

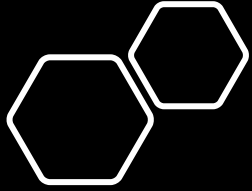
# Megent Financial

August 19, 2021

## 1<sup>st</sup> Edition Retirement Seminar



**PARK EMPLOYEES'  
ANNUITY AND BENEFIT  
FUND OF CHICAGO**



# Average Retiree

26 years of service

Average salary of \$90,000 per year

Married

Spouse is 2 years younger

Average pension is \$56,160

Average 457 plan is \$50,000



## Tier 1

Hired before January 1, 2011

Contribution of salary is 9%

Receive 2.4% pension credit per year

Maximum is 80% (33 ½ Years)

Pension is determined by 4-year average salary

Can retire at age 50 with 30 years of service or 60 and 5 years of service

3% cost of living increase

Spousal benefit – Less than 20 years of service is the lesser of 50% of highest salary or 75% of pension

Spousal benefit – More than 20 years of service is the greater of 50% of pension or above option



## Tier 2

Hired after January 1, 2011

Contribution to fund is 9%

Pension credit is 2.4% per year

Max is 80% (33 ½ years)

Pension is determined by an 8-year average of salary

Normal retirement age is 67 with 10 years of service

Earliest is age 62 with a 6% per year reduction

Max salary for calculation is \$116,740.42

Cost of living increase is lesser of 3% or ½ of the annual change of the CPI

Spousal benefit is 66 2/3 % of pension

## Tier 3

Contribution to fund is 11%

Pension credit is 2.4% per year

Max is 80% (33 ½ years)

Pension is determined by an 8-year average of salary

Normal retirement age is 65 with 10 years of service

Earliest is age 60 with a 6% per year reduction

Max salary for calculation is \$116,740.42

Cost of living increase is lesser of 3% or ½ of the annual change of the CPI

Spousal benefit is 66 2/3 % of pension

# Death Benefit

\$3,000 benefit during the first year of membership

\$4,000 benefit during the second year of membership

\$5,000 benefit during the third year of membership

\$6,000 benefit during the fourth through ninth year of membership

\$10,000 maximum benefit after 10 or more years of membership

Upon retirement, the \$10,000 maximum benefit is reduced to \$6,000 if death occurs during the first year of retirement. Thereafter, it is reduced by \$1,500 for each year or fraction of a year while on retirement but shall not be less than \$3,000.

# Document Checklist

---

Member's birth certificate

---

Spouse's birth certificate

---

Child(ren) birth certificate if under the age of 18

---

Marriage certificate

---

Divorce decree, if you or your spouse have ever been divorced

---

Death certificate, if a spouse is deceased

---

An updated Designation of Beneficiary form

---

A completed Form W4-P for tax withholding

---

A completed Direct Deposit form along with a voided check

# Tier 3 Opportunity

- Average salary = \$90,000
- Tier 2 contribution (9%) = \$8,100 per year
- Tier 3 contribution (11%) = \$9,900 per year
- Tier 3 is an additional \$1,800 more per year
- \$35 per week

Age	Tier 3 Cost
-----	-------------

30	\$63,000
----	----------

40	\$45,000
----	----------

50	\$27,000
----	----------

60	\$9,000
----	---------



# Tier 3 Opportunity

Age	Tier 3 Cost	Tier 2 Break Even
30	\$63,000	9.3 years (74.3)
40	\$45,000	6.7 years (71.7)
50	\$27,000	4 years (69)
60	\$9,000	1.3 years (66.3)

Letters officially announcing the Tier 3 offer will be sent out in November – December. The conversion window will be open from January – April 2022.

- Average tier 2 pension at age 67 is \$56,160
- 12% reduction to retire at age 65
- \$6,740 permanent reduction per year (\$49,420 per year)

# Other Considerations

- Social Security / Spousal  
Social Security
- Health Insurance
- Medicare
- 457 Plan

Presented by Megent Financial for the Park  
Employees' Annuity and Benefit Fund of Chicago  
August 19, 2021

ask@megent.com  
708-444-1090  
www.megent.com

Securities and advisory services offered through Cetera Advisors LLC, member FINRA/SIPC, a broker/dealer and a registered investment advisor. Cetera is under separate ownership from any other entity. This material is for informational purposes only and is not intended to be a substitute for specific individualized tax, legal or investment planning advice as individual situations will vary. Cetera Advisors LLC and Megent Financial are not affiliated with your union or any other entities referenced in this materials. Please note, the forms displayed in this seminar are for sample purposes only. To the best of our ability, the forms and information provided at the seminar are current as of the date of this seminar. Megent Financial assumes no responsibility for changes made to forms or information by any of the governing pension or benefit organizations. Megent Financial and Cetera Advisors LLC do not provide legal, tax, or mortgage services.

Megent Financial 15321 S. 94<sup>th</sup> Ave., Suite 100, Orland Park, IL 60462