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# Maine Medical Center Pension Plan

## Frequently Asked Questions

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### **Who is eligible for a pension?**

Employees hired before 2014 at a location offering the Maine Medical Center Pension Plan and who meet the eligibility requirements. If you are unsure if you have a Pension, please call the HR Solution Center at 207-661-4000.

### **When can I collect my pension?**

- If you are 65 or over, you may begin collecting at any time.
- If you are under age 65, you may begin collecting your pension if you are no longer working anywhere within MaineHealth, Memorial or MaineHealth Care at Home.

### **When is the best time for me to start collecting my pension?**

When you start collecting your pension is a personal decision and we are not able to advise you. We are able to provide you with the following information:

- If you start collecting your pension prior to age 65 there is a reduction in the amount that you would collect determined by the number of months you are collecting prior to age 65.
- If you start collecting your pension after age 65 there is an increase in the amount that you would collect determined by the number of months you begin collecting after you turn 65.
- If you leave employment before you have worked at least 750 hours (including PTO time) then you will not get a deposit for the year into your Cash Balance Account.

### **What if I don't want to collect my pension at the time I leave employment?**

You can leave your benefit in the pension plan when you leave employment. The plan would continue to send you updates as required by law. You can request an estimate of your pension benefit as needed. When you do want to start collecting, see the information below.

### **Is there an age that I am required to take my pension?**

Yes, if you are age 70 ½ the IRS requires that you start collecting your pension benefit. You can choose to take a lump sum or annuity at that time.

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### **If I would like to start collecting my pension, when can I request a kit?**

- If you are retiring from MaineHealth, you may request a pension kit up to two months before your retirement date. The amounts will not be final and will be recalculated once you have received your final paycheck. The earliest you can receive a pension payment is the first of the month after your last day. Depending on when paperwork is received, it may be later in the month.
- If you are leaving MaineHealth employment but not retiring, a pension kit will automatically be sent to you after your final check. The kit will be for you to start collecting at that time. If you do not want to collect immediately, you can discard the packet.
- If you do not elect to collect from the Pension Plan when you leave MaineHealth employment and have a vested Pension, you can call the HR Solution Center at 207-661-400 up to three months before you would like to start collecting your pension to request a pension kit.

### **How do I get information on what I have in my pension?**

If you are under age 65 and want to run an estimate to collect when you are age 65 or under, you should go onto the Pension Modeling Tool to do a calculation by following the instructions outlined Go to [eepoint.towerswatson.com/sites/mmc/ess/Logon.aspx](http://eepoint.towerswatson.com/sites/mmc/ess/Logon.aspx) or link to it through the MaineHealth Benefits Portal.

- USING THE TOOL FOR THE FIRST TIME
  - » Click on “new user” in “Are you a new user?”
  - » Enter your personal information and select “submit.”
  - » Create you User ID and Password, and answer two Security Questions.
  - » Review the Terms of Use and select “Accept” to access the site. You’ll need your User ID and Password to access the site in the future.
- You would need to contact the HR Solution Center at 207-661-4000 if you would like an estimate and any of these apply.
  - » You are under age 65 and want to run an estimate to collect when you are over age 65.
  - » You are currently age 65 or older and want to run an estimate.
  - » If you are no longer employed at Maine Medical Center.

### **Why do I see both Final Average Pay and Cash Balance options?**

There are two components to the Pension Plan. If you were hired before 2011, you were enrolled in the Final Average Pay portion of the pension plan. In 2011, the pension plan changed to a Cash Balance plan. If you have figures in both the Final Average Pay and Cash Balance plan you have both types of benefit available to you.

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## **I am reviewing my pension kit and see that there is a Final Average Pay and Cash Balance amount listed. Which one do I pick?**

Many employees have benefits available under both the Final Average Pay and Cash Balance benefit. If you have funds listed in both sections, you would be able to take a payment under both plans. You would need to make an election under both the Final Average Pay and the Cash Balance benefit. Both benefits need to be accessed at the same time. You are able to:

- Take one as a lump sum and one as an annuity.
- Take both as an annuity (if you choose this option they have to be the same type of annuity, for example you would need to pick the 100 percent J&S option under both plans you could not have 100 percent J&S for one and the Life Annuity for the other).
- Take both as a lump sum.

## **If I want to start my pension, what ways can the pension be paid to me?**

You have the following options to collect your pension:

- **Single Life Annuity** — you would be paid a monthly benefit for as long as you are living. There is no beneficiary with this option.
- **Joint and Survivor Annuities** — you would be paid a monthly benefit for as long as you are living. Once you pass, if your beneficiary is still living payment would transfer to them based on the election you made. For example, if you choose a 50 percent Joint and Survivor Option, your beneficiary would receive 50 percent of the monthly benefit you had received. Payment would continue as long as your beneficiary is living.
- **Certain and Life Annuity** — you would guarantee a payment for 10 years. You would receive a monthly payment for as long as you were living. If you pass away before the pension plan has paid 120 months of payments, your beneficiary would receive the remaining payments until 120 payments had been made.
- **Lump Sum Payment** (not available if you left employment prior to 1/1/2011) — you would receive the full value of your pension in one payment either as a rollover to an eligible retirement account, in a cash payment paid directly to you, or in a combination where some funds are rolled into an eligible retirement account and some are paid directly to you.

## **What forms do I complete if I want to take an annuity?**

We recommend that you read through the entire packet as there is important information about your pension contained in the different sections. To take an annuity, you need to return the following:

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- **Benefit Election Form** — please be sure to initial and date all 4 pages and sign the form on page 4.
  - **Waiver of Survivor Annuity** — you would complete this form if you are married and are electing the Single Life Annuity or you are not naming your spouse as the beneficiary.
  - **Designation of Beneficiary** — you would complete this form for a Joint and Survivor Annuity or a Certain and Life Annuity.
  - **Maine Medical Center Pension Plan Tax Withholding Form** — you would complete this for Federal Tax withholding elections.
  - **Form W-4ME** — you would complete this for Maine Tax withholding elections (if you do not live in Maine and the state that you live in has income taxes. You can note the correct state on the bottom of the form).
  - **Direct Deposit Form** (mandatory) — you need to have your financial institution complete the first page and you would complete the second page.
  - **Proof of your age** — acceptable forms of proof are listed on the third page of the Benefit Election Form.
  - **Proof of your beneficiary's age** — if you elect a Joint and Survivor Annuity or a Certain and Life Annuity, you would need to send proof of the beneficiary's age. The acceptable forms of proof are the same as were listed in the Benefit Election Form.

### **What forms do I complete if I want to take a Lump Sum Payment?**

We recommend that you read through the entire packet as there is important information about your pension contained in the different sections. To take a lump sum, you need to return the following:

- **Benefit Election Form** — please be sure to initial and date all 4 pages and sign the form on page 4.
  - **Waiver of Survivor Annuity** — you would complete this form if you are married.
  - **Rollover Election Form** — you would complete this form to tell us where you would like the money sent. You would also complete this form if you would like the money sent directly to you. You would need to write in your address on the bottom of page 2.
  - **Proof of your age** — acceptable forms of proof are listed on the third page of the Benefit Election Form.
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### **Are there any taxes on my Pension?**

- If you elect to take an annuity, there are taxes. You would complete both Federal and State (if applicable) tax forms to specify your tax withholdings. You can update the forms at any time. To request new forms you would contact the HR Solution Center at 207-661-4000.
- If you take a Lump Sum payable directly to you, there are taxes. The Federal Tax rate is 20 percent and the State (if applicable) is 10 percent.
- If you take a Lump Sum and roll it to an IRA or 403(b), there are no taxes taken. Taxes would be taken when you elect a distribution from the IRA or 403(b).

### **If I need help filling out my pension kit, who do I contact?**

- You can contact the HR Solution Center at 207-661-4000 and they can help you with the pension kit. It is helpful if you have the kit with you when you call.

### **Once I complete the pension kit, where do I send the kit?**

- There was a postage paid envelope provided to you when we sent the kit, it is best to use that to return the kit to us.
- If you don't have the envelope, you can mail the kit to HR Solution Center, 22 Bramhall Street, Portland, Me 04102.
- You can also fax it to 207-661-9145, if you fax it please include a phone number so we can contact you if we have any questions or the forms need to be corrected

### **After I return my pension kit, when should I expect my first payment?**

The Pension payment is for a specific month. Payment is made as close to the first of the month as possible. There are several things that can delay payment into the month:

- If your final check has not been paid. For example, if you leave employment on January 30 and you request your pension to start in February, we would not be able to process the payment until your final wages and any PTO you had accumulated is paid out which would typically be in the next pay cycle.
  - If you do not return the completed paperwork in time. For example, if you want a payment in February, you would need to send the completed kit to us by January 20 to allow time for us to audit the kit and submit the information to the bank for payment on February 1. If the kit is received between January 20 and February 20, payment can still be made in February but will be delayed. Please note: kits received after February 20 would not be able to be processed. If you are not able to return the kit to the HR Solution Center by the deadline, you will need to request a new kit for a future month.
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- If the bank is not open on the first of the month, payment is delayed until the next business day.
  - When you return your pension kit to us, we make every effort to make payment within 2 weeks of receipt but not earlier than the first of the month in which your pension starts.

### **After I start my pension, can I return to work at MaineHealth?**

- If you are over age 65 there are no restrictions in your working at MaineHealth after you have started your pension.
- If you are under age 65, you are not able to return to work at MaineHealth unless:
  - » If you took a lump sum distribution, you would not be able to return to MaineHealth for at least 6 months from the date you left MaineHealth.
  - » If you took a monthly payment, you can return to work after 30 days in a per diem capacity as long as you do not work more than 86 hours per month. If you work more than 86 hours, you need to contact the HR Solution Center to suspend your pension payments.

### **After I start collecting my pension, can I change my beneficiary?**

No, once you have started your pension, you are not able to change your beneficiary.

### **Questions?**

Call the HR Solution Center at 207-661-4000 or click on the Ask HR icon located on your work desktop.

