

TSRA Member Retirement Questions and Answers

RBAC's (Retirement Benefits Affairs Committee)
TSRA Spring Luncheon
May 19, 2016

Why This Talk?

- Reflects TSRA member problem experiences from last several years
 - Questions from website, www.tsretirees.org
 - E-mails
 - Personal contacts
- Problems grouped under 4 Questions:
 - Whom do I contact re Textron benefits?
 - What are my benefits?
 - Who receives benefits?
 - How do family survivors access benefits?

Remainder of Talk Focuses on Answers to These Questions

Whom Do I Contact re Textron Benefits? → Fidelity Administers Textron Benefit Programs

Benefit Plans

Pension Plan
Savings Plan

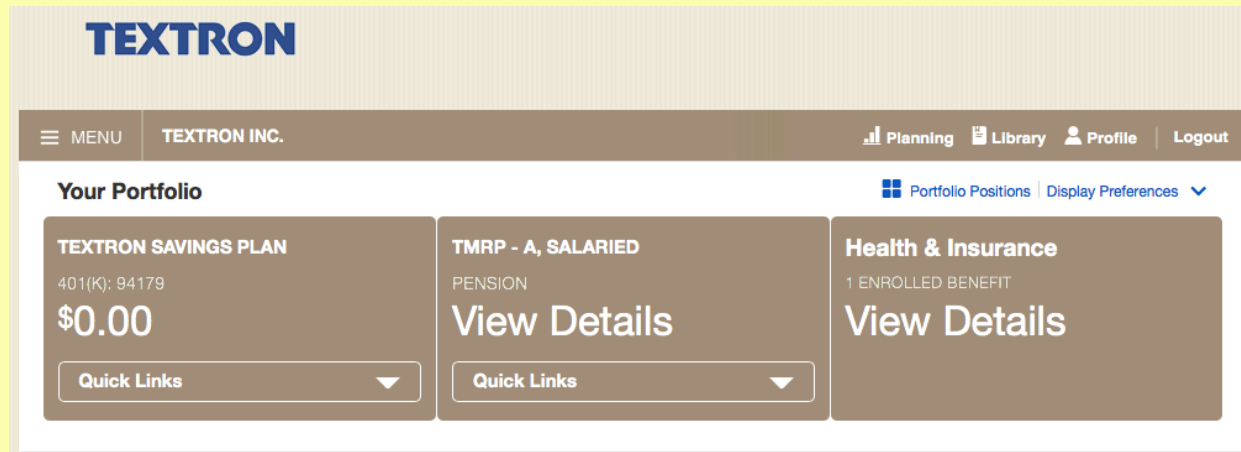
Medical Benefits
Life Insurance

Method	Address	Required ID
Phone	866-698-9847	Username; Password or Soc. Sec. Number
Internet	www.netbenefits.com	Username; Password
Mail	Fidelity Benefits Service Center PO Box 770003 Cincinnati OH 45277-0071 Attention: Textron	Probably requires additional steps (phone contact) to validate your identity

Be Sure You and Your Family Know How to Contact Fidelity

What Are Your Textron Benefits?

- Defined in writing at time of separation/retirement
- Specified on your NetBenefits website account



- Provided in writing after request to Fidelity (See next slide)
- Highly individualized
 - Age, earnings, date of hire, date of separation, personal selections....
 - Textron benefits have been evolving regularly over time
- Plan Descriptions available on NetBenefits website

Make Sure You Know Your Benefits By Contacting Fidelity

How Can Retiree/Former Employee Obtain Written Confirmation of Benefits?

- Phone or Internet best approach to initiate request
 - Fidelity can readily verify who you are
 - Fidelity mails written statement or
 - Download and print from Internet
- Individuals who left Textron long ago may need to provide proof of employment
 - Original separation/retirement documentation
 - Social Security records
 - Old pay stubs
 - Tax records
 - W-2s

Former Employee May Need to Do “Homework” to Document and Initiate Benefits

Textron Retirement Benefits Following US Trend: Defined Benefit (Pension) → Defined Contribution (IRA)

- 1987 Early Retirement Incentive Including Medical Benefits
- 1991 Medical Benefit Ends
- 2007 Textron Creates Defined Contribution Plan (RAP)
- 2010 Textron Freezes Entry into TRP
(Ends Defined Benefit for New Employees)
- 2015 Textron Contributes 4% of Salary to Savings Plan
(Only for Employees Not Receiving a Pension)

Retirement Security is Shifting to Employee; Make Sure You Understand Your Benefit

Who Receives Benefits ?

- Retiree – Pension, Savings Plan, Medical (if any)
 - Not usually a problem
 - Most retirees understand what is due them
 - Retiree normally takes required actions to remedy problems

Survivors - Pension, Savings Plan, Medical (if any), Life Insurance

Recent Experience Indicates this **is Problem Area**

Beneficiary(ies)

Identified in writing to Fidelity

In cases of divorce, separation, re-marriage, QDRO (Qualified Domestic Relations Order) → All interested parties **should understand beneficiary designation**

Understanding Beneficiary Designation Can Reduce Stress and Potential Financial Difficulty at Retiree's Death

What Do the Survivors Receive (Pension) ?

- Pension
 - Retiree selects pension payment form at retirement start
 - Payment form cannot be changed after commencement

Marital Status @ start of benefit	Payment Form	Surviving Spouse/Joint Pensioner Benefit	Relative Size of Monthly Benefit*
Not married	Single-Life Annuity	Payments cease @ death	100%
Married	Single-Life Annuity	0 (Only with spouse concurrence)	100%
Married	Joint & 50% Survivor	50% of monthly benefit	93.5%
Married	Joint & 75% Survivor	75% of monthly benefit	90.5%
Married	Joint & 100% Survivor	100% of monthly benefit	87.8%

* (Employee and (Spouse/Joint Pensioner) both Age 62; varies with ages

Beneficiaries Should Clearly Understand Benefit

What Do the Survivors Receive (Life Insurance)?

- Payable to retiree's designated beneficiary
- \$5000 for retirees who were covered by Textron life insurance at time of separation/retirement
- Insurance administered by MetLife

Survivor Initiates Benefit by Contacting Fidelity

How Do Survivors Access Benefits?

- Best Approach - Contact Fidelity by phone
 - 866-698-9847
 - Can by-pass prompts by entering “0” to get to agent
 - Report death to agent
- Fidelity Survivor Services Case Manager contacts caller within 5 days (normally < 48 hours);
 - Initiates benefits process
 - Single Point-of-Contact for all benefits;
 - Provides case number to track benefits
- “Condolence kit” sent to caller within 7 days
 - Condolence letter
 - Specifies documentation required (death certificate, survivor’s identity, etc.)

Report Retiree Death to Fidelity by Phone to Expedite Process

Current Retirees Have Some Work To Do

- Older Retirees With Medical Benefit Continue Enjoying Retirement, but Prepare for Future
 - Stay abreast of Textron Choice Plus Medical Options/Costs Offered by Humana
 - “Getting Your Affairs In Order”, www.tsretirees.org
- Retirees Without Company-Sponsored Medical Benefit
 - Retirees < 65; Investigate COBRA and private carrier medical insurance;
 - Retirees \geq 65; Investigate COBRA and Medicare Sign-Up
- Are you collecting Social Security now?
 - If no, pay attention to next slide

Do It Now

Pre-Retirees Should Be Planning Actively Now

- Financial Planning
 - Self-planned
 - Fidelity has comprehensive planning tool: Retirement Income Planner on www.netnenefits.com
 - With Financial Advisor
 - Registered financial planners have a fiduciary responsibility to you
 - Now brokers handling your IRA have a similar responsibility (new Federal regulation)
- Social Security
 - Consider deferring benefit until 70
 - Benefit grows by 8%/yr from age 66 to 70 (born > 1942)
age 67 to 70 (born > 1959)
 - Check changes in effect after April 29, 2016 → www.ssa.gov
 - Spousal benefit changes have limited options

Pre-Retirees Have Work To Do, but Time To Do It

What and Who is The Retirement Benefits Affair Committee?

What do we do?

Provide current information on Textron and other benefits

Educate TSRA membership on pertinent retirement issues

With privacy concerns, we are limited in degree of personal involvement

Who does it?

Guy Berube, member and former RBAC Chairman

Joel Bernstein, former RBAC Chairman and current TSRA President

Mark Kovacs, Chairman, RBAC

Jim Stamboni, member

Contact: tsrabenefits@tsretirees.org

RBAC Will Help Where We Can

Actions You Can Take To Simplify Your Retirement Life

- Know how to contact Fidelity
- Know in detail what your Textron benefits are
- Identify your beneficiary(ies)
- Make sure they understand their anticipated benefits
- Contact the TSRA's Retirement Benefits Affairs Committee (RBAC) with your questions

Continue Enjoying Your Retirement

Textron/Fidelity/Humana/MetLife Benefits Contact Information

Method	Address	Required ID
	Fidelity Benefits Service Center	
Phone	866-698-9847	Username; Password/Soc. Sec. #
Internet	www.netbenefits.com	Username; Password
Mail	Fidelity Benefits Service Center PO Box 770003 Cincinnati OH 45277-0071 Attention: Textron	Probably requires additional steps (phone contact) to validate your identity
	Humana Textron Choice Plus Medical	
Phone	1-866-396-8810	DOB; Humana ID
	MetLife Life Insurance	
Phone	1 – 800-638-6420	Report death to Fidelity first
	Textron Benefits Appeal	
Mail	Textron, Inc. 40 Westminster Street Providence, RI 02903 ATTN: Benefits Strategy and Compliance	