



MASSACHUSETTS LABORERS' PENSION & ANNUITY FUNDS

Working together to give you a financially secure future



BUILDING RETIREMENT SECURITY TOGETHER

Enjoy Peace of Mind With Your Retirement Benefits

As a member of the Massachusetts Laborers' Benefit Funds, you have an extraordinary set of financial benefits that work together to provide you with a solid retirement income after a career as a Laborer: the **Pension Fund** and the **Annuity Fund**.

You're fortunate to belong to a rare group of workers with both a pension fund and an annuity fund to help provide you with retirement security.

GUARANTEED INCOME FOR LIFE

Guaranteed income for life isn't guaranteed for most people. In fact, recent data shows that only 34% of workers in the U.S. participate in a retirement pension plan.*

CHECK YOUR PROGRESS

Visit **MLBF.org** and log into the Member Dashboard.

1. Track your benefits, including your pension credits and annuity balance.
2. Check your hours to make sure they reflect how much you've worked.
3. Review or update beneficiary cards for both the Pension and Annuity Funds. Completed forms can be submitted to the Fund Office.

QUESTIONS?

Visit **MLBF.org** or call the Fund Office at 781-272-1000, ext. 150.

* Pension Rights Center calculations from March 2023 based on the Bureau of Labor Statistics' National Compensation Survey data.

Here's what some of our retired members have to say about their experiences with the MLBF and how it's helped them prepare for retirement.

Best thing I ever did in my life is become a Laborer and have the Fund take care of my benefits. I'm having a very happy retirement.

Ed—Retired Laborer
37 years of service

The annuity was probably one of the best things that they ever did through the union. I mean, it worked out great for me because it was a lot of money by the time I retired.

Ron—Retired Laborer
30 years of service

The annuity allows us to retire with dignity—taking care of members and their families from the first day to the last day. That's what being a union member is all about. We've got excellent pension benefits and an excellent annuity. That to me, that is the most important thing.

Louis—Retired Business Manager
53 years of service

If it wasn't for the Laborers, I'd probably have to work for the rest of my life. The annuity and the pension are like forced savings accounts that I would not have if it wasn't for them.

Curt—Retired Laborer
30 years of service

PENSION FUND

GUARANTEED INCOME IN RETIREMENT

The Massachusetts Laborers' Pension Fund is designed to provide you with guaranteed income in retirement. It's special because pensions are increasingly rare in today's workplace.



Highlights

The Pension Fund is a defined benefit plan, which means there's a set formula to determine your benefit amount when you retire. The formula is made up of the components below. **The bottom line is: The longer you work, the greater your benefit.** On the flip side, if you retire early, your benefit will be smaller.

Pension credit: You earn one pension credit when you work 1,000 hours in a calendar year.

Vesting service: You earn one year of vesting service for each calendar year in which you work at least 1,000 hours; partial years of vesting service are possible.

Vesting: You are considered "vested"—or have earned a right to a benefit—after you have earned five years of vesting service.

Benefit rate: This refers to the monthly rate established by the Trustees that is multiplied by the number of pension credits you earn to get your monthly pension benefit amount. The current benefit rate is \$114.

Banked hours: If you work more than 1,600 hours in a calendar year, those additional hours can be added to an hours bank. You can use your banked hours for years in which you worked 250 hours but less than the 1,000 hours needed for a full pension credit.

PENSION GROWTH EXAMPLE:

$$\begin{array}{ccccc} 30 & & \$114 & & \$3,420 \\ \text{Pension credits} & \times & \text{Benefit rate} & = & \text{Monthly pension} \end{array}$$

*pension benefit assumes either a regular or service pension, life only, no spousal options or reductions for age.

When You Can Take Your Benefit

You are eligible to receive your full benefit under a Regular Pension when you are vested after working five years and have reached age 65, or your fifth anniversary (if it is after you reach age 65) with at least five pension credits.

If you have 30 pension credits, you can retire at any age with no reduction in benefit.

The Fund also offers early retirement (at age 55 and not working under covered employment) with a reduced benefit amount and other options, including a disability pension if you become disabled before retirement as defined by the Fund.

Pension Payment Options

There are many options for receiving your benefit, including providing a lifetime monthly benefit to your surviving spouse or options that pay your beneficiary if you die before receiving a guaranteed number of payments. View payment option details on [MLBF.org/pension](https://mlbf.org/pension).

You'll also receive information about how to receive your benefit when you get closer to retirement.

A STEADY PAYCHECK AND PEACE OF MIND

The Pension Fund is solidly funded and supports nearly 8,000 retirees and beneficiaries with an average monthly benefit of \$1,628.*

*Data as of 2022

ANNUITY FUND

TIME IS ON YOUR SIDE

The Annuity Fund provides additional income in retirement that you can use to supplement the monthly paycheck you get from your pension.

How the Annuity Fund Works

The Annuity Fund is a “defined contribution” plan. This means your employer contributes a set amount of money to an individual account set up for you for your retirement (as required by the collective bargaining agreement).

After you work 100 hours in a calendar year, you own 100% of your account balance.

Your Annuity Fund benefit is based on:

- **Contributions** – Made by your employer based on the hours you work
- **Investment income** – Potential earnings on investments made by the Fund

How the Fund Is Invested

The Annuity Fund invests in stocks, bonds and real assets (which are funds that track physical goods like real estate and natural resources).

These investments are selected and monitored by the Board of Trustees and its investment professionals. The Fund earned an average annual return of 7.7% from its start in December 1986 through December 2023.

For more information about the Annuity Fund, visit [MLBF.org/annuity](https://mlbf.org/annuity) and review the Summary Plan Description.

WHAT TO KNOW ABOUT FEES

As a participant in the Annuity Fund, you pay a low monthly fee for account maintenance and administration. This fee is automatically withdrawn from your account each month.

In addition, there are fees involved with investing, called expense ratios. These are paid to the companies that manage the fund’s investments. Expense ratios are deducted from each investment’s return. Certain types of investments have lower expense ratios than others.

As an institutional investor, MLBF has access to investments with lower expense ratios than investments you can get on your own. Plus, MLBF negotiates these expenses on your behalf.

IF YOU LEAVE EMPLOYMENT BEFORE RETIREMENT

You are eligible to take a distribution from your Annuity Fund account if no contributions have been paid to the Fund on your behalf for at least 12 consecutive months.

Note that there are tax implications and penalties for withdrawing from the plan before certain ages. That’s why the Fund allows you to keep your account balance in place even after you retire and until you must start taking required minimum distributions in your 70s. Knowing your account will be professionally managed to potentially earn income from investments can bring peace of mind.

THREE SUPERPOWERS OF THE ANNUITY FUND

1. Tax-free growth

Because the Annuity Fund is a retirement benefit, your account balance and earnings accumulate tax free until you retire. (Note that tax penalties may apply if you withdraw your money early.)

2. Compounding

The earnings you gain in your account then accumulate more earnings. This earnings buildup is called "compounding." It's what makes your Annuity Fund a retirement-account superstar.

Example: Let's say your \$1,000 account earns \$40 the first year. Assuming the same rate of return of 4% the next year, you'll see a gain of \$41.60, because the rate is based on a bigger account balance of \$1,040.

3. Time

Enjoying the fruits of compounding takes patience. While compounding may not seem like a big deal in the example you just read, the true magic of compounding happens over a long stretch of time: **The longer you leave your money in your account, the more it may grow!**

The average Annuity Fund account balance was more than \$250,000 for participants 60 or older. If you include participants of all ages, the average account balance is \$112,736!*

* As of 2022.

Be Ready for Your Retirement

As your annuity grows and retirement draws near, you'll be faced with numerous options and will need to make decisions that will impact how and when to take income from your retirement savings.

The Annuity Fund and its investments are professionally managed and monitored. These investments are diversified, may not be available to individual investors, or may cost individual investors more (through higher expense ratios). If you move your money out of the Fund, it will be up to you to manage. You may want to consider partnering with a financial or investment professional for advice.

Take the first step in learning more about working with a financial planner by exploring options at **[FINRA.org/investors](https://finra.org/investors)**.

FOUR QUESTIONS FOR A FINANCIAL PLANNER

As you approach retirement, you may want to consider working with a financial planner for help making personal financial decisions. If so, you'll want to be sure to ask these four questions:

1. Is the planner licensed and registered?
2. Is the planner acting as a fiduciary and putting your interests first?
3. How much will you pay in annual fees, commissions or charges?
4. Are there any conditions to access your money when you need it?



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IMPORTANT INFORMATION ABOUT YOUR FINANCIAL WELL-BEING!



MASSACHUSETTS LABORERS' PENSION & ANNUITY FUNDS

Working together to give you a financially secure future

YOU'VE GOT SOMETHING SPECIAL

The Massachusetts Laborers' Pension and Annuity Funds are designed to provide you with secure income in retirement.

Learn more inside!

