



When to File for Social Security

Understanding the Medicare System

Employment after Retirement

People who decide to work or delay applying for benefits beyond the age that Social Security and/or Medicare eligibility come into play should consider all their options and be informed about all the potential risks and rewards of their decisions to delay benefits. This informational document will provide a brief overview of different issues to take into consideration in deciding when to apply for benefits, and also includes important facts you should know about Social Security, Medicare and working in the Building and Construction Industry beyond Normal Retirement Age.

These days it is common to see people working longer and retiring later. As of 2016, statistics showed that nearly 20% of Americans over age 65 continued to be employed, with numbers steadily increasing year over year. For those who choose to delay retirement, or who due to finances may be forced to work beyond what may be considered a reasonable retirement age, there are many important factors to consider to best protect hard earned benefits for both the worker and his/her family.

When to File for Social Security

For the unfortunate workers who do not have a Pension to rely on, Social Security benefits, in most cases, are the foundation of retirement income. For fewer and fewer Americans, additional retirement income from defined benefit pensions or defined contribution plans may be available.

Social Security benefits, unlike other types of retirement plans, are not subject to investments and stock market fluctuation and can be looked at as a dependable source of retirement income because they are backed by the U.S. government.

Here are a few Social Security “basics” that everyone should know:

- Full retirement age, depending on your date of birth, may be between the age of 65 and 67.
- You may begin collecting benefits as early as age 62 and as late as age 70.
- If you begin receiving Social Security payments before reaching full retirement age, your benefit amount will be reduced for each month you retire early.
- You are able to continue working while you are collecting Social Security benefits.

- If you choose to delay payment of your Social Security benefits until after reaching full retirement age, you may be entitled to delayed retirement credits and an increase in your monthly benefit amount.
- In 2017, the average monthly benefit from Social Security was \$1,369.
- Depending on what you own and how much income you have, you may be eligible for Supplemental Security Income (SSI) when you are 65 or older, in addition to Social Security retirement benefits.

Do you have a strategy in mind on when to begin collecting?

When debating retirement dates, there are many things to take into account and your decisions can have very real effects on your ability to maintain a comfortable retirement. It is important to consider formulating a strategy for collecting Social Security and other retirement benefits and determine how best to maximize your future income.

When an individual becomes eligible for Social Security benefits, a monthly benefit amount is established based on his/her years of reported earnings and that payment amount is promised by the government for as long as you live. Social Security Statements reflect your earnings history and provide benefit estimates based on retirement at various ages. These statements are generally sent out automatically shortly before reaching age 60 but they can be requested at any time by contacting social security or setting up an online account at www.ssa.gov.

In general the longer you work, the more money you earn and the higher your future Social Security benefit payments will be, so in some cases people will wait until reaching their “full retirement age” before they begin collecting. However in certain situations and circumstances, it may make sense for an individual or married couple to begin collecting their benefits early. Some of the circumstances for which someone may elect to begin collecting payments early may involve situations where employment is not available or if there is a medical condition or health issue that may shorten the life expectancy of a claimant or parents of disabled children may wish to begin collecting early to get benefits for a child.

What is the best age to start collecting your benefits?



It is important to properly assess your individual situation and consider your current and anticipated living expenses and income requirements, in order to make an informed decision about when it might be best for you to begin collecting Social Security benefits. In particular, married couples should pay attention to the timing of each spouse’s claims and take advantage of the spousal and individual benefits that may be available.

Monthly benefit payments will often differ significantly depending on the age at which you decided to begin collecting. Unless already receiving a Social Security Disability Benefit, a person may start

receiving Social Security benefits as early as age 62. Benefits can be paid prior to reaching full retirement age, but benefit payments will be lower since they will be paid for a longer period of time. If benefits begin at full retirement age or later, the monthly payments will be higher because of a shorter payout period.

If you are unsure about when to begin collecting payment of your Social Security benefit, some questions to consider are:

- Do I plan to continue working?
- Do I have other sources of retirement income?
- Will I have health coverage?
- How is my health?
- How long do I think I will receive benefits?
- Will benefits be payable to anyone else in my family if I begin collecting payment?

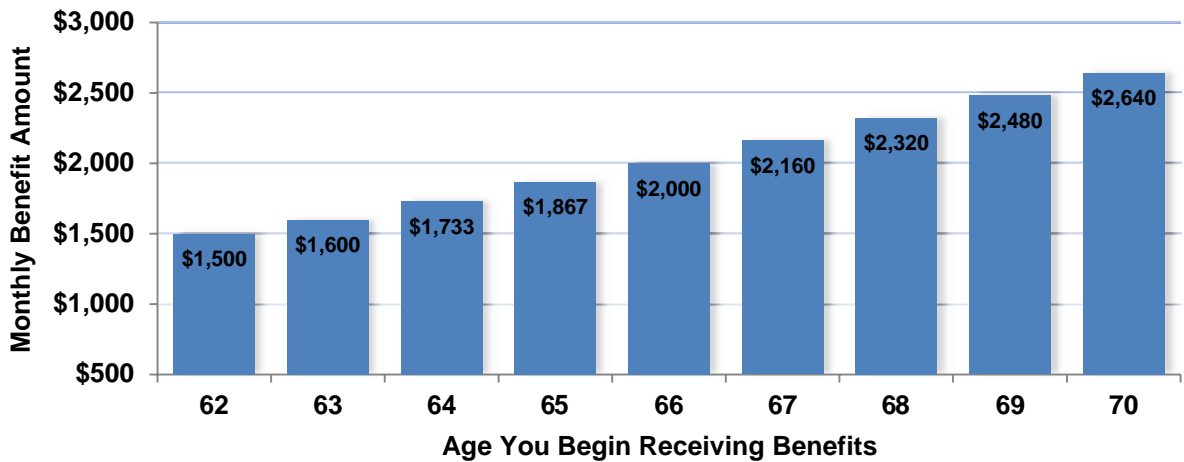
Each person's situation is unique and it's important to try to find the right financial balance based on your personal set of circumstances.

Social Security has a variety of retirement planning tools and publications available to help people make the best possible retirement decisions. For example, the online retirement estimator tool provided by Social Security is a planning tool that takes into account an individual's actual earnings information and helps compare the 3 basic options for when to start collecting Social Security benefits: (1) at age 62, (2) at full retirement age, which varies for people based on year of birth, and (3) at age 70.

Age of Claimant	Monthly Benefit Amount
Early Retirement - Age 62	\$1,500
Full Retirement - Age 66	\$2,000
Age 70	\$2,640

As shown, an individual may receive a reduced monthly benefit beginning at age 62. Should the person choose to delay retirement and start collecting benefits at a later age, they will receive a larger monthly benefit for the rest of your life. It is at this point that one must consider "Will I be better off financially if my Social Security benefit was 25% higher at age 66 rather than if I took a significantly reduced benefit at age 62?"

Based on figures published by the Social Security Administration, if a person's full retirement age is 66, and that person decides to retire early, benefits will be reduced by 25% at age 62, 20% at age 63, 13.3% at age 64 and 6.66% at age 65. Alternatively, should the person choose to delay retirement beyond full retirement age, benefits are increased by 8% per year that you delay payment up until age 70. The chart below better illustrates the idea of how your benefit amount can differ year over year between the ages of 62 and 70.



Retirement Age Considerations

When considering what amount of income will be sufficient during retirement, it is important to consider the following factors:

First, Social Security occasionally provides a COLA, or cost of living adjustment, that increases your monthly benefit amount to help keep pace with inflation. The amount of these benefit increases vary each year and are based on the Consumer Price Index, or CPI.

Second, consider what your break-even point might be. A break-even point compares the cumulative Social Security retirement benefits payable at different starting ages, and estimates how long it takes for the cumulative benefits begun at a later age to equal or "break-even" with the cumulative benefits begun at an earlier age. Based on the chart below, the decision to begin collecting benefits at age 64 (along the left side of the chart) versus age 66 (along the top of the chart), puts the break-even point at age 78. That means that if benefit payments began at age 64, it would take until age 78 for those cumulative benefits to equal or break-even with the benefits that would have been payable should you have waited to collect at age 66.

Break Even Points for Full Retirement Age of 66

Age	62	63	64	65	66	67	68	69	70
62		76	77	77	78	78	79	79	80
63			78	77	78	78	79	79	80
64				76	78	78	79	80	80
65					79	80	80	80	81
66						80	80	81	82
67							80	81	82
68								82	83
69									84
70									

Please note, the chart shown is meant to provide a general idea of the break-even point concept and should **not** be considered a true assessment and determination of actual break even points for any individual. Your personal circumstances such as marital status and beneficiaries as well as the assumed rate of inflation, marginal tax rates and possible COLA increases are all different variables that must be taken into account in order to perform a true break-even point assessment of your individual situation.

Third, take average life expectancy into consideration as well as any current medical conditions that could impact you and your spouse's life expectancies. As of 2017, statistics show that the average 65 year old male could expect to live until age 84 and the average 65 year old female until age 86, with roughly 25% of that population actually living past the age of 90 and 10% living past the age of 95.

If you ultimately decide to file early, you will permanently reduce the benefit amount that can be paid to you. Your surviving spouse's benefits are directly tied to the amount you receive when you file, so if delayed in order to maximize your own benefit and your spouse survives you, you also maximize the benefit available to him/her. In most cases, when you are married it is wise to consider delaying payment of the Social Security benefit that is the largest of the two for the longest period possible, so as to maximize the benefit available to the surviving spouse provided their own Social Security benefit is lesser than yours.

Anyone who is able to delay application for Social Security benefits should at least assess the affect of delaying until the age of 70. After that birthdate, further delays in collecting payment of your benefits no longer provide an increase to your benefit amount and Social Security will allow you to collect your benefit payments even if you continue to work.

Spousal and Survivor Benefits

People who were previously married or who have become widowed but were married for at least ten years are able to claim benefits earned by an ex-spouse/spouse. Benefits earned by a spouse based on his/ her own employment are taken into account when they apply for survivor or spousal benefits and the amounts may be subject to adjustment.

A spouse may be eligible for as much as half of the original claimant's benefit amount depending on the spouse's age at retirement. In the event that a spouse is eligible for their own Social Security benefit based on their own earnings and employment, and his/her retirement benefit is higher than the spousal benefit, then Social Security will pay the higher retirement benefit, but not both.

Surviving spouses are eligible to collect benefits as early as age 50 with a reduction to their benefit amount based on early payment or receive full payment if they wait to begin collecting upon reaching full retirement age. Surviving children that are younger than age 18 or children who are disabled before age 22 may qualify for payment of Social Security benefits as well.

Working while Collecting Social Security Benefits

If you decide to begin collecting Social Security benefits and would like to continue working, you can work and earn as much as you want. In some cases you may be entitled to an adjustment in

your monthly benefit amount if your earnings for a given year are higher than one of the years used to calculate your initial retirement benefit. However, in the case where you are younger than full retirement age and end up making more than the yearly earnings limit, your earnings actually cause a reduction in your monthly benefit amount. If benefits are withheld because you choose to continue working, Social Security will recalculate your benefit at full retirement age and give you credit for any months in which you did not receive all of your benefit because of your earnings.

For those individuals that continue to work while collecting Social Security benefits a yearly review of their earning records will be done by Social Security to determine if the additional earnings will increase your monthly benefit. **Please Note:** Beginning with the month in which you reach full retirement age, earnings no longer affect your benefit payments regardless of how much you are making.

For a better idea of the current annual and monthly earnings limits, and for more information on how earnings can affect your retirement benefits, visit www.socialsecurity.gov or contact Social Security at 1-800-772-1213.

When you apply for Social Security benefits, the Social Security Administration may remind you that you have a benefit with the Carpenters Pension Trust Fund (if Vested) and/or Carpenters Annuity Trust Fund that may be available. If you elect to continue working, and do not wish to retire and begin payment of your Carpenters Pension and/or Carpenters Annuity benefits, this should not affect your ability to begin collecting your Social Security benefits.

Social Security Benefits and Applicable Taxes

Some individuals who collect Social Security benefits may be required to pay income taxes on their benefits, however many others are not required to pay taxes on 85% or more of the Social Security benefit. When considering when to start benefit payments while you are still working and receiving a salary, you should ask Social Security if there are tax implications that you should consider. You should speak with a tax professional as part of your retirement planning process so that you are better informed about the effect your retirement plans will have on your taxes.

When to Contact Social Security

You should contact Social Security prior to or at the beginning of the year in which you reach full retirement age. If you are still working, you may still be entitled to receive some or all of your benefits, so it is best to contact Social Security to discuss all the options available to you. Once you determine the best age for you to retire, you should complete an application for benefits at least *three months prior* to the month in which you would like your payments to begin.

Social Security will only pay benefits retroactively for 6 months. This should be considered if you apply for benefits more than 6 months after the month you reach full retirement age, as Social Security pays out benefits in the months that follow when they are due. For example, if you elect to begin collecting payments effective in January, your January payment will be paid to you in February so it is important that you take payment timing into account when determining your benefit effective dates.

You have a few options available for when you are ready to apply for your Social Security benefits:

- You can visit www.socialsecurity.gov/applyforbenefits
- You can call 1-800-772-1213 (TTY 1-800-325-0778)
- You can visit any local Social Security office
(It is recommended that you call to make an appointment to avoid having to wait.)

Understanding the Medicare System

When you turn 65, you face an important life milestone: You become eligible for Medicare. Whether you plan to keep working or you plan to transition into retirement, it is important to understand the ins and outs of Medicare before signing up for it so that you avoid making the wrong choices and potentially impacting any other medical coverage that you may have in place.

Some of the benefits provided by the Carpenters Health and Welfare Plans are designed to supplement the benefits you are entitled to receive under Medicare. It is very important that if you become eligible for Medicare while participating in the Carpenters Health and Welfare Plan, whether for Actives or Retirees, that you properly enroll in the necessary Medicare plans.

Though you are automatically signed up for Medicare Part A you should know that there are other Medicare plans available. For example: If you are covered by the Indemnity program with the Carpenters Retiree Health and Welfare Plan, you are required to enroll in Medicare Part B. All of the available plans are broken out into various parts that provide different types of coverage as follows:

- **Part A** covers hospital care, skilled nursing, hospice and some home health care. If you or your spouse has at least 10 years of work history in place with Social Security, part A becomes free of charge to you but can otherwise cost up to \$400 per month. Generally, premiums will be determined by how many Social Security work credits you have.
- **Part B** covers doctor visits, preventive care, outpatient care and hospitals, and some home health care. Part B can cost between \$100 to \$430 or higher depending on annual income. Most people find they need a Medigap plan in addition to parts A and B. **PLEASE NOTE:** Even if you are eligible for the Indemnity program with Carpenters Retiree Health and Welfare coverage, you must sign up and pay for Part B.
- **Part C**, also known as a Medicare Advantage plan, is a substitute for parts A and B and, in some cases depending on the Advantage Plan, Part D as well. Premiums range up to \$100 a month, but will vary by location and coverage with the average premium \$31.40 per month as of 2017 according to CMS. **PLEASE NOTE:** Even if you are eligible for the Kaiser program with Carpenters Retiree Health and Welfare coverage, you must sign up and pay for Part C.

- **Part D** covers prescription drugs. Premiums range from about \$15 to \$50 per month with the average premium expected to be roughly \$34 per month as of 2017 according to CMS. If you sign up for Part D and your modified adjusted gross income is above a certain amount, you may be required to pay a Part D income-related monthly adjustment amount (Part D-IRMAA). **PLEASE NOTE:** If you are eligible for Carpenters Retiree Health and Welfare coverage, you **do not** need to sign up or pay for Part D as prescription benefits are included in your health and welfare benefits.

There are 3 different types of Medicare plans that are available to you:

Original Medicare: Standard Medicare benefits that have deductibles and coinsurance expenses.

Original Medicare + Supplement or a **Medigap Plan:** Add on plans to original Medicare benefits that help with all or a portion of the deductibles and coinsurance expenses leftover in an original Medicare plan. For example, the Indemnity program under Carpenters Retiree Health and Welfare is a supplemental plan.

If you are covered under the Retiree Plan of Carpenters Indemnity medical plan, once you are eligible for Medicare, the Fund will pay benefits as if you had enrolled for both Part A and Part B of Medicare, regardless of whether you are actually enrolled. This means that the Plan will only pay 20% of Medicare's rates for all services and you must pay the balance of the charges. You should be aware that you may have substantial out-of-pocket expenses if you are not enrolled in both Parts A and B of Medicare.

Medicare Advantage: This plan replaces original Medicare. Though these plans are required to provide the same benefits as original Medicare, they typically provide enhanced coverage. Sometimes these plans replace coinsurance expenses with fixed copays and offer additional benefits like limited vision and dental coverage; however they do require the use of specific doctors and hospitals. For example, the Kaiser program under Carpenters Retiree Health and Welfare is a supplemental plan.

If you are covered under the Retiree Plan of Carpenters Kaiser HMO plan, once you are eligible for Medicare you will need to complete the Kaiser Senior Advantage enrollment form within 90 days of becoming eligible for Medicare and submit it to the Fund Office along with a copy of your Medicare card. By completing the required Kaiser documents you will be enrolled in the Kaiser Senior Advantage Plan and a co-payment structure is established by the Fund Office and Kaiser. If you do not complete the necessary Kaiser paperwork it will result in a higher premium payment for your Carpenters Retiree Health and Welfare coverage.

How does becoming Medicare eligible affect my Carpenters Health and Welfare coverage while working as an Active employee?

If you choose to delay retirement and you continue working in active employment, once you become Medicare eligible you will be enrolled in Medicare Part A. You have the option to delay your enrollment in Part B provided you have coverage through the Active Carpenters Health and Welfare Plan, through a spouse's active plan, or any other active employer sponsored plan.

After you become eligible for Medicare your active coverage through the Carpenters Health and Welfare Plan will be considered your primary coverage, which means that the Plan will be responsible for the initial payment of all claims up to the Plans allowed charges. This arrangement is usually referred to as Medicare Secondary Payer (MSP) which is a term generally used when Medicare does not have primary payment responsibility or when another Plan has the responsibility of paying before Medicare.

How does becoming Medicare eligible affect my Carpenters Retiree Health and Welfare coverage?

Once you retire and enroll in the Carpenters Retiree Health and Welfare Plan when you become eligible for Medicare, you must enroll in Medicare Parts A and B. The Carpenters Plan will be the secondary payer and Medicare will pay as primary on both the Indemnity and Kaiser HMO Plans.

Since the premiums for coverage under the Carpenters Retiree Health and Welfare Plan are self-payment based, it's important to note that the premiums for Retirees enrolled under Medicare plans are significantly less than those on non-Medicare Retiree plans so it is best to ensure your timely enrollment in the appropriate Medicare plan or plans.

If you are not eligible for Medicare when you first retire, you may delay enrolling in the Retiree Health and Welfare Plan until you become eligible for Medicare, provided you maintain alternative health and welfare coverage through the time that you later enroll under the Carpenters Retiree Health and Welfare Plan. At that time you must request enrollment with the Fund Office within 90 days of becoming entitled to Medicare. This same provision applies to your Spouse if you delay enrollment and he or she is not eligible for Medicare when you first retire, but later becomes eligible.

When to Sign up for Part A and Part B Benefits

Properly enrolling in Medicare at the right time is important. Missing your opportunity to enroll could create serious financial hardship for you because the Plan will only pay supplemental benefits for you regardless of whether you have actually enrolled in Medicare and regardless of whether Medicare makes any payment on your behalf.

Regardless of when you plan to retire, you will become eligible for Medicare when you turn 65 and have the option to sign up within a specific seven-month window that includes the three months prior to your 65th birthday, your birth month and the three months immediately following your 65th birthday.

You should apply for Medicare *three months prior* to turning age 65, even if you are not planning to receive Social Security benefits. You can request Social Security retirement benefits separately at a later date. If you don't enroll in Medicare on time, there may be a significant delay in the effective date of your benefits as well as, you may be subject to a premium penalty.

How to Sign up for Part A and Part B Benefits

Some people receive Part A and Part B coverage automatically. If you fall in one of the following categories, you will be automatically enrolled and will receive your Medicare card approximately three months before the month you become age 65:

- You are in receipt of Social Security benefits
- You have ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig’s disease)
- You will also be automatically enrolled if you are younger than age 65 and have a Social Security Disability Award. If you qualify for Medicare based on your disability, you will receive your Medicare card approximately three months before your 25th month of disability.

Some people have to initiate signing up for Part A and Part B benefits. If you are not receiving your Social Security benefits or if you qualify for Medicare because you have End-Stage Renal Disease (ESRD), you need to apply for Medicare.

There are three ways to complete an application for Medicare benefits:

- You can visit www.socialsecurity.gov. You can call 1-800-772-1213 (TTY 1-800-325-0778)
- Visit your local Social Security office

It’s possible you don’t need to apply for Medicare Part B at age 65 if you have medical coverage through an active employer based plan. The employer based plan can be through the Carpenters Active Health and Welfare Plan, through a spouse, or any other active employer sponsored plan.

With employer sponsored coverage, you may qualify for Medicare’s “Special Enrollment Period (SEP)” which allows you to delay applying for Medicare at age 65 in favor of allowing you to sign up for Medicare Part B coverage in:

- Any month you are covered under an active employer-sponsored group health plan and your employment or your spouse’s employment is on-going; or
- The 8 month period that begins with the month after your active group health coverage ends or your or your spouse’s active employment ends, whichever comes first.

Need help navigating the Medicare enrollment process or understanding the system?

The Medicare system can be complex and difficult to understand, and most people should seek help when it comes to choosing the appropriate plans. For assistance with your questions and to discuss the coverage options most suitable for you, you may contact a Trust Fund Office representative at 888-547-2054.

You can also visit www.medicare.gov where you can find helpful information and resources. The “Medicare & You” handbook is a valuable reference guide published by Medicare that includes a summary of Medicare benefits, rights and protections. It also has a list of available health and drug

plans as well as important FAQ's about Medicare. It is available online and you can sign up to have it sent to you electronically each year as it is updated.

Upcoming Changes to Medicare

Beginning in April 2018, Medicare will be issuing new ID cards to all individuals enrolled in Medicare. The new Medicare ID cards will have removed the Social Security Number-based Health Insurance Claim Number (HICN) from the front of the cards and will replace them with a new Medicare Beneficiary Identifier (MBI). By replacing the SSN-based HICN on all Medicare cards, Medicare can better protect your private health care and financial information as well as federal health care benefit and service payment details.

Retirement and Employment after Retirement

The Carpenters Pension Fund for Northern California

The Carpenters Pension Fund for Northern California is a defined benefit retirement plan with benefits payable to its participants upon retirement based upon certain age and service requirements. Your eligibility for and the amount of your monthly pension benefit is determined primarily by the number of years you worked for contributing employers in Covered Work. Generally the longer you work, the greater your monthly pension income will be.

When and how can I collect my Pension?

If Vested, once you retire you are eligible to begin collecting your monthly pension benefit as early as age 55 under an Early Pension option (if you have at least 10 years of credited service). However retiring early means there is a reduction applied to your benefit amount based upon your age at retirement which amounts to ½ of 1% for each month you are younger than age 62. If Vested with 5 years of service, Normal Retirement Age is considered to be age 65 but if you are credited with 10 years of service, your Regular Retirement Age is considered to be age 62. Those are the ages at which time your accrued monthly benefit will be payable in full and unreduced for age. If you have at least 10 years of credited service you may be eligible for Retiree Health and Welfare and the monthly self-payment amount will be reduced a sum that depends on your Health and Welfare benefit selection And Medicare eligibility. **Please Note:** In a very limited set of circumstances, Disability Benefits may be available prior to age 55, however, no benefits are available prior to age 65 unless you have at least 10 years of Eligibility Credit.

Prior to reaching the age of 70½, you are not required to begin collecting benefit payments at any particular age and you may defer commencement of your benefits and continue working beyond Normal Retirement Age if you choose. However you are required to begin collecting benefits after your Required Beginning Date, which is the April 1st following your 70½ birthday.

After you have determined the best age for you to retire and once you have satisfied all of the eligibility requirements established by the Plan in order to receive a Pension, you must

complete a Carpenters Pension Trust Fund benefit application and submit it to the Fund Office. Plan to submit your completed benefit application at least *three months prior* to your retirement effective date and be sure it's submitted along with all the required documents to ensure timely and accurate processing.

Can I collect my Pension and continue to work?

In order to begin receiving payment of your monthly Pension benefit, you satisfy the IRS rules on separation from service within the Building and Construction Industry and refrain from employment or self-employment in the manners described within the written documents and policies that govern the Plan. Once retired and collecting a Pension benefit, you must refrain from employment or self-employment in accordance with the Plan's *Prohibited Employment* rules.

The term *Prohibited Employment* means employment after Retirement for wages or profit in the Building and Construction Industry that will result in the suspension of Retirement benefits. Prohibited Employment includes, but is not limited to, employment that is either Covered or Non-Covered, for wages or profit in the Building and Construction Industry. The determination as to whether or not a type of employment is Prohibited shall be at the sole discretion of the Board of Trustees, or a Committee thereof and as described and modified from time to time in the Plan's Prohibited Employment Policy. For further information and details concerning the Plan's *Prohibited Employment* rules and restrictions, contact the Fund Office at 888-547-2054.

For Retirees between the ages of 55 and 70½, you are allowed to work up to 40 hours per month within the jurisdiction of the Carpenters Pension Fund without risk of the suspension of your benefits, subject to various restrictions. If you work outside of the State of California, you may work any number of hours in employment or self-employment after age 65. Upon reaching age 70½, there are no restrictions on the amount or type of employment you can do while collecting your Pension benefits.

Once retired, if you later consider returning to work, you should send a letter or contact the Fund Office to describe the nature of the work you plan to do, so that you can be provided with a written response on whether you will be still be considered a Retiree under the Plan Rules and entitled to your pension payments while performing such work.

What are the different Pension payment options available?

Once you choose to retire and submit an application for retirement benefits, the Plan will provide you with various options on how you can receive payment of your Pension based upon your marital status. The payment forms currently available are a Single Life Pension with a 36-month Guarantee (applicable for Disability Pensions only), a Single Life Pension with a 60-month Guarantee, a 50% Joint and Survivor Pension, a 75% Joint and Survivor Pension and a 100% Joint and Survivor Pension.

Single Life Pensions provide a monthly payment for your lifetime and if you pass away prior to collecting all of your guaranteed payments, your designated beneficiary or beneficiaries, will be entitled to receive the remaining number of guaranteed payments left after your passing.

Joint and Survivor Pensions provide a lifetime benefit for you and your surviving spouse. Under these payment options, your monthly benefit will be reduced during your lifetime so that upon your passing, your spouse can collect a percentage of your monthly benefit for the remainder of his or her lifetime. The reductions for the various Joint and Survivor options vary based upon the difference in age between you and your spouse. Generally the closer in age you and your spouse are or if your spouse is older than you, the lesser the reduction to your benefit amount.

What happens to my Pension if I pass away prior to retirement?

In the event of your death prior to retirement, with 10 years of credited service and if you meet all the eligibility requirements for a Pension benefit, a pre-retirement death benefit will be available for your surviving spouse or beneficiary/beneficiaries. The pre-retirement death benefit can be paid immediately following your death in the same amount as a Regular Pension but will only be payable for a period of 3 years.

If you were married for at least one year and you pass away prior to retirement, either a pre-retirement death benefit or a 50% Joint and Survivor Pension option will be available to your Surviving Spouse. The 50% Joint and Survivor option will provide for a monthly benefit payment of 50% of the benefit amount that you would have been entitled to under that payment option and would be payable for the surviving spouses lifetime, however payments cannot begin until the earliest date that you would have been eligible to draw pension benefits had you lived. If you were not married at the time of your death, a pre-retirement death benefit will be available to your designated beneficiary or beneficiaries for a period of 36-months immediately following your date of death.

The Carpenters Annuity Trust Fund for Northern California

The Carpenters Annuity Trust Fund for Northern California is a defined contribution money purchase plan with benefits payable to its participants upon Retirement based on the balance in their Individual Accounts. Like Social Security and the Carpenters Pension Plan for Northern California, the Annuity Funds primary purpose is to provide Participants with a source of retirement income.

How and when can I receive payment of my Individual Account?

Unlike your Pension benefit, you have some flexibility in how and when you can choose to take payment of the balance in your Individual Account. In general, money purchase plans can only be paid out after retirement or death. However you, your beneficiary or beneficiaries may apply for and receive the money in your Individual Account upon the following conditions:

- Retirement (based upon your age or receipt of a Carpenters Pension benefit)
- Absence from the Building and Construction Trade for a specified period of time
- Upon total and permanent disability or qualification for a hospice program
- If you enter into Military Service
Upon reaching your Required Beginning Date (the April 1st following the calendar year in which you reach age 70½)
- Death

There are various payment options available to you when the balance of your Individual Account is paid out. Some of those payment options include payment in the form of a lump sum, partial lump sum, installment, direct rollover or various combinations of these options.

Upon Retirement, if you are married, you will automatically receive your Individual Account balance in the form of a 50% Joint and Survivor Annuity. However, with your Spouse's written consent, you may elect any other form of payment permitted under the Plan. If at time of retirement you are not married, your benefit will be paid in the form of a Single Life Annuity, unless you elect to receive the balance of your account in another form of payment permitted under the Plan.

The life annuity and Joint and Survivor annuity options are handled through the purchase of an annuity contract from an insurance company. To do this, the Annuity Fund transfers your Individual Account balance to an insurance company and the insurance company calculates how much it will pay you each month based on the amount you have in your Individual Account as well as other variables.

What taxes are assessed when I take out my Annuity?

The funds available in your Individual Account are not taxed until they are distributed. The federal government requires that 20% automatically be withheld from your benefit payment(s) and if you are under the age of 59½ at the time your Individual Account is paid out to you, you may be subject to IRS early withdrawal tax penalties. The date you actually receive the money, your age, payment form you elect, overall Retirement status, Disability status and related exceptions are used to determine your tax liability.

You are not subject to mandatory withholdings if you elect to have your account directly rolled over to another IRS tax qualified plan. In order to have a direct rollover, you must direct the Annuity Fund to distribute the payment of your account balance to an eligible retirement plan and the eligible retirement plan chosen by you must agree to accept the rollover payment.

The laws and rules pertaining to personal income taxes can be very complicated and each individual's situation is different. The Fund Office cannot provide advice regarding tax related matters. However, the Fund Office will provide you with certain documents pertaining to taxes, such as tax withholding election forms and an explanation of eligible rollover distributions.

What happens to my Annuity account if I pass away prior to retirement?

In the event of your death prior to retirement, if you were married throughout the one-year period prior to your death, your surviving Spouse can receive the money in your Individual Account under any of the payment forms that would otherwise be available to you.

If you were not married at the time of your death prior to retirement, or if your Spouse has properly consented to your choice of another beneficiary, the beneficiary will receive the money in your Individual Account as a lump sum or can elect to rollover the account in to an "inherited IRA". An "inherited IRA" is an Individual Retirement Account (IRA) or an Individual

Retirement Annuity specifically established for the purpose of receiving this type of rollover payment.

The Northern California Carpenters 401(k) Trust Fund

The Northern California Carpenters 401(k) Trust Fund is a 401(k) profit sharing plan with benefits payable to its participants upon Retirement and other life events. Just like Social Security, the Carpenters Pension Fund and the Carpenters Annuity Fund, the primary purpose of the 401(k) Fund is to provide Participants with a source of income at retirement.

Participation in this Fund is voluntary and permits an account be established by your election to make contributions through wage deferrals while working for contributing employers. You can make pre-tax and/or Roth wage deferral contributions to the 401(k) Plan and you may elect to change how much of your pay you contribute as pre-tax and/or Roth contributions at any time. Each year, you may contribute up to a specified amount per hour as pre-tax and/or Roth contributions, in accordance to limits set by the Federal tax laws.

When and how can I receive payment of my 401(k) account?

Distribution of your account normally cannot be made before your retirement or termination of employment. Upon reaching Normal Retirement Age as defined by this Plan (age 59½), or if you have not worked in covered employment for a period of six consecutive months, you become eligible for a distribution of your account balance.

However, while you remain employed with a Contributing Employer, you may borrow from your account or withdraw money based on hardship under certain circumstances. The interest you pay on any outstanding loan gets applied to your account balance.

Under federal law, distribution of your account must commence no later than the April 1st following the year you attain age 70½ or, if later, following the year you terminate employment.

In the event of your death prior to retirement and before your account balance has been distributed, your beneficiary will be entitled to receive the full value of your account.

What taxes are assessed when I take payment of my 401(k) account?

Distribution of your account balance will normally be subject to a mandatory 20% federal income tax withholding and may also be subject to additional state income tax withholding, unless you receive your distribution in the form of installments payments. If you are younger than age 59½ when you receive distribution of your account balance, your payment may be subject to a 10% federal penalty tax, in addition to any applicable federal and state income taxes. However, the 10% penalty tax will not apply if you transfer your distribution directly to an eligible IRA or to another eligible retirement plan.

Qualified distributions of Roth contributions and related earnings are not subject to federal or state income taxes. A “qualified distribution” is one that occurs after a five-year period of Roth

participation and that either (1) is made on or after the date you attain age 59½, (2) is made after your death, or (3) is attributable to your disability.

Withdrawals made based on financial hardships will be subject to mandatory federal and state income tax withholdings and an additional 10% federal penalty tax if the withdrawal occurred prior to you reaching age 59½.

Prepare for Retirement.

Based upon participation in the Northern California Carpenters Trust Funds, you are provided with benefits for retirement that are meant to supplement the benefits you are entitled to collect from Social Security. With proper planning and coordination of your various benefit plans, one could establish as many as four or more individual sources of monthly retirement income.

With the ever-changing healthcare markets being more unpredictable than ever and the cost of health and welfare coverage steadily on the rise, anyone planning for retirement would be remiss to not consider the anticipated out of pocket costs for health care coverage. Whether the coverage is available through the Carpenters Health and Welfare plan, another employer sponsored plan or privately purchased plans, costs tend to be subject to change annually and it is crucial to take that factor into consideration when contemplating retirement and your anticipated financial needs.

Working towards a secure and comfortable retirement is everyone's goal. To help you prepare for retirement, there is a wide array of tools and resources available online and here are some websites that you should be sure to check out:

- Social Security Retirement Planner: www.ssa.gov/planners/retire
- Medicare: www.medicare.gov
- John Hancock Retirement Plan Services: [John Hancock Retirement Plan Services](http://JohnHancockRetirementPlanServices)
- Pensionmark investment adviser: www.pensionmark.com
- International Foundation of Employee Benefit Plans: www.ifebp.org/news/featuredtopics/retirementsecurity

Who is Pensionmark® and how can they help me?

The Northern California Carpenters Trust Funds have contracted with a company called Pensionmark® Retirement Group to help offer a wide array of retirement planning and investment advisory services to our members free of charge.

Pensionmark offers various tools and informational resources to help you maximize your retirement. In their online Investor Education Center, you can view monthly educational webinars, read timely and relevant articles and newsletters regarding retirement, access financial calculators and more.



You can reach Pensionmark by phone at 888-201-5488, via email at info@pensionmark.com or by visiting their website at www.pensionmark.com.

Take advantage of the abundance of information available to you and help yourself become as informed as possible about all the benefits of a well-managed retirement plan.

Resources

The following articles, publications and websites were referenced when putting together this informational document:

1. *Social Security, Medicare and Working Past 65* – IFEBP Benefits Magazine March 2017
2. *Social Security: Who's Counting on It?* – AARP Public Policy Institute Fact Sheet March 2016
3. Social Security website www.ssa.gov/retire/
4. Medicare website www.medicare.gov
5. MyMedicareMatters website www.mymedicarematters.org

IMPORTANT

This document is intended for informational and educational purposes only and should not be considered as retirement or financial advice. Please consult professional advisors for further information and guidance as it relates to you specifically and your future plans for retirement.



GENERAL STATEMENT OF NONDISCRIMINATION: (DISCRIMINATION IS AGAINST THE LAW)

The Carpenters Health and Welfare Trust Fund for California (“Fund” or “Plan”) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. The Plan does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex. The Plan:

- a) Provides free aids and services to people with disabilities to communicate effectively with us, such as:
 - Qualified sign language interpreters
 - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- b) Provides free language services to people whose primary language is not English, such as:
 - Qualified interpreters
 - Information written in other languages

If you need these services, contact Pauline Hann, Civil Rights Coordinator.

If you believe that the Plan has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Pauline Hann, Civil Rights Coordinator
Carpenter Funds Administrative Office of Northern California, Inc.
265 Hegenberger Rd., Suite 100
Oakland, CA 94621
Telephone number: (888) 547-2054, Fax: (510) 633-0215
Email: benefitservices@carpenterfunds.com

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, Pauline Hann, Civil Rights Coordinator is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue SW., Room 509F, HHH Building
Washington, DC 20201
1-800-868-1019, 800-537-7697 (TDD)

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

ATTENTION: FREE LANGUAGE ASSISTANCE

This chart displays, in various languages, the phone number to call for free language assistance services for individuals with limited English proficiency.

Language	Message About Language Assistance
Spanish	ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1 (888) 547-2054. (TTY: 888-547-2054).
Chinese	注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-888-547-2054 (TTY: 1-888-547-2054)。
French	ATTENTION: Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-888-547-2054 (ATS: 1-888-547-2054).
Italian	ATTENZIONE: In caso la lingua parlata sia l'italiano, sono disponibili servizi di assistenza linguistica gratuiti. Chiamare il numero 1-888-547-2054 (TTY: 1-888-547-2054).
German	ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-888-547-2054 (TTY: 1-888-547-2054).
Hmong	LUS CEEV: Yog tias koj hais lus Hmoob, cov kev pab txog lus, muaj kev pab dawb rau koj. Hu rau 1-888-547-2054 (TTY: 1-888-547-2054).
Vietnamese	CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-888-547-2054 (TTY: 1-888-547-2054).
Persian (Farsi)	توجه: اگر به زبان فارسی گفتگو می کنید، تسهیلات زبانی بصورت رایگان برای شما فراهم می باشد. با 1-888-547-2054 (TTY: 1-888-547-2054) تماس بگیرید.
Hindi	ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। 1-888-547-2054 (TTY: 1-888-547-2054) पर कॉल करें।
Tagalog	PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 1-888-547-2054 (TTY: 1-888-547-2054).
Navajo	Díí baa akó nínízin: Díí saad bee yáníłti'go Diné Bizaad , saad bee áká'ánída'áwo'déé', t'áá jiik'eh, éí ná hóló, kóji' hódííłnih 1-888-547-2054 (TTY: 1-888-547-2054).
Arabic	ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان. اتصل برقم 888-547-2054-1 (رقم هاتف الصم والبكم: 1-888-547-2054).
Korean	주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-888-547-2054 (TTY: 1-888-547-2054) 번으로 전화해 주십시오.
Thai	เรียน: ถ้าคุณพูดภาษาไทยคุณสามารถใช้บริการช่วยเหลือทางภาษาได้ฟรี โทร 1-888-547-2054 (TTY: 1-888-547-2054).
Lao	ໂປດ ຊາບ: ຖ້າ ວ່າ ທ່ານ ເວົ້າ ພາ ສາ ລາວ, ການ ບໍ ລິ ການ ຊ່ວຍ ເຫຼືອ ດ້ານ ພາ ສາ, ໂດຍ ບໍ ລິ ຮ່າ ງ, ແມ່ນ ມີ ພ້ອມ ໃຫ້ ທ່ານ. ໂທ ໑ 1-888-547-2054 (TTY: 1-888-547-2054).