

Your Pension Benefits

I N P L A I N L A N G U A G E



AVAILABLE PENSION OPTIONS

LIFETIME MONTHLY ANNUITY

A monthly benefit is paid to you for as long as you live.

50% JOINT & SURVIVOR POP-UP BENEFIT

Should you die before your spouse or beneficiary, your spouse or beneficiary would receive 50% of what you were receiving for the rest of their life.

This option reduces your monthly benefit because it is paid over more than one lifetime, yours and your spouse's or beneficiary's.

The amount of reduction is determined by the difference between your age and your spouse's or beneficiary's age. The younger your spouse or beneficiary is, usually the more years they will receive benefits, so the reduction would be greater.

If you are legally married when your benefits begin, federal law requires this option be made available to your spouse. This option can only be cancelled if your spouse agrees in writing.

If your spouse or beneficiary should die first then your monthly benefit returns (pops-up) to the original amount you would have received without a reduction.

LUMP SUM OPTION

You may elect to take 50% of the value of your pension (\$50,000 maximum) in a lump sum.

The remaining value, including excess value over the \$50,000 maximum, will be paid to you in monthly payments for your lifetime.

The Lump Sum Option is also available along with the 50% Joint & Survivor Pop-up Benefit. This means you can get a lump sum and then have a monthly benefit paid for your lifetime and the lifetime of your spouse or beneficiary.



SOUTHERN NEVADA CULINARY & BARTENDERS PENSION PLAN

Your Pension Benefits



I N P L A I N L A N G U A G E

**SUMMARY
OUTLINE**

**FOR
THE
CULINARY
&
BARTENDERS
PENSION
PLAN**

THE PENSION PLAN'S PURPOSE IS TO PROVIDE YOU WITH EXTRA INCOME IN ADDITION TO SOCIAL SECURITY AND PERSONAL SAVINGS WHEN YOU REACH RETIREMENT. THIS OUTLINE IS INTENDED TO HELP YOU BETTER UNDERSTAND YOUR PENSION BENEFIT UNDER CURRENT RULES. FOR A THOROUGH EXPLANATION OF ALL THE PLAN'S PROVISIONS REFER TO THE COMPLETE SUMMARY PLAN DESCRIPTION.*

THE CULINARY & BARTENDERS PENSION PLAN IS A DEFINED BENEFIT PLAN. THIS MEANS YOUR PENSION BENEFIT HAS A SET VALUE AT RETIREMENT. THE AMOUNT OF YOUR BENEFIT IS DETERMINED BY HOW MANY YEARS YOU WORK AND HOW MANY HOURS YOU WORK EACH YEAR, NOT BY WHAT HAPPENS IN THE STOCK MARKET.



CALCULATING PENSION BENEFITS

Monthly benefits for time worked before January 1, 1976 is paid at a maximum rate of \$11.00 per month for each year of service. An example of the **current** pension benefit schedule rates for hours worked on or after Jan 1, 1976 is shown below. A complete benefit payment schedule may be seen in section 4.03 (b) of the Summary Plan description.

Hours Worked in 1 Calendar Year
(January 1 to December 31)

**Earned Monthly
Benefit Amount for
Each Year of Work**

299 Hours	None
300 Hours	\$5.16
500 Hours	\$8.60
1000 Hours	\$17.20
1500 Hours	\$25.80
2000 Hours or more	\$34.39

An example would be: Begin work at age 42.

Work 2000 hours: (about 40 hours per week) each year for 20 years.

**At age 62 your benefit would be
20 x \$34.39 = \$687.80 per month for life.**

The example above is the benefit payment schedules as of 2004. Historically, benefit payment schedules have increased over time and may be raised in the future.



TYPES OF PENSIONS

REGULAR PENSION:

Available at age 62 as long as you are vested (have 5 vesting credits). *How to acquire vesting credits is explained later in its own section.* Regular Pensions will be paid to you without any reduction in your monthly benefit even if you continue working full time in a Culinary or Bartenders Union job. The 50% Lump Sum Option is available with Regular Pensions.

EARLY RETIREMENT PENSION:

Available beginning at age 55 as long as you are vested (have 5 vesting credits). Early Retirement Pensions are reduced for each month you retire before age 62. Early pensions are reduced because the younger you are, the more benefits you are likely to receive over your lifetime. With Early Retirement the Lump Sum Option is not available and benefits are not paid for months you work 40 hours or more in a Culinary or Bartenders Union job.

Early Retirement reduction is $\frac{3}{4}$ % or 0.75% for each month you retire after age 60, but before age 62.

Retiring before age 60, requires an additional reduction of $\frac{1}{2}$ % or 0.50% for each month.

An example would be: **Retire at age 59.**

Reduction would be:

24 months x 0.75% = 18% plus 12 months x 0.50% = 6%

Your reduction would be **18% plus 6%** for a total reduction of **24%** of your earned benefit.

DISABILITY PENSION:

If you are vested (have 5 vesting credits) and become disabled due to either illness or injury, you may receive your full pension benefit earlier than age 55. Your disability must render you unable to work in most Culinary or Bartender jobs. If you qualify, the Pension Plan treats you as if you were age 62 and earned benefits are not reduced. With the Disability Pension there is no Lump Sum Option and benefits are only available in monthly payments. You must also meet the “active service requirement.”

ACTIVE SERVICE REQUIREMENT:

To be eligible for the Disability Pension or the Pre-Retirement Death Benefit, you must have worked in a Culinary or Bartenders Union job a combined total of 300 hours during the year of death or disability and the year before death or disability.

PRE-RETIREMENT DEATH BENEFIT:

If you die before you are vested, a lump sum of \$500 for each year of pension vesting credit you have earned may be payable to your estate or if you have been married at least one year, to your spouse. The \$500 per year benefit pays a maximum of \$20,000 and would be prorated to account for years when only partial vesting credits were earned. You must also meet the “active service requirement.”

QUALIFIED PRE-RETIREMENT SURVIVOR ANNUITY:

If you are married, a pension benefit may be payable to your legal spouse if you are vested (have 5 vesting credits) and die before retirement. You must have been **married** for at least one year. The benefit your spouse receives would then be based on the total value of your pension at time of death. This benefit has no maximum and is generally much greater than the unmarried benefit. No active service is required for this benefit to be paid.



EARNING VESTING CREDITS

To earn vesting credits you must work in a job covered by a Culinary & Bartenders Union contract that provides for the Pension Plan (almost all do). Work hours are credited by calendar year (January 1 to December 31,). A minimum of 300 hours in a calendar year must be worked to earn any vesting credit. Once you work 300 hours, you will earn three-tenths (3/10th) of one vesting credit. For each 100 hours of work after the 300 hour minimum you will earn an additional one-tenth (1/10th) of one vesting credit. 1000 hours (about 20 hours per week) of work in one calendar year earns one full vesting credit. Vesting credits may be earned in units of less than one, and continue to add up unless you have a permanent break in service. A permanent break in service is described below under “Losing Vesting Credits”. For example: Working 500 hours in one calendar year will earn one-half (½) vesting credit. Do this for 10 years and a total of 5 vesting credits would be earned and you would become vested. $10 \times .5 = 5$.

VESTING CREDIT EXAMPLES

299 HOURS WORKED IN ONE CALENDAR YEAR = NO VESTING CREDIT

300 HOURS WORKED IN ONE CALENDAR YEAR = .3 VESTING CREDIT

500 HOURS WORKED IN ONE CALENDAR YEAR = .5 OR ½ VESTING CREDIT

1000 HOURS OR MORE WORKED IN ONE CALENDAR YEAR = ONE FULL VESTING CREDIT

ONE FULL VESTING CREDIT IS THE MAXIMUM THAT CAN BE EARNED IN ANY ONE CALENDAR YEAR.

LOSING VESTING CREDITS

Once you are vested (having earned 5 vesting credits) you can never lose your accumulated pension benefits. If you are not vested you may lose your benefits if you have a permanent break in service. Permanent breaks in service occur under **current** pension rules when you are not vested and work less than 300 hours per year or do not work at all in a Culinary or Bartenders Union job for 5 consecutive calendar years or longer.

When a Culinary or Bartender Union worker has a permanent break in service, the contributions made to the Pension Plan for that worker remain in the Plan. This extra money paid into the Pension Plan is used to help pay for the benefits of workers who do become vested. The Pension Plan takes into account anticipated extra employer contributions for workers who do not become vested, when calculating the Pension's benefit schedule.

PENSION PLAN HIGHLIGHTS

❖ Your employer pays the full cost of your pension benefit.

- ❖ Your pension benefit is guaranteed and insured, up to federal law limits, by an agency of the United States government, similar to how savings accounts in banks and credit unions are federally insured.
- ❖ Your pension benefit begins accumulating immediately as soon as you start working in a Culinary or Bartenders Union job.
- ❖ The Pension has flexible rules about becoming vested, allowing for part-time workers to earn a benefit.
- ❖ You may become vested (earn the right to a pension) in as few as 5 years.
- ❖ You can choose to get a lump sum of 50% of the value of your benefit (up to \$50,000) immediately when you retire at or after age 62, with the remaining value of your pension benefit paid monthly.
- ❖ Pension benefits are paid to you for life no matter how long you live.
- ❖ Monthly benefits may be sent to you anywhere in the world you choose to retire.
- ❖ If you die after retirement one pension option extends payments of 50% of your monthly benefit to your spouse or a designated beneficiary for the rest of their life.
- ❖ The Pension Plan has provisions that cover early retirement, disability and death benefits.

THE SUMMARY PLAN DESCRIPTION AND OTHER PENSION PUBLICATIONS REFER TO THE TERM “PENSION CREDITS” WHEN DETERMINING ELIGIBILITY FOR A PENSION. TO MORE ACCURATELY DESCRIBE THE PURPOSE OF “PENSION CREDITS” WE WILL REFER TO THEM IN THIS SUMMARY OUTLINE AS “VESTING CREDITS”.

* This summary outline is subject to the official Plan documents and cannot modify or affect the official Plan documents in any way. If there is a difference between this summary outline and the official Plan documents, the Plan documents will control.

