



U.A. Local No. 393 Retirement Benefits Educational Webinar

February 22nd, 2025



Seminar Agenda



1. Introductions

2. Defined Benefit Pension

Plan^(Part A)

- Contribution History
- Overview
- Suspension of Benefits
- Ad Hoc Check Eligibility Rules

3. Defined Contribution

Plan^(Part B)

- Overview
- Loan Program

4. Health & Welfare

- Contribution History
- Overview
- Retiree Subsidy Schedule
- Extended Reserve Account

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Differences in terminology of our 2 plans

- Part A
- Part B



Differences in terminology of our 2 plans

- Part A
- DB Plan
- Defined Benefit Plan
- Part B
- DC Plan
- Defined Contribution Plan



Differences in terminology of our 2 plans

- Part A
- DB Plan
- Defined Benefit Plan
- This is a benefit defined by the pension trustees that each member earns for every hour worked.
- Part B
- DC Plan
- Defined Contribution Plan
- This benefit is based on the mandatory and voluntary contributions made throughout a member's career and the performance of its investments.



Differences in terminology of our 2 plans

- Part A
- DB Plan
- Defined Benefit Plan
- This is a benefit defined by the pension trustees that each member earns for every hour worked.
- Union Pension
- Part B
- DC Plan
- Defined Contribution Plan
- This benefit is based on the mandatory and voluntary contributions made throughout a member's career and the performance of its investments.
- Prior to 1/1/2015----401A(Money purchase plan),
- After 1/1/2015----Profit Sharing Plan with a 401K option.



Defined Benefit Plan (DB Plan or the Part A)

This is the union's retirement pension plan. There has been a predetermined benefit that you will earn for every hour of work performed. **(At this point it is \$0.12/hr)**

Defined Contribution Plan (DC Plan or the Part B)

This is a secondary means of retirement savings that every member can voluntarily contribute to. Along with voluntary contributions, there are mandatory employer contributions of **\$11.00** an hour for every journeyman hour performed. As of July 1, 2017, apprentices also participate in the mandatory employer contributions but at a lower rate based on their level of placement in the apprenticeship.

1st -- 4th periods receive \$2.00/hr
5th – 8th periods receive \$3.00/hr
9th –10th periods receive \$4.00/hr



1. Defined Contribution, (DC Plan or the Part B)
2. Prior to January 1st. 2015 the plan was considered a 401A(Money Purchase Plan).
3. **In a 401A, all contributions are 100% tax deferred.**
4. Due to an IRS audit of our plan we switched to a more traditional 401K
5. As of January 1st. 2015 the plan changed to what is now called a Profit-Sharing Plan with a 401K option.
6. Employer mandatory contributions are applied to the Profit-Sharing Plan which is still a 401A.
7. All voluntary contributions go into the **401K** option. These monies are also taxed deferred, but only after FICA has been taken out. **So, it is not 100% tax deferred**
8. FICA taxes are divided into two parts: Social Security tax and Medicare tax. The Social Security tax rate is 6.2% of wages for 2024, and the Medicare tax rate is 1.45% of wages.
9. For 2024, the wage cap for paying FICA increased from \$168,600 to \$176,100



U.A. Local No. 393 Retirement Benefits Educational Webinar

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Retiring at 55

- While working, the annual income at Journeyman wages of \$76.87/hr.

• 1,500 hrs/yr	\$115,305
• 2,000 hrs/yr	\$153,740



Retiring at 55

- Monthly retirement benefit of \$.12 cents/hr:
 - 1,500 hrs/yr \$180/month
 - 2,000 hrs/yr \$240/month



Retiring at 55

- Estimated monthly benefit after a 30year career of:
 - 1,500 hrs/yr 45,000 career/hrs **\$4,950**
 - 2,000 hrs/yr 60,000 career/hrs **\$6,600**



Retiring at 55

- Estimated annual retirement income after a 30year career of:
- 1,500 hrs/yr 45,000 career hrs. \$5,400/month = **\$64,800/yr**
- 2,000 hrs/yr 60,000 career hrs. \$7,200/month = **\$86,400/yr**



Retiring at 55

- Difference in working income to retirement income:
- 1,500 hrs/yr Working--\$115,305 Retired--\$64,800 Difference--\$50,505
- 2,000 hrs/yr Working--\$153,740 Retired--\$86,400 Difference--\$67,340
- This means the day that you retire, there will be a reduction in your annual income between \$50 and \$68K.



Retiring at 55

- Estimated annual cost for medical co-pays based on H&W subsidy chart

H&W – Subsidy Schedule in Percentage



Local 393 - Retiree Health and Welfare Subsidy Schedule

Percent of Plan Cost (Excluding Dental) Paid by Member

Effective for retirees who retired on or after July 1, 2009

Career Hours in LU 393	Age at Retirement										
	52-54	55	56	57	58	59	60	61	62	63	64 +
< 26,000	100%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
26,000	100%	72%	70%	68%	66%	64%	62%	60%	58%	56%	54%
28,000	100%	71%	69%	67%	65%	63%	61%	59%	57%	55%	53%
30,000	100%	70%	68%	66%	64%	62%	60%	58%	56%	54%	52%
32,000	100%	69%	67%	65%	63%	61%	59%	57%	55%	53%	51%
34,000	100%	68%	66%	64%	62%	60%	58%	56%	54%	52%	50%
36,000	100%	67%	65%	63%	61%	59%	57%	55%	53%	51%	49%
38,000	100%	66%	64%	62%	60%	58%	56%	54%	52%	50%	48%
40,000	100%	65%	63%	61%	59%	57%	55%	53%	51%	49%	47%
42,000	100%	64%	62%	60%	58%	56%	54%	52%	50%	48%	46%
44,000	100%	63%	60%	59%	57%	55%	53%	51%	49%	47%	45%
46,000	100%	62%		58%	56%	54%	52%	50%	48%	46%	44%
48,000	100%	61%	59%	57%	55%	53%	51%	49%	47%	45%	43%
50,000	100%	60%	58%	56%	54%	52%	50%	48%	46%	44%	42%
52,000	100%	59%	57%	55%	53%	51%	49%	47%	45%	43%	41%
54,000	100%	58%	56%	54%	52%	50%	48%	46%	44%	42%	40%
56,000	100%	57%	55%	53%	51%	49%	47%	45%	43%	41%	39%
58,000	100%	56%	54%	52%	50%	48%	46%	44%	42%	40%	38%
60,000	100%	55%	52%	51%	49%	47%	45%	43%	41%	39%	37%
62,000	100%	54%		50%	48%	46%	44%	42%	40%	38%	36%
64,000	100%	53%	51%	49%	47%	45%	43%	41%	39%	37%	35%
66,000	100%	52%	50%	48%	46%	44%	42%	40%	38%	36%	34%
68,000	100%	51%	49%	47%	45%	43%	41%	39%	37%	35%	33%
70,000	100%	50%	48%	46%	44%	42%	40%	38%	36%	34%	32%
72,000	100%	49%	47%	45%	43%	41%	39%	37%	35%	33%	31%
74,000	100%	48%	46%	44%	42%	40%	38%	36%	34%	32%	30%
75,000 +	100%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%

1. Those who retire at age 52-54 will pay 100% of the plan cost until they turn age 55, at which time the percentage paid will be adjusted to match the 55 year old group.
2. The non-Medicare plan cost per member per month is currently \$2,060. The plan cost is reviewed annually.
3. Your "Percent Paid by Member" is based on your age at retirement and your career hours in Local 393.
4. To determine your cost, multiply the plan cost by your applicable "Percent Paid by Member". (ex. Retire at age 60 with 50,000 career hours in Local 393: 50% (Paid by Member) × \$2,060 (plan cost) = \$1,030/month)
5. The "Percent Paid by Member" is set at retirement, but is adjusted for additional hours worked after retirement. At age 65, the plan cost is reduced to the Medicare eligible rate, which is currently \$810. (ex. The 60 year old retiree referenced in above example #4 turns 65 years old and is Medicare eligible. New rate for this retiree would be \$405 (50% × \$810)).
6. This chart has been approved by the Trustees of the U.A. Local No. 393 Health and Welfare Plan, but is subject to revision or correction at any time. Career Hours in LU 393 Age at Retirement

Career Hours in LU 393	Age at Retirement											
	52-54	55	56	57	58	59	60	61	62	63	64 +	
< 26,000	\$2,060	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	\$1,545.00	
26,000	\$2,060	\$1,483.20	\$1,442.00	\$1,400.80	\$1,359.60	\$1,318.40	\$1,277.20	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	
28,000	\$2,060	\$1,462.60	\$1,421.40	\$1,380.20	\$1,339.00	\$1,297.80	\$1,256.60	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	
30,000	\$2,060	\$1,442.00	\$1,400.80	\$1,359.60	\$1,318.40	\$1,277.20	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	
32,000	\$2,060	\$1,421.40	\$1,380.20	\$1,339.00	\$1,297.80	\$1,256.60	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	
34,000	\$2,060	\$1,400.80	\$1,359.60	\$1,318.40	\$1,277.20	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	
36,000	\$2,060	\$1,380.20	\$1,339.00	\$1,297.80	\$1,256.60	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	
38,000	\$2,060	\$1,359.60	\$1,318.40	\$1,277.20	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	
40,000	\$2,060	\$1,339.00	\$1,297.80	\$1,256.60	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	
42,000	\$2,060	\$1,318.40	\$1,277.20	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	\$947.60	
44,000	\$2,060	\$1,297.80	\$1,256.60	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	\$927.00	
46,000	\$2,060	\$1,277.20	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	\$947.60	\$906.40	
48,000	\$2,060	\$1,256.60	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	\$927.00	\$885.80	
50,000	\$2,060	\$1,236.00	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	\$947.60	\$906.40	\$865.20	
52,000	\$2,060	\$1,215.40	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	\$927.00	\$885.80	\$844.60	
54,000	\$2,060	\$1,194.80	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	\$947.60	\$906.40	\$865.20	\$824.00	
56,000	\$2,060	\$1,174.20	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	\$927.00	\$885.80	\$844.60	\$803.40	
58,000	\$2,060	\$1,153.60	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	\$947.60	\$906.40	\$865.20	\$824.00	\$782.80	
60,000	\$2,060	\$1,133.00	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	\$927.00	\$885.80	\$844.60	\$803.40	\$762.20	
62,000	\$2,060	\$1,112.40	\$1,071.20	\$1,030.00	\$988.80	\$947.60	\$906.40	\$865.20	\$824.00	\$782.80	\$741.60	
64,000	\$2,060	\$1,091.80	\$1,050.60	\$1,009.40	\$968.20	\$927.00	\$885.80	\$844.60	\$803.40	\$762.20	\$721.00	
66,000	\$2,060	\$1,071.20	\$1,030.00	\$988.80	\$947.60	\$906.40	\$865.20	\$824.00	\$782.80	\$741.60	\$700.40	
68,000	\$2,060	\$1,050.60	\$1,009.40	\$968.20	\$927.00	\$885.80	\$844.60	\$803.40	\$762.20	\$721.00	\$679.80	
70,000	\$2,060	\$1,030.00	\$988.80	\$947.60	\$906.40	\$865.20	\$824.00	\$782.80	\$741.60	\$700.40	\$659.20	
72,000	\$2,060	\$1,009.40	\$968.20	\$927.00	\$885.80	\$844.60	\$803.40	\$762.20	\$721.00	\$679.80	\$638.60	
74,000	\$2,060	\$988.80	\$947.60	\$906.40	\$865.20	\$824.00	\$782.80	\$741.60	\$700.40	\$659.20	\$618.00	
75,000 +	\$2,060	\$515.00	\$515.00	\$515.00	\$515.00	\$515.00	\$515.00	\$515.00	\$515.00	\$515.00	\$515.00	

Career Hours in LU 393	Age at Retirement											
	52-54	55	56	57	58	59	60	61	62	63	64+	
< 26,000	\$810	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50	\$607.50
26,000	\$810	\$583.20	\$567.00	\$550.80	\$534.60	\$518.40	\$502.20	\$486.00	\$469.80	\$453.60	\$437.40	
28,000	\$810	\$575.10	\$558.90	\$542.70	\$526.50	\$510.30	\$494.10	\$477.90	\$461.70	\$445.50	\$429.30	
30,000	\$810	\$567.00	\$550.80	\$534.60	\$518.40	\$502.20	\$486.00	\$469.80	\$453.60	\$437.40	\$421.20	
32,000	\$810	\$558.90	\$542.70	\$526.50	\$510.30	\$494.10	\$477.90	\$461.70	\$445.50	\$429.30	\$413.10	
34,000	\$810	\$550.80	\$534.60	\$518.40	\$502.20	\$486.00	\$469.80	\$453.60	\$437.40	\$421.20	\$405.00	
36,000	\$810	\$542.70	\$526.50	\$510.30	\$494.10	\$477.90	\$461.70	\$445.50	\$429.30	\$413.10	\$396.90	
38,000	\$810	\$534.60	\$518.40	\$502.20	\$486.00	\$469.80	\$453.60	\$437.40	\$421.20	\$405.00	\$388.80	
40,000	\$810	\$526.50	\$510.30	\$494.10	\$477.90	\$461.70	\$445.50	\$429.30	\$413.10	\$396.90	\$380.70	
42,000	\$810	\$518.40	\$502.20	\$486.00	\$469.80	\$453.60	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	
44,000	\$810	\$510.30	\$494.10	\$477.90	\$461.70	\$445.50	\$429.30	\$413.10	\$396.90	\$380.70	\$364.50	
46,000	\$810	\$502.20	\$486.00	\$469.80	\$453.60	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	
48,000	\$810	\$494.10	\$477.90	\$461.70	\$445.50	\$429.30	\$413.10	\$396.90	\$380.70	\$364.50	\$348.30	
50,000	\$810	\$486.00	\$469.80	\$453.60	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	
52,000	\$810	\$477.90	\$461.70	\$445.50	\$429.30	\$413.10	\$396.90	\$380.70	\$364.50	\$348.30	\$332.10	
54,000	\$810	\$469.80	\$453.60	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	
56,000	\$810	\$461.70	\$445.50	\$429.30	\$413.10	\$396.90	\$380.70	\$364.50	\$348.30	\$332.10	\$315.90	
58,000	\$810	\$453.60	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	\$307.80	
60,000	\$810	\$445.50	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	\$307.80	
62,000	\$810	\$437.40	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	\$307.80	\$291.60	
64,000	\$810	\$429.30	\$413.10	\$396.90	\$380.70	\$364.50	\$348.30	\$332.10	\$315.90	\$299.70	\$283.50	
66,000	\$810	\$421.20	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	\$307.80	\$291.60	\$275.40	
68,000	\$810	\$413.10	\$396.90	\$380.70	\$364.50	\$348.30	\$332.10	\$315.90	\$299.70	\$283.50	\$267.30	
70,000	\$810	\$405.00	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	\$307.80	\$291.60	\$275.40	\$259.20	
72,000	\$810	\$396.90	\$380.70	\$364.50	\$348.30	\$332.10	\$315.90	\$299.70	\$283.50	\$267.30	\$251.10	
74,000	\$810	\$388.80	\$372.60	\$356.40	\$340.20	\$324.00	\$307.80	\$291.60	\$275.40	\$259.20	\$243.00	
75,000 +	\$810	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50	\$202.50

NON-MEDICARE VS. MEDICARE



Retiring at 55

- Estimated annual cost for medical co-pays based on H&W subsidy chart

Non-Medicare:

- 44,000 hrs 63% of \$2,060/month = \$1,297.80/month = **\$15,574/annually**
- 60,000 hrs 55% of \$2,060/month = \$1,133.00/month = **\$13,596/annually**

- **\$23,700 - \$15,574 = \$8,126**
- **\$20,691 - \$13,596 = \$7,095**



Retiring at 55

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- 60,000 hrs 55% of \$2,060/month = \$1,133.00/month = \$13,596/annually

Age 65 Medicare Eligible:

- 44,000 hrs 63% of \$810/month = \$510.30/month = **\$6,123.60/annually**
- 60,000 hrs 55% of \$810/month = \$445.50/month = **\$5,346/annually**



Retiring at 55

- Estimated annual cost for medical co-pays based on H&W subsidy chart
- 44,000 hrs 63% of \$2,060/month = \$1,297.80/month = \$15,574/annually
- 60,000 hrs 55% of \$2,060/month = \$1,133.00/month = \$13,596/annually
- Dental coverage is an additional cost of \$160/month = **\$1,920/annually**



Retiring at 55

- Estimated annual cost for medical co-pays based on H&W subsidy chart
- 44,000 hrs 63% of \$2,060/month = \$1,297.80/month = \$15,574/annually
- 60,000 hrs 55% of \$2,060/month = \$1,133.00/month = \$13,596/annually
- Dental coverage is an additional cost of \$160/month = \$1,920/annually
- 45,000 hrs. Total annual medical expenses = **\$17,494/annually**
- 60,000 hrs. Total annual medical expenses = **\$15,516/annually**



Retiring at 55

- 45,000 hrs. Total annual medical expenses = \$17,494/annually
- Age 55 to 65 = 10 years x \$17,494/year = \$174,940
- 60,000 hrs. Total annual medical expenses = \$15,516/annually
- Age 55 to 65 = 10 years x \$15,516/year = \$155,160



Retiree Health cost estimates

- The potential cost of healthcare as a retiree is important to consider well before an employee decides to retire. These costs can change as a result of regulations, inflation, new drugs, health risks, etc.
- A healthy 65-year-old couple retiring in 2020 is projected to spend approximately \$351,000 in today's dollars on healthcare over their lifetime. Expenses at age 85 are estimated to be 234% higher than at age 65.
- Fidelity Investments estimates annual Retiree Health Care Cost Estimate, revealing that a 65-year-old couple retiring this year can expect to spend an average of \$315,000 in health care and medical expenses throughout retirement.
- According to a report by HealthView Services Financial, a healthy 65-year-old couple who retired in 2019 could expect to spend more than \$387,000 for health care expenses in retirement, not including long-term care.
- Lifetime health costs for most couples retiring in 2021 can range from \$156,208 to \$1,022,997.



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- Lifetime health costs for most couples retiring in 2021 can range from \$156,208 to \$1,022,997.
- Remember that this estimate doesn't even include the costs for long term care. On average females will need some form of care for 3.7 years while men will need it for 2.2 years. The average annual cost for a private nursing home is \$108,400 per year.



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- Lifetime health costs for most couples retiring in 2021 can range from \$156,208 to \$1,022,997.
- Remember that this estimate doesn't even include the costs for long term care. On average females will need some form of care for 3.7 years while men will need it for 2.2 years. The average annual cost for a private nursing home is \$108,400 per year.
- **We just learned from the previous slides that it is going to cost a retiree somewhere in the range of \$180,000 to maintain our medical just to get you to the age of 65 when you are Medicare eligible.**

Extended Reserve Account (ERA)

1. While Working – Funds in your ERA may be used for doctor office and/or prescription drug co-pays, as well as dental & vision services.
2. While Unemployed – Funds in your ERA may be used towards COBRA or self-payments.
3. At Retirement – When you retire, you must use ERA to pay monthly premiums.
4. Upon Death – Remaining account balance maybe be used for your spouse or dependent children to continue Plan coverage.
5. Health Expense Reimbursement – Effective 1/1/2006, you/covered dependents, while active, retired or after your death, may use ERA for reimbursement of qualified health expenses which are not otherwise covered in the Plan.
6. Growth Earnings & Tax-Free – Funds contributed towards ERA are tax exempt. The funds are invested, and the actual investment returns are applied to your account annually.

Extended Reserve Account (ERA) - Continued

1. The current mandatory employer contribution is **\$1.50** per hour.
2. You may elect an additional \$1, \$2 or \$4 per hour contribution to be paid into your H&W ERA to be automatically deducted from your paycheck. This amount is non-taxable, and it is not taxed when used.
3. IRS rules do not allow death benefit payments from the ERA.
4. You have the option to submit a paper claim form with copies of receipts for reimbursement or use your BennyCard at the time services are rendered. However, please note, some BennyCard transactions may require substantiation, so save those receipts – just in case!
5. You can only receive payment for services rendered for yourself or your eligible dependents.

*Always refer to Plan Rules for more detailed information



Potential ERA savings over your career

- 45,000 hours at \$5.50/hr. = \$247,500
- 60,000 hours at \$5.50/hr. = \$330,000



Retiring at 55

- Difference in income plus medical and dental co-pays annually:



Retiring at 55

- Difference in income plus medical and dental co-pays annually:
 - 45,000 hrs. Annual income shortage **(\$50,505)** and medical cost **(\$17,494)** = **\$67,999**
 - 60,000 hrs. Annual income shortage **(\$67,340)** and medical cost **(\$15,516)** = **\$82,856**



Retiring at 55

- Difference in income plus medical and dental co-pays annually:
- 45,000 hrs. Annual income shortage and medical cost = **\$67,999**
- 10 years to Medicare subsidy--**\$679,990**
- 60,000 hrs. Annual income shortage and medical cost = **\$82,856**
- 10 years to Medicare subsidy--**\$828,560**



Retiring at 55

- Over the next several slides we are going to try and quantify what all this math means and what it takes to save and prepare for these calculated differences in income and medical cost.
- Everyone's situation is going to be different, and this is not a one size fits all approach.
- I'm only attempting to bring this to your attention, so you can see the big picture and make intelligent discussions about your future.



Average Income and H & W difference based on 45,000 to 60,000 hrs.

45,000 Career hours **\$67,999**

60,000 Career hours **\$82,856**



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$

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\$75,000



Average Income and H & W difference based on 45,000 to 60,000 hrs.

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Average hours/years worked 52,000/30 years = 1,733/year

\$75,000

ERA Savings	-\$6,932	$\$4/\text{hour} \times 1,733 = \$6,932$
-------------	-----------------	--



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year

	\$75,000	
ERA Savings	-\$6,932	$\$4/\text{hour} \times 1,733 = \$6,932$
	\$68,068	



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year

	\$75,000	
ERA Savings	-\$6,932	\$4/hour x 1,733 = \$6,932
	\$68,068	
401K Savings	-\$17,330	\$10/hour x 1,733 = \$17,330



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year

	\$75,000	
ERA Savings	-\$6,932	\$4/hour x 1,733 = \$6,932
	\$68,068	
401K Savings	-\$17,330	\$10/hour x 1,733 = \$17,330
	\$50,738	



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$(45K)\$67,999 + (60K)\$82,856 = \$150,855 / 2 = (52K)\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year

	\$75,000	
ERA Savings	-\$6,932	\$4/hour x 1,733 = \$6,932
	\$68,068	
401K Savings	-\$17,330	\$10/hour x 1,733 = \$17,330
	\$50,738	
No Kids/Mortgage	<u>-\$20,000</u>	



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$\mathbf{(45K)}\$67,999 + \mathbf{(60K)}\$82,856 = \$150,855 / 2 = \mathbf{(52K)}\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year

\$75,000

ERA Savings -\$6,932 \$4/hour x 1,733 = \$6,932

\$68,068

401K Savings -\$17,330 \$10/hour x 1,733 = \$17,330

\$50,738

No Kids/Mortgage -\$20,000

\$30,738



Average Income and H & W difference based on 45,000 to 60,000 hrs.

$$\mathbf{(45K)}\$67,999 + \mathbf{(60K)}\$82,856 = \$150,855 / 2 = \mathbf{(52K)}\$75,427.50$$

Average hours/years worked 52,000/30 years = 1,733/year

\$75,000

ERA Savings \$0

\$75,000

401K Savings -\$17,330 \$10/hour x 1,733 = \$17,330

\$57,670

No Kids/Mortgage -\$20,000

\$37,670



Average Income and H & W difference based on 45,000 to 60,000 hrs.

(45K)\$67,999 + **(60K)**\$82,856 = \$150,855 / 2 = **(52K)**\$75,427.50

Average hours/years worked $52,000/30 \text{ years} = 1,733/\text{year}$

\$75,000

ERA Savings \$0

\$75,000

401K Savings

No Kids/Mortgage -\$20,000

\$55,000



The cost of inflation

Inflation adjustment table

Current value	Inflated at 3%							
	Years to retirement							
	5	10	15	20	25	30	35	40
\$ 20,000	\$ 23,185	\$ 26,878	\$ 31,159	\$ 36,122	\$ 41,876	\$ 48,545	\$ 56,277	\$ 65,241
30,000	34,778	40,317	6,739	54,183	62,813	72,818	84,416	97,861
40,000	46,371	53,757	62,319	72,244	83,751	97,090	112,554	130,482
50,000	57,964	67,196	77,898	90,306	104,689	121,363	140,693	163,102
60,000	69,556	80,635	93,478	108,367	125,627	145,636	168,832	195,722
70,000	81,149	94,074	109,058	126,428	146,564	169,908	196,970	228,343
80,000	92,742	107,513	124,637	144,489	167,502	194,181	225,109	260,963
90,000	104,335	120,952	140,217	162,550	188,440	218,454	253,248	293,583
100,000	115,927	134,392	155,797	180,611	209,378	242,726	281,386	326,204

\$30,738---Taking full advantage of your ERA and 401K-----

\$55,000---Not utilizing the ERA and 401K-----

\$30,738-----
Average \$42,869-----

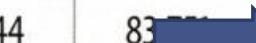
\$55.00-----

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	Years to retirement							
	5	10	15	20	25	30	35	40
\$ 20,000	\$ 23,185	\$ 26,878	\$ 31,159	\$ 36,122	\$ 41,876	\$ 48,545	\$ 56,277	\$ 65,241
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40,000	46,371	53,757	62,319	72,244	83,751	97,090	112,554	130,482
50,000	57,964	67,196	77,898	90,306	104,689	121,363	140,693	163,102
60,000	69,556	80,635	93,478	108,367	125,627	145,636	168,832	195,722
70,000	81,149	94,074	109,058	126,428	146,564	169,908	196,970	228,343
80,000	92,742	107,513	124,637	144,489	167,502	194,181	225,109	260,963
90,000	104,335	120,952	140,217	162,550	188,440	218,454	253,248	293,583
100,000	115,927	134,392	155,797	180,611	209,378	242,726	281,386	326,204

So, using this chart we can see that if we estimate today that we will need \$40,000 a year to make up the gap that we anticipate having 30 years from now. Due to inflation, in order to have the same purchasing power that \$40,000 has today, we will need nearly \$100,000 a year.



Inflation adjustment table

Current value	Inflated at 3%							
	Years to retirement							
	5	10	15	20	25	30	35	40
\$ 20,000	\$ 23,185	\$ 26,878	\$ 31,159	\$ 36,122	\$ 41,876	\$ 48,545	\$ 56,277	\$ 65,241
30,000	34,778	40,317	6,739	54,183	62,813	72,818	84,416	97,861
40,000	46,371	53,757	62,319	72,244	83,750 	97,090	112,554	130,482
50,000	57,964	67,196	77,898	90,306	104,689	121,363	140,693	163,102
60,000	69,556	80,635	93,478	108,367	125,627	145,636	168,832	195,722
70,000	81,149	94,074	109,058	126,428	146,564	169,908	196,970	228,343
80,000	92,742	107,513	124,637	144,489	167,502	194,181	225,109	260,963
90,000	104,335	120,952	140,217	162,550	188,440	218,454	253,248	293,583
100,000	115,927	134,392	155,797	180,611	209,378	242,726	281,386	326,204

Capital to generate investment income table



Investment income goal	Rate of return on investments		
	4%	6%	8%
\$100,000	\$2,616,949	\$2,040,108	\$1,638,976
90,000	2,355,254	1,836,097	1,475,078
80,000	2,093,559	1,632,086	1,311,181
70,000	1,831,864	1,428,075	1,147,283
60,000	1,570,169	1,224,065	983,385
50,000	1,308,474	1,020,054	819,488
40,000	1,046,779	846,043	655,590
30,000	785,085	612,032	491,693
20,000	523,390	408,022	327,795
10,000	261,695	204,011	163,898

This chart reflects the approximate capital needed to support an income stream for 30 years assuming withdrawals are made at the beginning of the year and a 3.0% increase per year for inflation. This example is for illustrative purposes only and does not reflect the return on any particular investment.

Amount you need to save annually to close your retirement gap

Shortfall	10 years to retirement				20 years to retirement				30 years to retirement			
	4%	6%	8%	10%	4%	6%	8%	10%	4%	6%	8%	10%
\$ 50,000	\$ 4,004	\$ 3,579	\$ 3,196	\$ 2,852	\$ 1,615	\$ 1,282	\$ 1,012	\$ 794	\$ 857	\$ 597	\$ 409	\$ 276
75,000	6,007	5,368	4,794	4,278	2,422	1,923	1,518	1,190	1,286	895	613	414
100,000	8,009	7,157	6,392	5,704	3,229	2,565	2,023	1,587	1,714	1,193	817	553
125,000	10,011	8,947	7,990	7,130	4,036	3,206	2,529	1,984	2,143	1,492	1,022	691
150,000	12,013	10,736	9,587	8,556	4,844	3,847	3,035	2,381	2,572	1,790	1,226	829
175,000	14,015	12,525	11,185	9,982	5,651	4,488	3,541	2,778	3,000	2,088	1,430	967
200,000	16,017	14,315	12,783	11,408	6,458	5,129	4,047	3,174	3,429	2,387	1,635	1,105
225,000	18,020	16,104	14,381	12,834	7,265	5,770	4,553	3,571	3,857	2,685	1,839	1,243
250,000	20,022	17,893	15,979	14,260	8,073	6,411	5,058	3,968	4,286	2,983	2,043	1,382
275,000	22,024	19,683	17,577	15,686	8,880	7,053	5,564	4,365	4,715	3,282	2,248	1,520
300,000	24,026	21,472	19,175	17,112	9,687	7,694	6,070	4,762	5,143	3,580	2,452	1,658
325,000	26,028	23,261	20,773	18,538	10,494	8,335	6,576	5,159	5,572	3,878	2,656	1,796
350,000	28,031	25,051	22,371	19,964	11,302	8,976	7,082	5,555	6,001	4,177	2,861	1,934
375,000	30,033	26,840	23,969	21,390	12,109	9,617	7,588	5,952	6,429	4,475	3,065	2,072
400,000	32,035	28,629	25,566	22,817	12,916	10,258	8,093	6,349	6,858	4,773	3,269	2,211
425,000	34,037	30,419	27,164	24,243	13,723	10,899	8,599	6,746	7,286	5,071	3,474	2,349
450,000	36,039	32,208	28,762	25,669	14,531	11,541	9,105	7,143	7,715	5,370	3,678	2,487
475,000	38,042	33,997	30,360	27,095	15,338	12,182	9,611	7,539	8,144	5,668	3,882	2,625
500,000	40,044	35,787	31,958	28,521	16,145	12,823	10,117	7,936	8,572	5,966	4,087	2,763
550,000	44,048	39,365	35,154	31,373	17,760	14,105	11,128	8,730	9,429	6,563	4,495	3,040
600,000	48,052	42,944	38,350	34,225	19,374	15,387	12,140	9,523	10,287	7,160	4,904	3,316
650,000	52,057	46,523	41,546	37,077	20,989	16,670	13,152	10,317	11,144	7,756	5,313	3,592
700,000	56,061	50,101	44,741	39,929	22,603	17,952	14,163	11,111	12,001	8,353	5,721	3,869
750,000	60,066	53,680	47,937	42,781	24,218	19,234	15,175	11,904	12,858	8,950	6,130	4,145
800,000	64,070	57,259	51,133	45,633	25,832	20,517	16,187	12,698	13,715	9,546	6,539	4,421
850,000	68,074	60,838	54,329	48,485	27,447	21,799	17,198	13,492	14,573	10,143	6,948	4,698
900,000	72,079	64,416	57,525	51,337	29,061	23,081	18,210	14,285	15,430	10,740	7,356	4,974
950,000	76,083	67,995	60,720	54,189	30,676	24,364	19,222	15,079	16,287	11,336	7,765	5,250
1,000,000	80,087	71,574	63,916	57,041	32,290	25,646	20,234	15,872	17,144	11,933	8,174	5,527
1,500,000	120,131	107,360	95,874	85,562	48,435	38,469	30,350	23,809	25,716	17,899	12,260	8,290
2,000,000	160,175	143,147	127,832	114,083	64,580	51,292	40,467	31,745	34,289	23,866	16,347	11,053

This example is for illustrative purposes only and does not reflect the return on any particular investment.





Retiring at 55

- How do I save between \$24,000 and \$34,000 a year?



Retiring at 55

- How do I save between \$24,000 and \$34,000 a year?
- Remember, some of this is already being done for you.



Retiring at 55

- How do I save between \$24,000 and \$34,000 a year?
- Remember, some of this is already being done for you.
- Employer contributions to the DC Plan of $\$11/\text{hour} \times \text{an average of 1,733 hours} = \$19,063$
- Employer contributions to the ERA of $\$1.50/\text{hour} \times \text{an average of 1,733 hours} = \$2,600$
- $\text{Total of } \$21,663$



Retiring at 55

- How do I save between \$24,000 and \$34,000 a year?
- Remember, some of this is already being done for you.
- Employer contributions to the DC Plan of \$11/hour x an average of 1,733 hours = \$19,063
- Employer contributions to the ERA of \$1.50/hour x an average of 1,733 hours = \$2,600
- Total of \$21,663
- [Now the rest is up to you](#)



Retiring at 55

- How do I save between \$24,000 and \$34,000 a year?
- Remember, some of this is already being done for you.
- Employer contributions to the DC Plan of \$11/hour x an average of 1,733 hours = \$19,063
- Employer contributions to the ERA of \$1.50/hour x an average of 1,733 hours = \$2,600
- Total of \$21,663
- Now the rest is up to you
- Voluntary contributions to the DC Plan of **\$10**/hour x an average of 1,733 hrs = **\$17,330**
- Total of \$38,993

	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period
Base Rate	\$32.20	\$36.37	\$40.05	\$44.22	\$47.39	\$51.55	\$54.40	\$58.58	\$61.75	\$70.08
Employee Savings Deduction	1.13	1.27	1.40	1.54	1.68	1.82	1.93	2.06	2.20	2.48
Dues Check-Off	1.31	1.47	1.63	1.79	1.95	2.11	2.23	2.39	2.55	2.87
Part B Pension-401(k) (Fed/State Exempt)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hourly Taxable Wage:	\$34.64	\$39.11	\$43.08	\$47.55	\$51.02	\$55.48	\$58.56	\$63.03	\$66.50	\$75.43
Fringes:	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period
Health & Welfare	16.55	16.55	16.55	16.55	16.55	16.55	16.55	16.55	16.55	16.55
Health & Welfare Extended Reserve	0.00	0.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00
Part A Pension – Defined Benefit	19.22	19.22	19.22	19.22	19.22	19.22	19.22	19.22	19.22	19.22
Part B Pension – 401(a) Contribution	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	4.00	4.00
SUB	0.30	0.30	0.30	0.30	0.30	0.50	0.50	0.50	0.50	0.50
Training	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Labor Management Cooperation Trust	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Contract Administration	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Hourly Fringes:	40.77	40.77	41.27	41.27	42.27	42.47	42.97	42.97	43.97	43.97
Total Package (w/fringes)	\$ 75.41	\$ 79.88	\$ 84.35	\$ 88.82	\$ 93.29	\$ 97.95	\$ 101.53	\$ 106.00	\$ 110.47	\$ 119.40

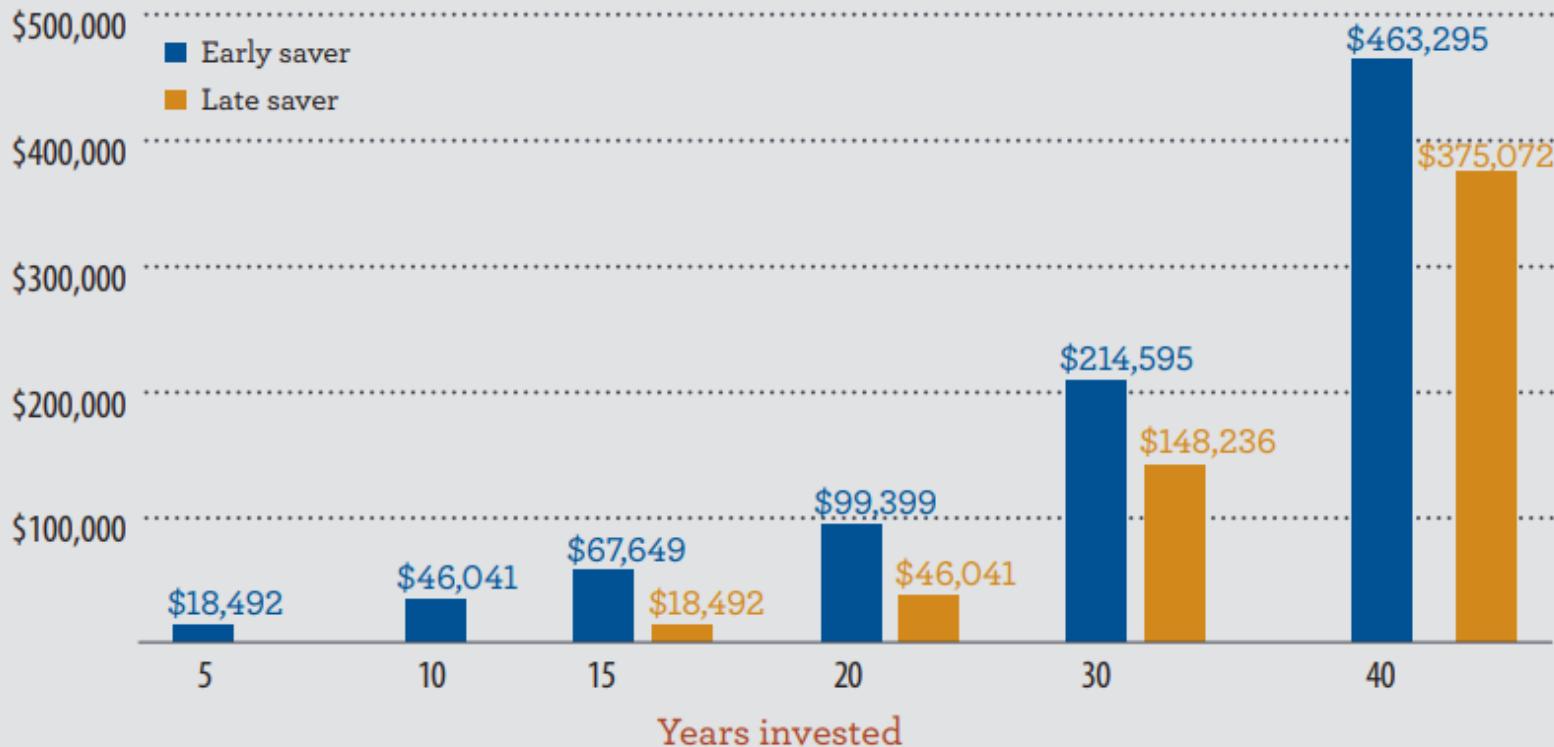


Retiring at 55

Start saving as much as you can as early as you can. Take advantage of your 401K and try to contribute the annual maximum allowed.

- All accounts are 100% vested at all times
- Participant has the option to contribute any whole number per hour. Election can be changed up to 3 times per year.
- **401(k) Contribution Limits** – The IRS limits the amount of 401(k) elective deferral contributions you can make. The annual limits for **2024** are as follows: **\$23,000** if you are under age 50, & **\$30,500** if you are 50 or older.
- The mandatory employer contribution of \$11/hr. does not apply towards these limits.

Roadblock: Procrastination



Assumes an 8% compounded interest rate. For illustrative purposes only, chart is not reflective of the performance of any particular investment and does not take the effects of taxes into consideration nor is it indicative of future results.

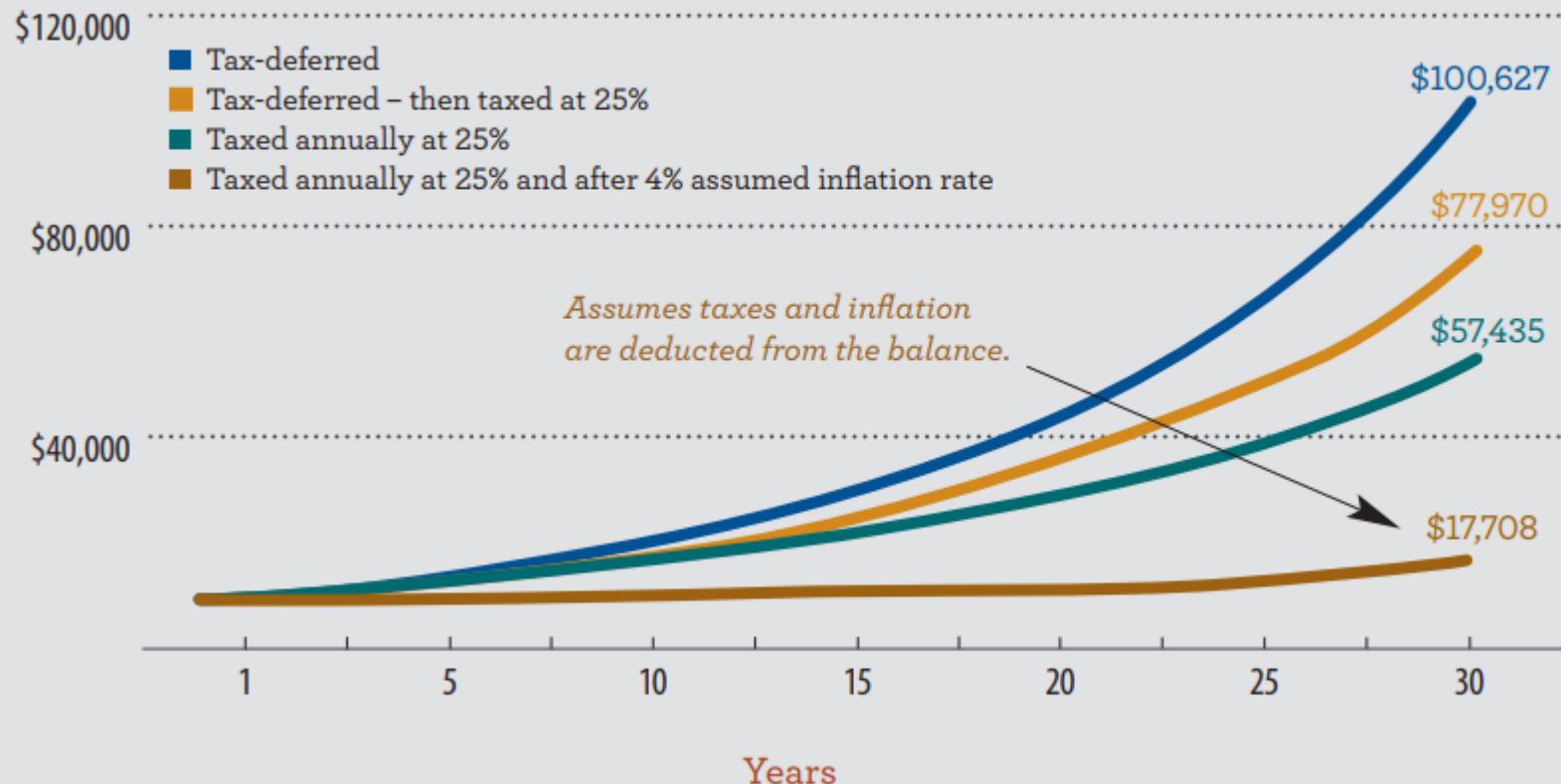
Using time to your advantage may help boost your retirement savings. Consider this example: The early saver deposits \$250 a month for 10 years. Total invested: \$30,000. The late saver waits 10 years and then begins to deposit \$250 a month for 30 years. Total invested: \$90,000. The early saver deposited less but wound up with more.



Retiring at 55

Over the years I have had several people claim that they can do better on their own, so they don't use our plan. If that is the case, they are most likely doing this in a taxable account. With the next chart I'm going to show you is a comparison of a taxable account compared to a tax deferred account like our DC Plan. It is not a perfect chart, but it is useful in illustrating tax deferred compared to a taxable account.

Real return on a \$10,000 investment at 8% interest annually



Along with inflation, taxes can erode your retirement savings. However, proper planning may help reduce the impact of taxes on your savings.

This chart is for illustrative purposes only and does not reflect the return on any particular investment nor is it indicative of future results.



Retirement savings other than the DC Plan:



Retirement savings other than the DC Plan:

- Individual Retirement Account (IRA)
- Traditional IRA---Pre-tax contributions---Contributions and growth are taxed at distribution.
- Roth IRA---Contributions are made with after tax money, however, as it grows distributions are tax free.



IRA contribution limits

- 2024 limits (contributions can still be made up to 4/15/2024)
- \$7,000 for individuals under 50 years of age
- \$8,000 for individuals that are 50 years of age and over
- Note: The \$1,000 increase applies the year in which you turn 50
- 2025 limits
- \$7,000 for individuals under 50 years of age
- \$8,000 for individuals that are 50 years of age and over



Traditional IRA

- **Modified AGI limit for traditional IRA contributions increased.**
- For 2024 (2025), if you are covered by a retirement plan at work, your deduction for contributions to a traditional IRA is reduced (phased out) if your modified AGI is:
 1. More than \$123,000 (\$126,000) but less than \$143,000 (\$146,000) for a married couple filing a joint return or a qualifying widow(er),
 2. More than \$77,000 (\$79,000) but less than \$87,000 (\$89,000) for a single individual or head of household, or
 3. Less than \$10,000 for a married individual filing a separate return.



Roth IRA

- **Modified AGI limit for Roth IRA contributions increased.**
- For 2024 (2025), your Roth IRA contribution limit is reduced (phased out) in the following situations.
 1. Your filing status is married filing jointly or qualifying widow(er) and your modified AGI is at least \$230,000 (\$236,000). You can't make a Roth IRA contribution if your modified AGI is \$240,000 (\$246,000) or more.
 2. Your filing status is single, head of household, or married filing separately and you didn't live with your spouse at any time in 2024 (2025) and your modified AGI is at least \$146,000 (150,000). You can't make a Roth IRA contribution if your modified AGI is \$161,000 (\$165,000) or more.
 3. Your filing status is married filing separately, you lived with your spouse at any time during the year, and your modified AGI is more than zero. You can't make a Roth IRA contribution if your modified AGI is \$10,000 or more.



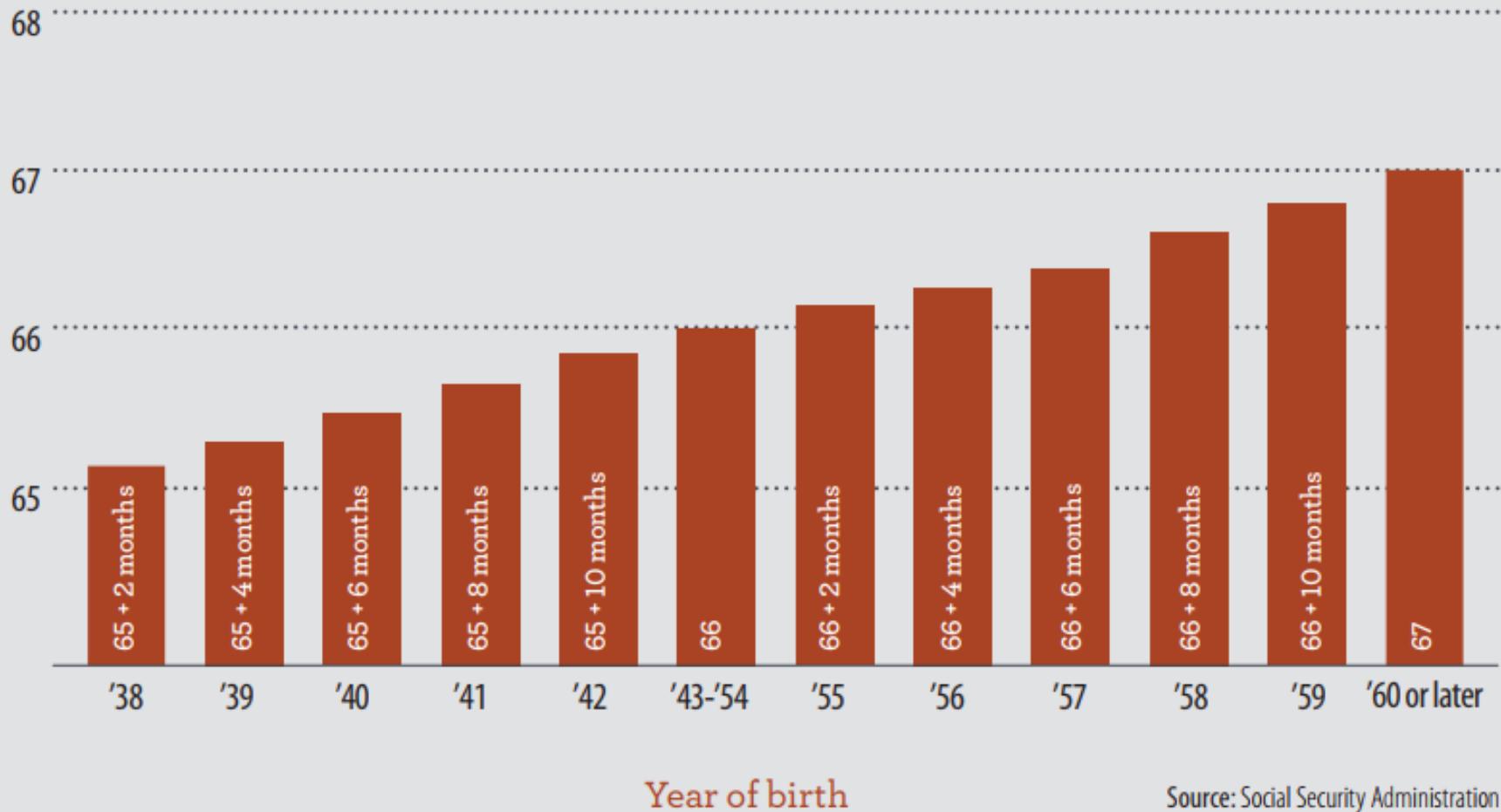
Earning more than the limits allow:

- If you earn more than the limits, you are not eligible to make a tax deferred contribution into a Traditional IRA or an after-tax contribution to a Roth IRA. However, you can contribute to a traditional IRA, but without getting the tax deferred benefit.
- **NonDeductable Traditional IRA (Contribution Limits still apply)**
- You can take this money and convert it to a Roth IRA, paying taxes on any earnings and then it could grow tax free at that point.
- There are some rules that apply when doing this, so do some research before you start. You can Google it or go to IRS.gov and type in Roth IRA conversion.



Social Security

Rising age for getting full Social Security benefits



If you're planning to retire at age 65, you should know that – depending on when you were born – you may not be able to collect full Social Security benefits until you're age 67.



How do I qualify for Social Security:

- You must have earned 40 credits through out your working career.
- You receive a credit for every quarter in which you have substantial earnings. (approx. \$2,800/quarter)
- Once you have received those credits, your benefit is calculated based on your 35 years of highest earnings.
- If you only have 30 years of earnings, then you will receive 30/35ths of your projected benefit.



When to take Social Security:

- You are eligible to take SSI early at age 62.
- There is a reduction for every month you take it prior to full retirement age.
- If your full retirement age is 67, there is about a 33% reduction in your benefit, or roughly 6.5%/year.
- If you were to wait until age 70 to take SSI, there is roughly an 8% increase to your benefit for each year you wait.
- Note: there is no benefit increase for waiting past age 70.



Working while collecting Social Security



Working while collecting Social Security

1. If you chose to work while receiving Social Security, there is a limit to how much you can earn and still receive full Social Security benefits.



Working while collecting Social Security

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2. **If you're younger than full retirement age during all of 2025, \$1 will be deducted from your benefits for each \$2 you earn above \$23,400.**



Working while collecting Social Security

1. If you chose to work while receiving Social Security, there is a limit to how much you can earn and still receive full Social Security benefits.
2. If you're younger than full retirement age during all of 2024, \$1 will be deducted from your benefits for each \$2 you earn above \$22,320.
3. **If you reach full retirement age during 2025, \$1 will be deducted from your benefits for each \$3 you earn above \$62,1600 until the month you reach full retirement age.**



Working while collecting Social Security

1. If you chose to work while receiving Social Security, there is a limit to how much you can earn and still receive full Social Security benefits.
2. If you're younger than full retirement age during all of 2024, \$1 will be deducted from your benefits for each \$2 you earn above \$22,320.
3. If you reach full retirement age during 2024, \$1 will be deducted from your benefits for each \$3 you earn above \$59,520 until the month you reach full retirement age.
4. **If you work, and are full retirement age or older**, you may keep all your benefits, no matter how much you earn.



Working while collecting Social Security

1. If you chose to work while receiving Social Security, there is a limit to how much you can earn and still receive full Social Security benefits.
2. If you're younger than full retirement age during all of 2024, \$1 will be deducted from your benefits for each \$2 you earn above \$23,400.
3. If you reach full retirement age during 2024, \$1 will be deducted from your benefits for each \$3 you earn above \$62,160 until the month you reach full retirement age.
4. If you work, and are full retirement age or older, you may keep all your benefits, no matter how much you earn.
5. www.socialsecurity.gov
6. Call toll-free at 1-800-772-1213 or at the TTY number, 1-800-325-0778, if you're deaf or hard of hearing.

U.A. Local No. 393 Retirement Benefits Educational Webinar

February 22nd, 2025



Journeyman taxable rate of \$76.87	1500 hrs/yr	2000 hrs/yr
Annual income	\$115,305	\$153,740
Monthly retirement benefit of \$.12 cents/hr	\$180	\$240
30 year career averaging these hours	45,000 hrs	60,000 hrs
Annual retirement income	\$64,800	\$86,400
Difference in annual income	\$50,505	\$67,340
Annual medical Co-pay at 55 with these hours Note: This does not include dental	\$15,574	\$13,596
Dental annual co-pay \$160/month	\$1,920	\$1,920
Difference in annual income plus co-pays	\$67,999	\$82,856
The amount of money you will need to cover medical insurance costs for 10 years until you are eligible for Medicare and your insurance bill is reduced	\$174,940	\$155,160
The difference in annual income and the amount you will pay for medical insurance for 10 years until medicare kicks in and lowers your monthly rate	\$679,990	\$828,560

Note: There is no cost of living increase to our pension.
You will lose buying power over time.

The moral of the story is: It is up to you! Put as much money as possible in your 401K and your Extended Reserve Account. Your pension alone won't provide a comfortable retirement.

J journeyman taxable rate of \$76.87	1500 hrs/yr	2000 hrs/yr
Annual income	\$115,305	\$153,740
Monthly retirement benefit of \$.12 cents/hr	\$180	\$240
30 year career averaging these hours	45,000 hrs	60,000 hrs
Annual retirement income	\$64,800	\$86,400
Difference in annual income	\$50,505	\$67,340
Annual medical Co-pay at 60 with these hours Note: This does not include dental	\$13,101	\$11,124
Dental annual co-pay \$160/month	\$1,920	\$1,920
Difference in annual income plus co-pays	\$65,526	\$80,384
The amount of money you will need to cover medical insurance costs for 5 years until you are eligible for Medicare and your insurance bill is reduced	\$75,105	\$65,220
The difference in annual income and the amount you will pay for medical insurance for 5 years until medicare kicks in and lowers your monthly rate	\$327,630	\$401,920

Note: There is no cost of living increase to our pension.
You will lose buying power over time.

The moral of the story is: It is up to you! Put as much money as possible in your 401K and your Extended Reserve Account. Your pension alone won't provide a comfortable retirement.