

# YOUR PENSION

A MULTI-PART SERIES FOCUSED ON YOUR  
GUARANTEED INCOME AFTER RETIREMENT

## PART ONE

### The Basics of Your Pension Plan

**A**s part of your benefits package negotiated by your Union and Employer, if vested, you are entitled to a **defined-benefit pension plan** benefit when you retire.

Your pension plan is the Northern California UFCW Joint Pension Plan.

A **defined-benefit pension plan (or DB plan)** provides a guaranteed monthly income for the rest of your life, and for your Spouse's, should you choose.

Your Union and Employer negotiated a set amount to be paid into a pension fund for each hour you work. Once you become **vested** in the pension fund by working enough hours, you are able to collect your pension benefit upon retirement.

The amount of your monthly pension benefit is determined by a variety of factors, including how many years you have worked for a participating Union Employer.

In a Defined Benefit Plan, contributions to the Plan are entirely Employer paid and may only be used to provide benefits in accordance with the rules and regulations of the Plan. The basic benefit provided by the Plan is a monthly pension benefit when a Participant retires and meets the eligibility requirement of the Plan.

#### The DB Plan Advantage

For most people, having a 401(k) is not enough to support quality-of-life in retirement, both due to stock market swings, which can

devastate retirement savings, and the inability of most members to save enough to support their lifestyles throughout retirement.

A Member would need to have significant savings, or money wisely invested, with a good investment return, to equal the money received from monthly pension benefits in a DB plan.

#### Funding Facts

The funded status of a pension plan is determined by comparing the total assets of a plan to the benefit obligations scheduled for current and future retirees.

Pension funds can range from fully funded to unfunded, although funds do not need to be 100% funded to be considered healthy since the total assets of a fund can fluctuate each year.

When a fund is in "critical status" as determined by federally mandated funding levels, you will receive a notice detailing the status of the fund. Funds in this status must create a rehabilitation plan, which may include adjustments to benefits, aimed at restoring the financial health of the pension plan.

The UFCW Joint Pension Board of Trustees and other professionals who oversee the health of the plan are always looking for new ways to ensure the pension plan remains strong and ready to provide a dignified retirement for all members.

Look for more articles related to Pension Benefits in upcoming editions of *For Your Benefit*.