



MASSACHUSETTS LABORERS' PENSION & ANNUITY FUNDS

Working together to give you a financially secure future



LOOKING AT WHAT'S AHEAD

BELIEVE IT OR NOT, YOU'LL BE RETIRING SOONER THAN YOU THINK.

Now is a perfect time to start identifying your sources of income and put a plan in place to retire on your own terms.

Fortunately, as a member of the Laborer's union, you have the power of the Massachusetts Laborers' Pension Fund and Annuity Fund behind you. Our Funds are designed to provide you with retirement income in addition to your Social Security benefits.

In this guide, we'll look at these two important benefits for members, how you can use the Funds for future income and the key points to consider as you begin planning for retirement.

WHAT IS RETIREMENT?

Take a moment and think about what retirement could be like for you. Retirement simply means you will no longer be working for a paycheck. When will you stop working? What will you be doing each day? How much income will you need to fund your lifestyle once you stop working?

PENSION
+
ANNUITY
+
SOCIAL SECURITY

**YOUR RETIREMENT
INCOME**

LEARN MORE

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

We are proud to be part of the Laborers' family and to share your vision of a secure retirement.



PENSION FUND

The Massachusetts Laborers' Pension Fund is a defined benefit plan, which means there's a set formula to determine your benefit amount when you retire. When it's time for you to retire, you can apply for your benefit. The final benefit amount you receive is based on a few key factors:

- **Your age at the time of taking your benefit:**
The Pension Fund considers age 65 the normal retirement age. The table below include additional retirement ages and related pension types.
- **The type of pension payment option you choose:** Several options are available depending on your age, marital status and how you would like payments to continue to a beneficiary.
- **The number of pension credits you've earned based on your work history:** The longer you work, the more credits you earn and the higher your benefit amount.
- **The benefit rate:** This is the value given to each year of your service at the time of your retirement. The benefit rate amount is determined by the Trustees and can change from time to time.

Here's how the pension calculation could work:

If you earn 30 pension credits, you could receive a monthly pension of approximately \$3,360 in retirement (based on the current accrual rate).

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.

How and when to take your pension is a complex decision. The Fund office is ready to answer your questions and get you started! Schedule time to discuss your options with the Fund office at 781-272-1000, ext. 150.

TYPES OF PENSIONS

Regular	Payable at Normal Retirement Age (age 65 or age 62 for credits earned prior to January 1, 2010)
Early Retirement	Payable at 55 or older; need at least five pension credits Payment amount is less than a Regular Pension
Service	Payable if you have at least 30 pension credits Payment amount is the same as a Regular Pension
Disability	Payable if you've earned at least 10 pension credits and 250 hours of service in one of last three years before the date of disability Disability needs to be confirmed by the Social Security Administration or by a physician approved by the Board of Trustees
Vested	Available if you no longer work for a covered employer Payable at Normal Retirement Age or at 55 at a reduced amount

ANNUITY FUND: THE POWER OF TIME

The Annuity Fund is designed to be a major source of retirement income, supplementing your Pension benefit and Social Security.

The value of your Annuity account is determined by employer contributions based on the hours you work throughout your career, along with any potential investment gains.

The Trustees and the Fund’s professional investment consultants invest these contributions prudently on your behalf in a diversified, low-cost portfolio to maximize growth potential.

Our members’ average 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, the most recent year for Plan data.

Compounding

Compound interest is when you earn interest on your savings and also on the interest that builds up over time. It’s what makes your Annuity Fund a retirement-account superstar.

Let’s say your \$10,000 account earns \$400 the first year. Assuming the same rate of return of 4% the next year, you’ll see a gain of \$416 because the rate is based on an account balance of \$10,400 and so on.

HOW COMPOUNDING WORKS:			
Years Compounded	Annuity Amount	Rate of Return	Compound Interest
One Year	\$10,000	4%	\$400
Two Years	\$10,400	4%	\$416
Three Years	\$10,816	4%	\$433
Four Years	\$11,249	4%	\$450

Time

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

THE ANNUITY FUND: YOUR BEST BET	
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 too early.)
Investment Returns	The Annuity Fund invests in a diverse mix of high-quality funds available to institutions and large organizations. These funds often cost less than similar investments available outside of workplace retirement plans. The Annuity Fund earned an average annual return of 7.7% from its start in December 1986 through December 2023.
Fees	Fees, or the expense ratios , you pay for your investments matter. Higher fees cut into the return you may potentially earn on your investments. As a member of the MLBF Annuity Fund, the Board of Trustees and its investment professionals negotiate these fees on your behalf.

BE RETIREMENT READY

Start With a Conversation

Call the Fund Office at **781-272-1000, ext. 150** to schedule an appointment with one of MLBF's retirement specialists to discuss your options. The Fund Office can walk you through the process and provide you with application forms. Translation services in Spanish, Portuguese and other languages are available.

Understand Your Tax Obligations

Pension payments are taxable. Whether state income taxes apply depends on where you live.

Distributions from the Annuity Fund are typically taxed as ordinary income, depending on how and when you take them.

The Annuity Fund allows you to keep your account balance in place even after you retire and until you start taking required minimum distributions in your 70s, meaning you can delay paying taxes by keeping your money invested in the Fund.

If you rollover your balance to another retirement plan, you may avoid immediate taxes but will eventually be taxed when you take a distribution.

Additional details about your options can be found at **MLBF.org**

Seek Professional Advice

Whether you're wondering about Pension payment options, tax implications or when to claim Social Security, consider talking with a tax professional or a financial planner. There are many types of financial advisors – be sure to ask if yours will make decisions with your best interests in mind. Visit **FINRA.org/investors** for tips on protecting your money.

HOW SOCIAL SECURITY FITS IN

Your Social Security benefit is determined by your work history. Your full benefit is payable at age 67 for those born in 1960 or after.

However, you may take a reduced benefit as early as age 62. Visit **SSA.gov** for details.

GET STARTED NOW

Tracking your benefits, including your pension credits and annuity balance, is one of the most important parts of long-term career planning.

You can do so easily by logging into your Member Dashboard on **MLBF.org**.

- **Check your hours** to make sure they reflect how much you've worked.
- **Review or update beneficiary cards** for both the Pension and Annuity Funds. Submit all forms to the Fund Office.

If you have questions, call the Fund Office at **781-272-1000, ext. 150**.

The information in this brochure is for general informational purposes only and is not intended to be a substitute for professional financial advice. Retirement planning is complex and varies greatly depending on individual circumstances. Consult a certified professional financial advisor or retirement planning specialist to get personalized advice tailored to your specific situation and goals.

This brochure highlights benefits available from the Massachusetts Laborers' Funds. Your retirement benefit eligibility and amounts are based on the terms of the Plan rules and regulations as of the date of your last employment.

Please refer to your Pension and Annuity Summary Plan Descriptions available on **MLBF.org** for benefit and eligibility details. Plan provisions are determined by the Plan documents. If there is a discrepancy between the Plan documents and this brochure, the Plan documents will govern.



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IMPORTANT INFORMATION ABOUT YOUR RETIREMENT BENEFITS INSIDE!



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Working together to give you a financially secure future

THINKING ABOUT RETIRING?

The Massachusetts Laborers' Pension and Annuity Funds are designed to provide you with reliable sources of income during your retirement.

Learn more inside and visit MLBF.org for details!

