



The Fund Office of the Future



# UFCW



# Consolidated Pension

# Fund

FALL 2019

A Message from the Executive Director Mark J. Murphy

## BENEFIT EDUCATION FOR THE PARTICIPANTS OF THE UFCW CONSOLIDATED PENSION FUND



At the LLC, we are focused on sharing retirement benefit information with the UFCW participants/retirees so that they have an idea of what the expectations are when retirement is approaching for the next chapter in their lives. It is our goal that the Consolidated Fund provide retirement information to all participants, either through organizing and hosting retirement seminars across the geographical region for plan participants or through educational materials, or both.

- Pension Benefits
- Financial Planning
- Social Security Administration
- Legal Aspects of Retirement

Start planning early! Did you know you can get an estimate of your retirement benefit annually from the UFCW Consolidated Pension Fund? Yes, you can, please call the Fund office at 1-800-241-7701 and ask for the Pension Department. You can also get an estimate of what your Social Security benefit amount would be at different ages. Go to the Social Security website at [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount). If you have never visited the Social Security website, you will need to set up an account to view your personal information. You will also need to check into Medicare and supplemental Health plans that go along with Medicare to help you manage the cost of your medical care.

Financial planning is vital to your retirement journey. Planning for your future early on in your career and knowing the value of your assets are key when retiring. A financial planner can help you to organize your finances and review projections of the results of your savings and investments so you can see how well prepared you are for retirement. You also should seek guidance from an attorney who can help with legal aspects of retirement. They can offer legal guidance and counseling on preparing for long term care, planning and settling your estate, living wills, and a host of other issues that you may face. If you are eligible for benefits under the UFCW Unions & Employers Legal Assistance Fund, that Fund can provide you with an attorney to help you with legal guidance on some of these issues, such as drafting a will.

It is never too early to plan for your future using the key information listed above in this article. Good luck and let the UFCW Consolidated Pension Fund know how we can help you.

# PAYMENT OPTIONS FOR FUND RETIREMENT BENEFITS



There are two basic forms of payment available to you:

## Single Life Annuity

This benefit pays you a monthly benefit for your lifetime only. When you die, your benefits will stop. The single life annuity is the automatic form of benefit if you are single.

## Qualified Joint and 50% Survivor Annuity

This option pays you a reduced monthly benefit for your lifetime so that an annuity can be paid to your spouse. Your benefit is adjusted based on the age difference between yourself and your spouse. Your benefit is calculated with actuarial factors produced by the Fund's actuary. When you die, 50% of the original reduced amount will continue to your spouse for his or her lifetime. The qualified joint and 50% survivor annuity is the automatic form of benefit if you are married.

### Example #1 Spouse same age as the Participant

Form of Payment	Adjustment Factor	Monthly Benefit	Joint & Survivor Annuity Spouse
Single Life Annuity	1.0	\$1,000.00	N/A
50% J&S Annuity	0.9417	\$941.70	\$470.85

**Note:** You cannot change or revoke your payment option after your monthly benefit payments begin. Even if you become divorced, it will not change your benefit and your former spouse will receive a benefit upon your death.

The Consolidated Plan also offers optional forms of payment:

**Single Life Annuity** - If you are married, your spouse may waive the qualified joint and 50% survivor annuity and can select a benefit that pays you a monthly benefit for your lifetime only. When you die, your benefits will stop, and your spouse will not receive any future benefit.

**Qualified Joint and Survivor Annuity, Survivor Percentage Other than 50%** - Your benefit is adjusted based on the age difference between yourself and your spouse. Your benefit is calculated with actuarial factors produced by the Fund's actuary. When you die, a percentage of the original reduced amount will continue to your spouse for his or her lifetime. You may select the survivor percentage to be 66-2/3%, 75%, or 100%.

### Example #2 Spouse same age as the Participant

Form of Payment	Adjustment Factor	Monthly Benefit	Joint & Survivor Annuity Spouse
Single Life Annuity	1.0	\$1,000.00	N/A
66 2/3% J&S Annuity	0.9237	\$923.70	\$615.79
75% J&S Annuity	0.915	\$915.00	\$686.25
100% J&S Annuity	0.8898	\$889.80	\$889.80

# PAYMENT OPTIONS FOR FUND RETIREMENT BENEFITS CONTINUED

**Joint and Non-Spouse Survivor Annuity** - This option pays you a reduced monthly benefit for your lifetime so that an annuity can be paid to your survivor. Your benefit is adjusted based on the age difference between yourself and your survivor. Your benefit is calculated with actuarial factors produced by the Fund's actuary. When you die, a percentage of the original reduced amount will continue to your designated beneficiary for his or her lifetime. You may select the survivor percentage to be 50%, 66-2/3%, 75%, or 100%. If you are married and you name someone other than your spouse as the beneficiary survivor, you will need to obtain spousal consent. Also, the amount of the survivor benefit to a non-spouse beneficiary may be restricted.

## **Level Income**

This option pays you a higher benefit from the Consolidated Plan at first and a reduced benefit on and after age 62 and 1 month, if you retire between the ages of 55 and 62 with at least ten (10) years of eligibility. This benefit coordinates with the Social Security age 62 benefit, which is the earliest date Social Security benefits could begin. When combined with the Social Security age 62 benefit, the lower benefits from the Consolidated Benefit after age 62 should provide a level amount. The Consolidated Benefit will drop at age 62 and 1 month regardless of when your Social Security benefits actually commence.

### **Example #3 Level Income Option**

Form of Payment	Early Single Life Annuity		Early Single Life Annuity with Level Income Option	
	Before Age 62	On/After Age 62	Before Age 62	On/After Age 62
Consolidated Plan Benefit	\$1,000	\$1,000	\$1,636	\$536
Social Security Benefit	N/A	\$1,100	N/A	\$1,100
Total Benefit	\$1,000	\$2,100	\$1,636	\$1,636

**Waiver of the QJSA (Qualified Joint and Survivor Annuity)** - If you are married and you wish to elect a different form of payment other than a Qualified Joint and Survivor Annuity with your spouse as the designated beneficiary, your spouse must agree to your decision in writing by signing a statement witnessed by a notary public. You do not need the consent of your spouse to elect a survivor percentage other than 50%, so long as the survivor is your spouse.

# PAYMENT OPTIONS FOR FUND RETIREMENT BENEFITS CONTINUED

*Note: If you name someone other than your spouse as the beneficiary, the survivor benefit may be restricted.*

Below is an example of a non-spouse joint and survivor if you choose your child as the survivor.

## Example #4 Non - Spouse 28 Years Younger than Participant

Form of Payment	Adjustment Factor	Monthly Benefit	Joint & Survivor Annuity Spouse
Single Life Annuity	1.0	\$1,000.00	N/A
50% J&S Annuity	0.7864	\$786.40	\$393.20
66 2/3% J&S Annuity	0.7341	\$734.10	\$489.40
75% J&S Annuity	0.7302	\$730.20	\$496.54
100% J&S Annuity	N/A	N/A	N/A

When you apply to retire, you will receive additional information about distribution payment options and information about the specific amount of available benefits under each of the payment options. Please also review the Summary Plan Description for specific details about your distributions payment options and special rules related to your benefits, especially if you were a participant prior to 2012.

## SUMMARY OF BENEFIT FORMS UNDER THE UFCW CONSOLIDATED PENSION FUND

<b>Normal Benefit</b>	If you retire on or after your normal retirement age 65 with five (5) or more years of eligibility service (normal retirement age may vary for benefits earned before December 31, 2011).
<b>Early Benefit</b>	If you retire between the ages of 55 and your normal retirement age with at least ten (10) years of eligibility service. This benefit pays you a reduced monthly benefit for your lifetime.
<b>Disability Benefit</b>	If you have a Total and Permanent Disability after twenty (20) or more years of eligibility service as well as a Social Security Disability Award.  <b>NOTE:</b> See Summary Plan Description regarding special rules that apply if you earned accruals for service prior to January 1, 2012.
<b>Terminated Vested</b>	Benefit after five (5) or more years of eligibility service that may be paid at your earliest eligibility date.
<b>Surviving Spouse Benefit</b>	If you have completed at least five (5) years of eligibility service and you die before retirement, your surviving spouse may be eligible to receive benefits from the Plan. If your death occurs prior to retirement, your legal spouse, is eligible to receive a benefit.
<b>Required Minimum Distribution</b>	Benefit is required by federal law to begin no later than April 1 following the calendar year in which you attain age 70 1/2 with at least five (5) or more years of eligibility service. You may continue your employment and there is no restriction on the number of hours you may work. If your employment continues with a Participating Employer and you earn any additional credited service, your benefit will be recalculated as of December 31 of each year and adjusted accordingly.
<b>Lump Sum Payment Benefit</b>	Available if the value of your benefit amount is under \$5,000.

# LEGAL ASPECTS OF RETIREMENT PLANNING

For Fund participants nearing retirement, there is a lot of planning to do. Of course, there is financial planning - how much income you will have in retirement, what your expenses will be, and do those two numbers add up to enough money to retire. But there are other considerations as well, including legal issues such as estate planning, having a will or living trust, and advanced health care directive.



Estate planning is simply planning for how your assets are distributed when you die. This is generally done through a will or living trust, but some assets can be titled in a way that ownership transfers upon death. The goal of creating an estate plan is that YOU decide what happens. If you do not plan and do not put the appropriate documents in place

to implement your plan, then the state where you live (through the state courts and state law) decides what happens when you die. Many people think that only wealthy people need an estate plan, but that is not true. If you have a house, car, bank accounts, collectibles, or anything of even a small value, then you need a plan. There are three basic ways that you can plan to transfer your assets to someone else when you die: will, trust, and ownership/designation. If you are married, spouses also have certain legal rights to assets. A will is a written document typically prepared by an attorney that describes who you want to inherit your property. Any adult who has mental capacity can have a will prepared. Wills can be changed or revoked at any time. With a will, you retain direct ownership of your assets until your death. When you die, the executor you designated in the will files the will with the local court for what is called “probate.” Probate can be simple or complex, depending on the state and the assets, but it is generally a public court proceeding. The probate process requires a review of the assets of the estate, review of the debts of the estate and payment of the debts, and once all debts are paid, directs the change in ownership of the assets according to your wishes as provided in your will.

A living trust is also a written document prepared by an attorney that describes who you want to inherit your property. The main difference with a will is that after the trust is prepared, you must transfer title to your property in the name of the trust in order for the trust to work as intended. For example, you change the title to your house, your car, and your bank accounts to the name of the trust. You still retain the use and control of the assets (by controlling the trust) and like a will, a trust can be changed or revoked. The other main difference is that trusts are not filed in a probate court, so the record of your assets, debts, and distributions are not a public record. Instead, when you die, the trust is administered as directed in the trust with the heirs being named as trust beneficiaries. The trust beneficiaries then control the assets in the trust.

Another way to transfer ownership is by how the property is owned. Some assets, such a real property (a house) or a bank account can be owned in a joint ownership form in which ownership of the asset passes to the joint owner upon death by operation of law. For example, a house owned by a husband and wife as joint tenants by the entirety will pass to the survivor by operation of law, although some paperwork should be filed with the local land records office to record the ownership change.

Other assets, such as bank and investment accounts, can be transferred by “pay on death” instructions or by naming someone as a designated beneficiary. For example, life insurance is paid to the designated beneficiary upon death. These instructions and designations can also be changed. Some pension benefits, such as the benefit from the UFCW Consolidated Pension Fund, can be paid in a joint and survivor form where the survivor gets a benefit for the survivor’s life once the pensioner dies.

Another important legal aspect of retirement planning is to have a living will or an advance health care directive. This tells health care providers what kinds of life prolonging procedures and end of life care you want, while you are well enough to make these kinds of decisions. You can also designate a loved one to have the power to make medical decisions on your behalf if you are not able to do so.

You have worked hard to get to the point where you are able to retire, so you should make sure you plan for that both financially and legally. It is a gift to your loved ones to plan in advance and put the plan into place. And regardless of age or where you are in your working career, it is always a good idea to have important legal documents such as a will or living trust and advance medical directive prepared and in place.

## NEW & IMPROVED FUND OFFICE WEBSITE



We're excited to announce that our new and refreshed website ([ufcwemprfund.org](http://ufcwemprfund.org)) is live. The updated site includes a fresh new look, changes to navigation, with dropdown menus for both mobile and desktop versions. We've also improved the structure of our content, so you'll get more from a quick read. There's a whole host of smaller but impactful changes, all to make your experience of "The Fund Office" site that much better for you.

Our goal with this new website is to provide our participants with a better and easier way to learn about The Fund Office's information and services. The site will allow visitors to browse information based on their preferences. The new website is

interactive. Our current and prospective participants will find Pension Newsletters, Health and Wellness news, Fund Office Announcements and more.

**For any questions, suggestions, feedback or comments, please E-mail us @ [LLC.Communications@ufcwemprfund.org](mailto:LLC.Communications@ufcwemprfund.org) .**

# RETIREMENT PLANNING SEMINAR

The UFCW Local 75 held a Retirement Planning Seminar in Cincinnati, OH, on April 29, 2019. Some of the topics discussed were pension benefits, through the UFCW Consolidated Pension Fund, financial planning, Social Security benefits, and principles of elder care law. Here are some of the pictures from the event below.



# FINANCIAL PLANNING (ARC PROCESS)

THE **ARC PROCESS**™  
ACHIEVING RETIREMENT CLARITY

**WHAT DOES CLIMBING A MOUNTAIN AND SAVING FOR RETIREMENT HAVE IN COMMON?** Only 1 out of 3 people successfully reach their goal. The difference between those that succeed and those that fail is their level of planning.

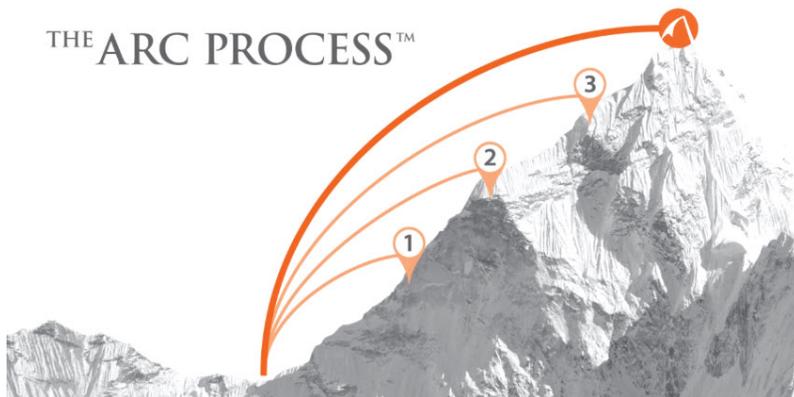
The ARC process was developed to help you achieve "**Retirement Clarity.**"

**The ARC Process is comprised of 3 simple steps that work together to help you reach the top of the retirement mountain:**

1. Learn about Your Financial Position
2. Goals-Based Wealth Accumulation Plan
3. Protect you from the Storms of Life

Learning about your financial position is done through proper cash flow management. This part of the process where planning opportunities can be discovered. The next step of the process is to turn the planning opportunities into a goals-based wealth accumulation plan. A proper wealth accumulation plan is made up of two components. The first component is traditional diversification, which is investing your savings into various asset classes to help you minimize risk. The second component is diversifying your savings across different kinds of tax registrations, and this is called "Diversification 2.0". Diversification 2.0 is designed to help you make the most efficient use of your money when withdrawing it in the future. The final step of the process is designed to protect you from the storms of life.

THE **ARC PROCESS**™



Just like in climbing some of the most important tools we take on our journey are the ones that we hope we never have to use. In retirement planning, these are the tools to protect your savings, your plan, and yourself from the unexpected risk that could hinder you from reaching your goal. In the end, the three steps of the ARC Process work together to help you build and execute a comprehensive retirement plan and help you reach the top of the "**Retirement Mountain.**"

# BASIC SOCIAL SECURITY RETIREMENT INFORMATION

In addition to the vested retirement you have with the UFCW Consolidated Pension Fund you should also be entitled to a Social Security benefit. Social Security is a part of the retirement plan of almost every American worker. If you're among the 96 percent of workers covered under Social Security, you should know how the system works. You should also know how much you'll receive from Social Security when you retire.



## How do you qualify for Social Security retirement benefits?

When you work and pay Social Security taxes, you earn “credits” toward Social Security benefits. The number of credits you need to get retirement benefits depends on when you were born. If you were born in 1929 or later, you need 40 credits (10 years of work). If you stop working before you have enough credits to qualify for benefits, the credits will remain on your Social Security record. If you return to work later, you can add more credits to qualify. Social Security can't pay any Social Security retirement benefits until you have the required number of credits.

## How much will your Social Security retirement benefit be?

Social Security bases your benefit payment on how much you earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years you didn't work or had low earnings, your benefit amount may be lower than if you had worked steadily.

The age at which you decide to retire also affects your social security benefit. If you retire at age 62, the earliest possible Social Security retirement age, your benefit will be lower than if you waited until age 67. Retiring at the age of 67 would be the full retirement age for Social Security for workers born in 1960 and later and provides a Social Security benefit without a reduction. However, Social Security benefits increase between age 67 and 70 and the longer you wait, the higher the benefit, with the age 70 benefit being the highest possible Social Security benefit.

## Online Social Security account

You can easily set up a secure online my Social Security account. By signing up for the online account you would have access to check your earnings history and get Social Security benefit estimates. You are eligible to create an account if you are age 18 or older, have a Social Security number, a valid U.S. mailing address, and an email address. To create an account, go to [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount).

It is a good idea to start early and take advantage of checking into your Social Security benefits. If you have any questions that are Social Security related you should contact your local Social Security office.

## What is Medicare?

Medicare is our country's health program for people age 65 or older. People younger than age 65 with specific disabilities, or permanent Kidney Failure, or Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease), can also qualify for Medicare coverage. The program helps with the cost of health care, but it doesn't cover all medical expenses or the cost of most long-term care.

You have choices for how you get Medicare coverage. To cover some of the medical costs that Medicare does not pay, you can purchase a Medicare supplement policy (called Medigap) from a private insurance company. The Centers for Medicare & Medicaid Services is the agency in charge of the Medicare program, but you can apply for Medicare at the Social Security Administration, and the Social Security Office can give you general information about the Medicare program.

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**Need help with anything! Please contact the Fund Office at 770-997-9910 or 1-800-241-7701.**

### FOR MORE INFORMATION

The Board of Trustees of the UFCW Consolidated Pension Fund is committed to providing retirement security for the participants.

**For questions or more information, please contact the Fund Office at:**

### UFCW CONSOLIDATED PENSION FUND

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