailto:pat.cororan@delapro.com)

## Local 11 Example

**Benefit Calculation is based on Employer Contributions as follows:**

1. 01/84 - 06/87	$\$15,487.50 \times 2.25\% = \$348.47$
2. 07/87 - 06/96	$\$40,268.75 \times 2.50\% = \$1,006.72$
3. 07/96 - 06/99	$\$14,737.50 \times 2.25\% = \$331.60$
4. 07/99 - 12/03	$\$23,737.51 \times 2.50\% = \$593.44$
5. 01/04 - 12/31	$\$80,427.51 \times 1.90\% = \underline{\$1,528.13}$

**Total Monthly Pension**

**\$3,808.36\***

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\* This amount will be adjusted for the form of payment you choose and does not reflect federal or state tax withholding.

Combining this pension amount with a monthly social security benefit and income from your savings should provide you with at least 70%-80% of your income before retirement. If you have debt, are planning to travel, or have expensive hobbies, you should replace a higher percentage of your pre-retirement income (i.e. increase your current savings plan) to maintain your standard of living.

You will want to check with NEBF and the IBEW International regarding benefits at retirement. The contact information is:

National Electrical Benefit Fund (NEBF)	(301) 556-4300
IBEW International	(202) 728-6206

## Local 440 Example

### Benefit Calculation is based on Employer Contributions as follows:

1. 01/84 - 06/87	$\$13,650.00 \times 2.25\% = \$307.13$
2. 07/87 - 06/96	$\$35,710.00 \times 2.50\% = \$892.75$
3. 07/96 - 06/99	$\$12,081.25 \times 2.25\% = \$271.83$
4. 07/99 - 12/03	$\$23,175.00 \times 2.50\% = \$579.38$
5. 01/04 - 12/31	$\$78,377.50 \times 1.90\% = \underline{\$1,489.18}$

**Total Monthly Pension**

**\$3,540.27\***

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\* This amount will be adjusted for the form of payment you choose and does not reflect federal or state tax withholding.

Combining this pension amount with a monthly social security benefit and income from your savings should provide you with at least 70%-80% of your income before retirement. If you have debt, are planning to travel, or have expensive hobbies, you should replace a higher percentage of your pre-retirement income (i.e. increase your current savings plan) to maintain your standard of living.

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IBEW International	(202) 728-6206

## Local 441 Example

### Benefit Calculation is based on Employer Contributions as follows:

1. 01/84 - 06/87	$\$ 7,887.50 \times 2.25\% = \$ 177.47$
2. 07/87 - 06/96	$\$27,000.00 \times 2.50\% = \$ 675.00$
3. 07/96 - 06/99	$\$11,625.00 \times 2.25\% = \$ 261.58$
4. 07/99 - 12/03	$\$23,650.00 \times 2.50\% = \$ 591.25$
5. 01/04 - 12/31	$\$60,000.00 \times 1.90\% = \underline{\$1,140.00}$

### Total Monthly Pension

**\$2,845.30\***

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\* This amount will be adjusted for the form of payment you choose and does not reflect federal or state tax withholding.

Combining this pension amount with a monthly social security benefit and income from your savings should provide you with at least 70%-80% of your income before retirement. If you have debt, are planning to travel, or have expensive hobbies, you should replace a higher percentage of your pre-retirement income (i.e. increase your current savings plan) to maintain your standard of living.

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National Electrical Benefit Fund (NEBF) (301) 556-4300

IBEW International (202) 728-6206

## Local 477 Example

### Benefit Calculation is based on Employer Contributions as follows:

1. 01/84 - 06/87	$\$17,640.00 \times 2.25\% = \$396.90$
2. 07/87 - 06/96	$\$46,110.00 \times 2.50\% = \$1,152.75$
3. 07/96 - 06/99	$\$16,983.75 \times 2.25\% = \$382.14$
4. 07/99 - 12/03	$\$28,575.00 \times 2.50\% = \$714.38$
5. 01/04 - 12/31	$\$70,512.50 \times 1.90\% = \underline{\$1,339.74}$

### Total Monthly Pension

**\$3,985.91\***

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\* This amount will be adjusted for the form of payment you choose and does not reflect federal or state tax withholding.

Combining this pension amount with a monthly social security benefit and income from your savings should provide you with at least 70%-80% of your income before retirement. If you have debt, are planning to travel, or have expensive hobbies, you should replace a higher percentage of your pre-retirement income (i.e. increase your current savings plan) to maintain your standard of living.

You will want to check with NEBF and the IBEW International regarding benefits at retirement. The contact information is:

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