

Palm Tran/  
ATU Local 1577 Pension Plan

# Pension Workshop



## Disclaimer

This workshop is designed to be educational in nature and is not intended to provide investment, tax, or legal advice.

You should consult with your own tax, legal, accounting professionals or any other advisors for advice on the implementation of any plan of action in your particular situation.



## Pension Board and Service Providers

## Board of Trustees

- Two Trustees appointed by Union
  - o Dwight Mattingly
  - o Marcos Rodriguez
- Two Trustees appointed by Employer
  - o Lisa Master
  - o Valerie Alleyne



## Service Providers

Service providers are contracted by the Board of Trustees

- Administrator: Strategic Benefits Advisors
- Actuary: Freiman Little Actuaries
- Attorneys: Madison Levine & Bonni Jensen
- Auditor: Mauldin & Jenkins
- Custodian and Benefit Payer: Salem Trust Company
- Investment Consultant: Burgess Chambers & Associates
- Investment Managers



# Pension Overview

## Funding the Pension Plan

- Employees contribute 3.0% of payroll
- Employer (Palm Tran) contributes about 19% of payroll (contributed \$6.2 million in 2023)
- All contributions are invested and the investment returns are able fund the benefits that get paid out to retirees



## Your Pension Benefits

- Monthly benefit for your lifetime regardless of how long you live.
- Option to receive a reduced benefit and leave a monthly benefit to your spouse upon your death
- Additional benefits based on eligibility (lump sum, medical supplement).





## Benefit Tiers (Member Groups)

Credited Service on first anniversary on or after October 1, 2013:

- Tier 1: Members with 10 or more years credited service
- Tier 2: Members with at least 5 but less than 10 years credited service
- Tier 3: Members with less than 5 years credited service
- Tier 4: Members hired on or after October 1, 2013



## How to Earn a Monthly Retirement Benefit

- Vested = entitled to a monthly retirement benefit
- Certain number of years of service are required
  - If hired before 10/01/13: **5 Years**
  - If hired on or after 10/01/13: **8 Years**



## How Service is Calculated

- Service Credits are based on anniversary year not calendar year
  - 0 – 249 Hours: 0 Credits
  - 250 – 499 Hours: 1/4 Credits
  - 500 – 749 Hours: 1/2 Credits
  - 750 – 999 Hours: 3/4 Credits
  - > 1000 Hours: 1 Credit
- Overtime above 300 hours not included for earnings but included in service
- Break in Service: Year <250 hours worked
- Up to 1 year of service can be awarded for unpaid time off due to disability (illness or injury). Documentation must be provided to the pension plan administrator.
- Military service that interrupts your Palm Tran employment may be eligible for purchase



## Multiplier

- Tier1: 2.50%
- Tier 2: 2.50% until 1st anniversary after 10/01/13, 2.00% thereafter
- Tier 3: 2.50% until 1st anniversary after 10/01/13, 1.60% thereafter
- Tier 4: 1.60%



## Final Average Salary & Earnings

- Final Average Salary (FAS)
  - FAS is by CALENDAR YEAR (Service is by anniversary)
  - Tiers 1, 2: **Highest 3** calendar year earnings
  - Tier 3: **Highest 5** calendar year earnings
  - Tier 4: **Highest 8** calendar year earnings
- Definition of Earnings
  - All W-2 earnings EXCEPT:
    - Overtime above 300 hours per calendar year starting 04/20/14
    - Sick and Vacation Hours accrued after 04/20/14



# Sample Benefit Formulas

## Tier 1 Formula

$2.5\% \times 3\text{-Year FAS} \times \text{Credited Service (Limited to 25 Years)} / 12 =$

$2.5\% \times \$63,518.31 \times 16.50 / 12 =$

*Accrued Monthly Benefit as of January 1, 2019 =* **\$ 2,183.44**

## Tier 2 Formula\*

$(2.5\% \times \text{Pre 2013 Service} + 2.0\% \times \text{Post 2013 Service}) \times 3\text{-Year FAS} / 12 =$

$(2.5\% \times 9.00 + 2.0\% \times 5.50) \times \$57,006.34 / 12 =$

*Accrued Monthly Benefit as of January 1, 2020 =* **\$ 1,591.43**

## Tier 3 Formula\*

$(2.5\% \times \text{Pre 2013 Service} + 1.6\% \times \text{Post 2013 Service}) \times 5\text{-Year FAS} / 12 =$

$(2.5\% \times 1.00 + 1.6\% \times 6.00) \times \$39,830.28 / 12 =$

*Accrued Monthly Benefit as of January 1, 2020 =* **\$ 401.62**

## Tier 4 Formula\*

$1.6\% \times 8\text{-Year FAS} \times \text{Credited Service} / 12 =$

$1.6\% \times \$47,063.74 \times 6.00 / 12 =$

*Accrued Monthly Benefit as of January 1, 2020 =* **\$ 376.51**

\*Maximum Benefit is 62.5% of Final Average Salary



## Retiring Early with an Unreduced Benefit

- Tier 1: Age 60 with 10 years credited service or Rule of 85
- Tiers 2 and 3: Age 62 with 10 years of credited service or 33 years of service regardless of age
- Tier 4: Age 62 with 10 years credited service
- Note on statements this year reminds you not to terminate without verifying your eligibility

Normal Retirement Date: 07/01/2039

Unreduced Retirement Date: 07/01/2036

The Normal Retirement Date and the Unreduced Retirement Date shown above are estimates.

**Do not terminate employment based on this information until you verify your actual eligibility for benefits.**



## Retiring Early with a Reduced Benefit

- Reduced Early retirement
  - Tier 1: Age 55 with 10 years credited service, reduction 1/2% per month prior to age 60
  - Tiers 2, 3, 4: Age 55 with 10 years credited service, reduction 1/2% per month prior to age 62
- See the BACK of your annual statement under Early Retirement Eligibility





## Late Retirement

- Member works past Normal Retirement Date
- Benefit increased by 1% for 1st 60 months after Normal Retirement Age, 1.5% for each month thereafter



## Additional Benefits

(Only for Members Retiring Directly From Active Service)

- Eligibility for additional benefits:
  - Members with at least **10 years** of credited service
  - Member **must retire directly from active service**
- Lump Sum Benefit (non-taxable)

Statement of Plan Benefits as of January 1, 2019 for [REDACTED]

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### Personal Information

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Name:

[REDACTED]

Information as of January 1, 2019

Tier: 1

Total Credited Service: [REDACTED]

Date of Birth:

[REDACTED]

Reported Salary for 2018: \$ [REDACTED]

Date of Hire:

[REDACTED]/2002

Your Total Plan Contributions: \$ [REDACTED]

You are always 100% vested in your Plan contributions

Normal Retirement Date:

[REDACTED]

Unreduced Retirement Date:

[REDACTED]

Contributions as of 12/31/11: \$ 7,685.64

- Medical Supplement: \$200 monthly benefit payable from age 60 to 65 (only Rule of 85 retirements may 'age in')

## Survivor Benefits

## Optional Forms of Payment

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### **Life Only Annuity** (Normal Form to Unmarried Participant)

Retiree's Benefit: \$ 3,239.00 Survivor's Benefit: \$ -

This is a monthly pension payable for your lifetime only. There is no survivor benefit with this option.

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### **50% Joint & Survivor Annuity** (Normal Form to Married Participant)

Retiree's Benefit: \$ 2,811.45 Survivor's Benefit: \$ 1,405.73

This is a monthly pension payable for your lifetime. Upon your death, your designated beneficiary will receive a monthly payment for life equal to 50% of the monthly payment you were receiving for his or her lifetime.

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### **66-2/3% Joint & Survivor Annuity**

Retiree's Benefit: \$ 2,720.76 Survivor's Benefit: \$ 1,813.93

This is a monthly pension payable for your lifetime. Upon your death, your designated beneficiary will receive a monthly payment for life equal to 66 2/3% of the monthly payment you were receiving for his or her lifetime.

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### **100% Joint & Survivor Annuity**

Retiree's Benefit: \$ 2,500.51 Survivor's Benefit: \$ 2,500.51

This is a monthly pension payable for your lifetime. Upon your death, your designated beneficiary will receive a monthly payment for life equal to 100% of the monthly payment you were receiving for his or her lifetime.

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### **10-Year Certain & Life Annuity**

Retiree's Benefit: \$ 3,158.72 Survivor's Benefit: \$ 3,158.72

This is a monthly pension payable for your lifetime, with the guarantee that if you should die within ten years of the date you elected to retire, your designated beneficiary will receive a monthly payment equal to the monthly payment you were receiving for the remainder of the ten year period.

## Other Death Benefits

- Beneficiary of non-vested member receives refund of contributions
- Death before retirement:
  - Beneficiary of single member receives refund of contributions with interest through May 25, 2007
  - Spouse/Domestic Partner of member over age 55 receives 50% survivor benefit as though member retired
  - Spouse/Domestic Partner of member under 55 receives 50% benefit at otherwise normal retirement date
- Lump-sum Death Benefit
  - Beneficiary of active member with at least 10 years service receives \$5,000
  - Beneficiary of retired member receives \$7,500



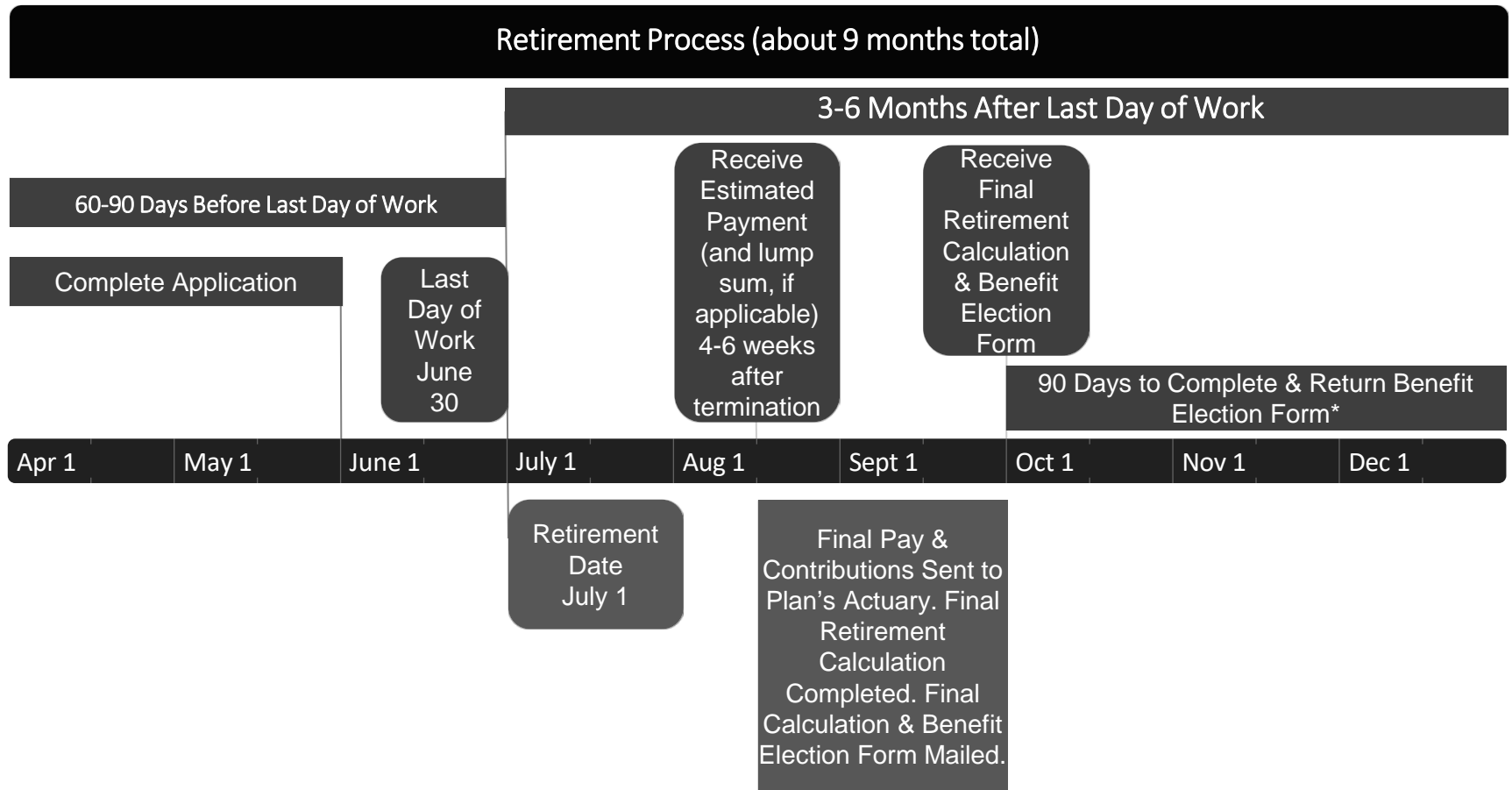
## Beneficiary Designation

- If single, you may designate anyone as your beneficiary
- If married, your spouse is the beneficiary unless he/she waives that right via notarized consent
- If divorced, you may designate anyone as your beneficiary
  - If you previously named your former spouse as beneficiary but have since divorced and still want your former spouse to be your beneficiary, you have to re-designate him/her after the divorce
- If you die with no beneficiary on file, any benefits due will be paid first to your children, parents, siblings, or your estate if none of the previous were alive at your date of death



# Retirement Procedures

# Retirement Process





## Retirement Process

- 30-90 days prior to retirement: Application filed with Administrator
- 30-45 days after retirement: Retiree issued an estimated benefit and lump sum benefit if eligible
  - Retro payment to Retirement Date if applicable
  - Estimated payment based on last statement
- 60-90 days after retirement: Plan Actuary prepares final calculation after retiree receives final pay. Retiree receives and returns Benefit Election Form with calculation of actual benefits and optional forms.
- 90-120 days after retirement: Final benefit amount applied and difference between estimated and actual benefit paid to member



## Application Procedures

- Required Forms
  - Application for Retirement
  - Tax Withholding Forms (W-4P)
  - Direct Deposit Form & Voided Check
  - Copy of Birth Certificate or Driver's License
  - If married, copy of Marriage Certificate and Spouse's Birth Certificate or Driver's License
  - Beneficiary Designation
- Additional Items
  - Application for Refund of Contributions (if >10 yrs svc)



## Commencement (starting monthly retirement benefit)

- Benefits are effective the 1st of the month FOLLOWING last day of work (termination date) and completion of a retirement application
- Initial payments are made 4 to 6 weeks after your last day of work
- Regular benefits are paid 1st business day of each month
- Pension benefit is taxable income
- You will receive a Form 1099 each year for filing your taxes



## Retiree Responsibilities

- Complete your Benefit Election Form within 90 days of receipt (you will receive it about 3 months after you retire)
- Notify Administrator of changes to address or contact information
- Notify Administrator of bank account changes
- If you are thinking of living outside the U.S. and not maintaining a U.S. address and U.S. bank account, call us for basic information on tax implications



## Pension Office (located in Atlanta, GA)

- Palm Tran Pension website:  
[www.publicplans.sba-inc.com/palmtran.html](http://www.publicplans.sba-inc.com/palmtran.html)
  - Pension plan documents
    - Plan Document
    - Summary Plan Description
  - Board approved minutes
  - Forms & applications
  - Recent Plan investment performance
  - Links to other service providers
- Plan email box: [palmtranpension@sba-inc.com](mailto:palmtranpension@sba-inc.com)
- Phone number: 1-844-352-5610
- Mailing Address:  
3567 Parkway Lane, Ste 250, Atlanta, GA, 30092



# Questions