

# Thinking about retirement?

Tips from your union to help you understand the Boeing retirement process and make an informed decision that's best for you!



## **Request a Pension Benefit Estimate**

Requesting an estimate will give you an idea of what your pension will be at various dates based on your age. You can request up to three potential retirement dates:

- ◆ Call the Boeing Pension Services Center through WorkLife 1-866-473-2016:
- ◆ Give your BEMS ID
- ◆ Say the word "pension"
- ◆ Use your password
- ◆ Numerical options will be given, hit #9 on the keypad, this will bump you to a live person

## **Boeing Pension Calculations:**

IAM members hired prior to Jan. 3, 2014 qualify for either the standard benefit or the alternate benefit. You will receive the larger monthly amount between the two formulas. 99 percent of our members qualify for the standard benefit. Benefits no longer accrue after Oct. 31, 2016.

## **Early Retirement Reductions:**

- ◆ The reduction is 2% per year under age 58 (between ages 55 and 58).

***NOTE: You must retire the first day of the month after leaving the Company to have this early retirement reduction apply.***

## **Getting Started With Retirement**

- ◆ Know your Boeing WorkLife external password (this is different than internal password). NOTE: You can get your external password on a Boeing computer in WorkLife.
- ◆ Confirm your eligibility to retire (see below)
- ◆ Choose a prospective retirement date - the first of any given month
- ◆ Gather your documentation (see below)

### **1) Confirm Your Eligibility**

- ◆ Age 55 but younger than age 62, you must have at least 10 years of vesting service
- ◆ Age 62 or older with at least one year of credited service (does not need 10 years vesting time)
- ◆ Hired before January 3, 2014

### **2) Gather Your Documentation**

What you will need:

- ◆ Proof of age for you and your spouse, if married
- ◆ Proof of marriage, if applicable
- ◆ Proof of name change, if applicable
- ◆ A voided check/bank information
- ◆ Beneficiary info – birthdates, addresses, phone numbers, Social Security numbers



## WHEN YOU'RE READY TO RETIRE

### Request a Pension Commencement Packet

Call the Boeing Pension Services Center through

- ◆ WorkLife 1-866-473-2016:
- ◆ Give your BEMS ID, say the word "pension"
- ◆ Use your password
- ◆ Numerical options will be given, hit #9 on the keypad, this will bump you to a live representative
- ◆ You can order a pension packet as early as 90 days before your benefit commencement date
- ◆ You can only request a retirement date of the first of any given month.

### Your Pension Packet Will Contain:

- ◆ An explanation of payment options
- ◆ A commencement election form
- ◆ Beneficiary designation forms
- ◆ Tax withholding forms (state and federal)
- ◆ Direct deposit form
- ◆ An action termination checklist

### Pension Benefit Payment Methods (you have to select one)

- ◆ Single life annuity (everyone eligible)
- ◆ 50%, 75%, or 100% surviving spouse option (must be married to have this option)
- ◆ Life annuity with a 10 year certain option - Beneficiary can be anyone (everyone eligible), but benefit is only payable for up to 10 years after retirement date.

All payment methods have accelerated options for those younger than age 62

Monthly benefit payment examples:

- ◆ Single life annuity: **\$1,530.90**
- ◆ "Surviving spouse option" - 3 levels to choose from:

Option	Participant	Surviving Spouse Benefit
50%	\$1,454.35	\$727.17
75%	\$1,377.81	\$1,033.36
100%	\$1,301.26	\$1,301.26

- ◆ Life with a 10 year certain option: \$1,516.36.

### Applying for Your Pension

- ◆ Complete and return the pension commencement packet along with the requested documentation no later than your benefit commencement date. Remember to include photocopies of requested documents (proof of age, proof of marriage, etc)
- ◆ Keep a copy of your completed packet
- ◆ Include the self-addressed postcard with your forms in the packet
- ◆ Allow at least 10 days for mailing
- ◆ You may want to fax your packet if it is close to the end of month



### Pension payments

- ◆ A confirmation letter will be mailed to your address of record after your benefit commencement date
- ◆ Payments are paid by direct deposit on the first banking day of each month
- ◆ The first and second pension payments generally are paid one month after your benefit commencement date

### Pension Cancellation (second thoughts?)

If you already have returned your pension commencement packet, the Boeing Pension Services Center must receive your written cancellation AND a phone call to Pension Services at least 10 days before your first payment date.

If you have already processed a termination transaction through Boeing WorkLife, you MUST notify your Human Resources representative or WorkLife to cancel your termination transaction.

### Things to Do:

- ◆ Review your pension benefit
- ◆ Complete, and return your packet to Pension Services
- ◆ Keep a copy of your packet for your records
- ◆ Review your savings plan allocations and disbursement options "VIP"
- ◆ If possible make an appointment with a financial planner to review your defined pension benefit, VIP, Social Security, and any other financials you may have

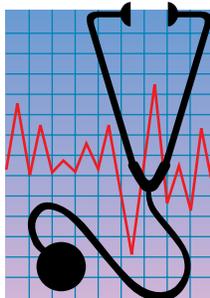
**NOTE:** If you are not being laid-off or terminated, you must go into WorkLife and self terminate. Your pension paperwork does not do that.



### **Retiree Medical:**

To be eligible for retiree medical, you must:

- ◆ Be between age 55 and 65 and not otherwise eligible for Medicare, (SSDI) AND have 10 or more years of pension vesting time.
- ◆ Not be covered under any other Boeing medical plan



Dependent eligibility:

- ◆ You may request coverage for the following dependents: your legal spouse and your children under age 26
- ◆ You may add new dependents through marriage, birth, adoption, or placement of adoption within 60 days of event. This is considered a qualified status change

You will be billed directly for your coverage. You can request to have the cost deducted from your pension check by contacting WorkLife under the health and insurance link.

### **Monthly Premiums**

- ◆ If you hired before January 1, 1993, Selections Plan and Kaiser Permanente premiums run \$10-\$30 a month for you and your family. The Traditional Medical Plan premiums are \$20-\$60 per month for you and your family.
- ◆ Hired on or after January 1, 1993 - partial company subsidy at 3-1/3% of the cost of the plan per year of company service. You pay the remaining balance. For example: If you have 18 years of service.  $18 \text{ years of service} \times 3.333 = 59.994\%$  of the cost of the plan the company pays toward retiree medical. You are responsible for the other 40.1%. Call WorkLife to get your contribution amount

### **Effective Date of Coverage:**

You may start your retiree medical when you commence your pension benefit or immediately following the end of active employment coverage or when you lose other coverage through COBRA, other employer coverage, or coverage through a spouse.

### **Coverage Options:**

- ◆ Traditional Medical Plan (PPO)...may be best if you often travel outside of the Puget Sound area.
- ◆ Selections (CCP)
- ◆ Kaiser Permanente (HMO)
- ◆ You can change plans during the annual enrollment period usually November or when a “qualified status change” occurs

### **IMPORTANT: Review your retiree medical options & find out what medical coverage will cost you in retirement:**

Access retiree medical through WorkLife, health and insurance. This provides available plans and costs. Below is a step-by-step walk through to use the modeling tool to know exactly what your costs would be.

- Log onto WorkLife.
- Click “Total Compensation” and you will get four options.
- Under “Quick Access” click on “Health and Insurance Benefits”
- On “Your Benefits Resources” page, click “Life Events”
- Click on the “Retirement” bar
- A short way down the in the box “Retirement Resources”, click on “Preview your Retiree Medical Insurance Options” (modeling tool)
- Type in your last day of work, answer 2 questions (address & dependents)
- Click “Continue” and this will give you your monthly costs.
- From here you can look at the different plans, costs, coverages, deductibles, etc.

### **When to Set Up Retiree Medical:**

Set up retiree medical through WorkLife one month before your existing coverage ends. **For example:** If you retire June 1, you have active medical coverage for the full month of June. You must set up retiree medical to begin the first day of July. You can set up your retiree medical any time in June or from the date you received your confirmation card back.



### **Dental and Vision COBRA**

Decide whether to continue COBRA coverage for dental and/or vision at the cost of 102%. The cost is based on plan and level of coverage. Note that costs change annually. WorkLife will send you COBRA information by mail. COBRA coverage will continue up to 18 months.

### **Retiree Medical If You Have Other Coverage**

If you are married to another active Boeing employee, and you enroll as a spouse on his or her plan, you may delay enrollment in your retiree medical plan.

When your spouse retires and coverage ends, you must request within 60 days that your retiree coverage be activated. This is considered a “qualified status change.”

**IMPORTANT: If age 65 or Medicare eligible, make sure you have already selected a good supplemental Medicare plan prior to your retirement date. For information on Medicare supplement plans, contact SHIBA (Statewide Health Insurance Benefits Advisors) at 206-727-6221.**

### **Things to Do Prior to Retirement**

- ◆ Get new glasses or contacts prior to retirement.



- ◆ Complete any needed dental work



- ◆ Get new prescriptions refilled (preferably a 90-day supply)

### **Things to consider:**

- ◆ Keep your address updated through Boeing WorkLife and also with the union.
- ◆ Remember your BEMS ID number and Boeing WorkLife external password.

### **VIP Plan - 401(k)**

- ◆ Prior to deciding to retire, review your options from the Boeing savings plan VIP. Periodically, you should go into the Savings Plan modeler in WorkLife to see potential accumulation, payout options, etc.
- ◆ You are encouraged to talk with a financial consultant before deciding which distribution is best for you.
- ◆ Soon after your employment ends, the Boeing Saving Service Center will send you information about the Plan’s distribution options.
- ◆ **NOTE: You do not have to do anything immediately after retiring. You have the option to leave your money in the VIP.**



### **Taxes on VIP Distributions**

In general, 20% of the taxable distribution will be withheld for Federal income tax, unless you make a direct rollover into another qualified plan or IRA.

Applicable state taxes also will be withheld.

### **Essential Actions**

Follow the termination checklist in your retirement packet

Return any Boeing property, phones, pagers, etc.

### **Questions or More Information...**

- ◆ For more information, you can always visit Boeing WorkLife OR
- ◆ Contact your IAM reps Union Health & Benefits Department at 206-764-0350. Health & Benefit fax number is 206-764-0353.

You can also call 206-764-0350 to schedule an appointment.

