

**N Y S N A  
Pension Plan**

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**Planning  
for a Secure  
Retirement**

# Planning for a secure retirement



## Three sources of retirement income

- NYSNA Pension Plan
- Social Security Benefits
- Personal savings and investments

## NYSNA Pension Plan

- Defined benefit plan guarantees lifetime monthly pension benefits
- Employer makes all contributions
- Portable among more than 30 participating employers

## Retirement choices

- Normal retirement at age 65 (unreduced)
- Early retirement (unreduced)
  - Retire from active covered employment between ages 60 and 64
  - Have at least 20 years of credited service
- Early retirement (reduced)
  - Between ages 55 and 64

## Forms of payment

- Married = Joint and Survivor pension at 50% or 70% (reduced)
- Single, widowed, divorced, or spouse waives = Five Year Certain (full)
- Optional:
  - Ten Year Certain (reduced)
  - Contingent Annuity at 50%, 66.66%, 75% or 100%

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## **Pension statements**

- Based on information from employer
- Provide:
  - Vested status and years of service
  - Estimated annual benefit payable at age 65
  - Estimated unreduced early retirement benefit (if applicable)

## **How your Pension benefit is calculated**

- Mathematical formula: earnings (base salary and experience differential only) and years of service
- Average of highest 5 earning years in last 10 years

# **Social Security**

## **Eligibility**

- Worked in jobs covered by SS for at least 10 years
- If you were born in:
  - 1937 or earlier, full retirement age is 65
  - 1938-1960 or later, full retirement age is 65+

## **How SS benefits are calculated**

- Apply a formula to average lifetime earnings to determine basic benefit
  - At age 62 (earliest possible retirement age), your benefit will be lower
  - Delayed benefit increases about 7% each year from age 62-66

# **Savings and investments**

- Pension + Social Security benefits probably won't = preretirement earnings
- Need to add personal savings and investments
- Experts advise saving at least 10% of gross income

## **IRAs and 401Ks**

- 401(k)s and 403(b)s = employer-sponsored retirement plans funded with pretax payroll deductions
- After age 50, you can increase 401(k) contribution by up to \$5,500 to and IRA by \$1,000 (catch up contribution)

## **Health insurance options before age 65**

- COBRA extends coverage for 18 months
- Other health insurance - contact area health care insurance providers, including health care exchanges
- CBA- retiree health plans or other options may be available through the employer

## **Health insurance options after age 65 - Medicare**

- Worked at least 10 years in Medicare-covered employment
- U.S. citizen or permanent resident
- Disabled also may qualify

### **Medicare Part A**

- Inpatient hospital care, home care, skilled nursing facility, hospice
- No premium
- Deductible for hospital stays; no deductible for other covered services
- Coinsurance (varies)
- Automatic enrollment

### **Medicare Part B**

- Doctor and outpatient services
- Yearly deductible
- Coinsurance
- Monthly premium
- Automatic enrollment

### **Medigap supplemental insurance**

- Private insurance pays deductibles, coinsurance, and certain services not covered by Medicare
- Pay a premium and continue paying for part B

### **Medicare Advantage Plans (Part C)**

- Alternative to traditional Medicare + Medigap
- Premiums usually lower than Medigap
- Restrict doctor and hospital choice
- Include HMOs, PPOs, more
- Pay monthly charge and continue to pay Part B premium

### **Medicare Part D - Rx coverage**

- Cost depends on drugs and plan
- Pay monthly charge and continue to pay Part B premium
- Yearly deductible
- Copayments or coinsurance
- Some plans have no premium or deductible