

# ANNUITY OPTIONS

## SINGLE LIFE

The Single Life Annuity offers two payment options plus a Social Security Leveling feature.

### 1 Single Life Annuity Maximum (OPTION M)

This option provides the greatest amount of lifetime income per month. Your monthly annuity payments will continue until your death, no matter how long you live. After your death, no further payments will be made. This option does not guarantee recovery of your balance.

**Examples:** Joanne is single and has no dependents, so she only needs the money to last through her lifetime. Upon her death, her monthly annuity payments will stop.

Michael is married, but his wife, Kate, has a sufficient pension of her own, so she will not be reliant on his pension for income. The couple would prefer to receive the largest possible lifetime income per month while Michael is alive, rather than reduce it in order to provide a monthly annuity payment to Kate or another survivor after Michael's death.

**OR**

### 2 Single Life Annuity Principal Guarantee (OPTION C)

This option guarantees the recovery of your remaining balance under the selected Plan(s). Your gross monthly annuity payments will continue until your death, no matter how long you live, reducing your Plan balance with each payment. Any amount remaining in your account(s) at the time of your death will be paid to your beneficiary(ies). The gross monthly annuity payments under this option will be smaller than the monthly payments offered by the *Single Life Annuity Maximum* option.

**Example:** Betty is widowed, so she doesn't have to worry about providing for her spouse after her death, but she would like to assign her remaining Plan balance before she dies. This option gives her a high gross monthly annuity payment, only slightly smaller than the *Single Life Annuity Maximum* option, but it ensures her remaining balance, if any, is paid to her beneficiary(ies).



## THREE JOINT & SURVIVOR ANNUITY OPTIONS

The Joint & Survivor Annuity provides a lifetime income for you during your lifetime, and when you die, it provides a lifetime income for one designated survivor. Depending on the option you choose, your designated survivor will receive 100 percent, 75 percent, or 50 percent of your original gross monthly annuity payment for the rest of his or her life. Once you have selected a survivor, you cannot change this designation. If your designated survivor dies before you, all monthly payments will end at your death.

### 1 Joint & Survivor Annuity 100% (J1)

After your death, your survivor will receive the same gross monthly annuity payment each month that you were previously receiving.

**Example:** Bill receives \$1,000 each month for his annuity. Upon his death, his wife, Ellen, whom he has named as his survivor, will receive the same \$1,000 monthly payment until she passes away. All payments will cease upon Ellen's death. If Ellen dies before Bill, then all payments will end upon Bill's death.

**OR**

### 2 Joint & Survivor Annuity 75% (J7)

After your death, your survivor will receive 75 percent of your gross monthly annuity payment each month for the rest of his or her life.

**Example:** Kyle receives \$1,200 each month for his annuity. Upon his death, his cousin, Gayle, whom he has named as his survivor, will receive \$900 each month for the rest of her life. If Gayle dies before Kyle, then all payments will end upon Kyle's death.

**OR**

### 3 Joint & Survivor Annuity 50% (J5)

After your death, your survivor will receive 50 percent of your gross monthly annuity payment each month for the rest of his or her life.

**Example:** Angelina receives \$1,500 each month for her annuity. Upon her death, her brother, George, whom she has named as her survivor, will receive \$750 each month for the rest of his life. If George dies before Angelina, then all payments will end upon Angelina's death.

### About Selecting a Survivor

If you are married and you do not wish to select a Joint & Survivor Annuity with your spouse as the designated survivor, your spouse will be required to sign the *Annuity Application* in the presence of a notary public or in the presence of an authorized Fund representative to consent to your election and, if applicable, to consent to anyone else that you choose to name as the designated survivor.

While it is possible to select any survivor who is older than you or the same age as you, you cannot select a survivor more than 10 years younger than you who is not your spouse.

You cannot select a survivor whose birth date does not appear on the *Annuity Estimate*. Contact the Fund if you need an additional *Annuity Estimate* for a different survivor.

## ANNUITY FEATURES

### Joint & Survivor with Pop-Up Feature

**The Pop-Up Feature is available with all Joint & Survivor options.**

With the Pop-Up feature, your gross monthly annuity payments will increase if your survivor dies before you. The trade-off for this feature is that you will receive less per month than the standard Joint & Survivor options while you and your survivor are both living. Under all the *Joint & Survivor Pop-Up* options (J1P, J7P, and J5P), your own gross monthly annuity payments will increase, or "pop up," if your survivor dies before you, rising to the maximum

amount available under Option M (*Single Life Annuity Maximum*) for the remainder of your life. After your death, there will be no further monthly annuity payments made to anyone.

**Example:** Amy wants to provide for her husband, who is older and in poor health. With the Pop-Up feature, Amy ensures income for her husband in case she dies first. However, in the likely event that she lives longer than he does, her gross monthly annuity payments will increase after her husband dies, rising to the maximum amount, and enabling Amy to receive a greater lifetime benefit than she would have gotten without the Pop-Up feature.

## Social Security Leveling Feature

**Social Security Leveling is available with all Single Life and Joint & Survivor options.**

This feature allows you to receive more income before age 62; however, payments will decrease after you turn 62. To offset this decrease, you should apply to receive Social Security benefits at age 62. Your Social Security payment plus your reduced gross monthly annuity payment is projected to equal the higher gross monthly annuity amounts that you were receiving before age 62 based on the Social Security Statement that you submit to the Fund.

**Note:** Social Security Leveling applies only to your payments, not to your survivor's payments. If you have selected a Joint & Survivor Annuity, after your death, your survivor will receive payments based on the standard annuity option that you selected, with no adjustments made for Social Security.

**Example:** Sean has saved for 25 years so he can retire at age 55. Before even looking at his Social Security Statement, Sean's regular J1 option is \$2,500 per month for the rest of his life, and his survivor will receive the same \$2,500 monthly payment after his death.

Based on a review of his Social Security Statement, when Sean turns 62, he will receive \$1,000 per month from Social Security. Sean chooses to add the Social Security Leveling feature to his J1 annuity. With that feature, he will receive \$3,000 per month from the Fund before age 62, which will drop to \$2,000 per month from the Fund two months after he turns 62. If Sean applies for Social Security on time, he will continue to have \$3,000 in income per month after this drop (\$2,000 from the Fund + \$1,000 from Social Security).

Since Sean has selected the J1 option, after he dies, Sean's survivor will receive the full amount of Sean's gross monthly annuity payment as calculated without Social Security Leveling—\$2,500 per month—whether Sean dies before or after age 62.

### Requirements

To be eligible for this feature, the amount of your gross monthly annuity payment must be greater than your estimated Social Security benefit at age 62. To elect this feature, you will need to submit your most recent statement from Social Security to the Fund so it can be included in your Annuity Estimate. Additionally, you will be responsible for contacting Social Security to begin receiving your monthly benefits.

Two months after you turn 62, your annuity will be reduced whether or not you have followed through with applying for Social Security at age 62. The increased amount before age 62 is based on your estimated Social Security benefit and your age at the time you start your annuity.

## THE RETIRED DEATH BENEFIT

**The Retired Death Benefit** is an amount that is set aside at the time you annuitize your Retirement Plan balance for use as a death benefit. The amount of the Retired Death Benefit is the sum of 12 months of the Maximum Single Life Annuity but based solely on contributions and interest to your Personal Account, YMCA Account and YMCA Account (Legacy). At the time you retire, you must designate your beneficiary(ies) for the Retired Death Benefit. You may change this selection at any time.

You are eligible to receive a Retired Death Benefit if you were enrolled in the Retirement Plan prior to January 1, 2019. If you were age 55 or older on January 1, 2019, you may use up to 90 percent of this benefit to increase your own gross monthly annuity payment while you are still alive.