

Why is CPF Better Than a 401(k) Account?

- ▶ CPF is a real lifetime pension, with benefits calculated using a set formula—a 401(k) is simply an individual savings account subject to market fluctuations.
- ▶ Only employers finance CPF—401(k) participants must finance their own accounts.
- ▶ CPF pays a guaranteed monthly benefit for life—401(k) benefit levels are not known until it is time to retire and you might outlive those benefits.
- ▶ CPF provides spouse, disability and death benefits—401(k)s do not.
- ▶ CPF's benefits are insured to the limits set by the Pension Benefit Guaranty Corporation—401(k) accounts have no such protection.
- ▶ CPF's benefits exceed any that can reasonably be expected from a 401(k)—**without the risks.**



For a real pension and real retirement security, come join the International Union of Operating Engineers.



Can You Still Find a Real Pension in America?
You Can—If You're an Operating Engineer



Central Pension Fund of the International Union
of Operating Engineers and Participating Employers

4115 Chesapeake St., N.W., Washington, DC 20016
(202) 362-1000 | www.cpfuoe.org



Central Pension Fund of the
International Union of Operating
Engineers and Participating Employers

What is the Central Pension Fund?

- ▶ CPF is a “real” pension plan—one that pays a monthly retirement benefit for life.
- ▶ CPF was established in 1960 by the International Union of Operating Engineers and union employers nationwide.
- ▶ CPF is the 4th largest labor-management pension fund in the United States with assets in excess of \$11 billion.
- ▶ CPF receives contributions from 6,500 union employers throughout the United States.
- ▶ CPF has more than 185,000 active participants and pensioners.
- ▶ CPF has reciprocity with every IUOE Local Union pension fund in the United States, and four province-wide funds in Canada.
- ▶ CPF’s benefits are insured to the limits set by the U.S. Pension Benefit Guaranty Corporation.

How Does the Central Pension Fund Operate?

- ▶ IUOE Local Unions negotiate CPF contributions into their contracts with union employers.
- ▶ Only the employer contributes. Members do not contribute to CPF.
- ▶ At newly organized employers, the members receive full vesting credit for all prior years of employment with that employer, after 1,000 hours of contributions have been made.
- ▶ CPF maintains records of contributions made for every member throughout their careers.
- ▶ The monthly benefit paid at normal retirement age is a percentage of the total contributions made on the member’s behalf.
- ▶ The monthly benefit continues for life and, if a spousal benefit option is chosen, for the life of the member’s surviving spouse.



What Benefits Are Paid By CPF?

Normal Retirement Benefit: Payable at normal retirement age (usually 65). It is a monthly benefit for life.

Early Retirement Benefit: Payable as early as age 55 with 10 years of service. It is equal to the Normal Retirement benefit reduced by 3% per year for years prior to age 65.

Special Retirement Benefit: Payable as early as age 62 with 25 years of service. It is equal to the Normal Retirement benefit without reduction.

Post-Retirement Surviving Spouse Benefit: Payable to the surviving spouse of a deceased retiree for life, at optional levels of 50%, 66-2/3%, 75%, or 100% of what the retiree was receiving. It is equal to the Normal Retirement benefit with reductions because the benefit will be paid over two lifetimes.

Pre-Retirement Surviving Spouse Benefit: Payable at any age to the surviving spouse of a vested participant who dies before retirement. It is a lifetime benefit equal to 50% of the Normal Retirement benefit.

Disability Benefit: Payable at any age with 15 years of service. It is equal to the Early Retirement benefit.

A Secure Benefit for Life—No Matter How Long You Live

Life expectancy is a critical concern when planning for retirement. Currently:

- ▶ 65 year-old men have a 50% chance of living beyond age 85 and a 25% chance of living beyond age 92.
- ▶ 65 year-old women have a 50% chance of living beyond age 88 and a 25% chance of living beyond age 94.
- ▶ 65 year-old couples have a 50% chance that one spouse will live beyond age 92 and a 25% chance that one will live beyond age 97.

CPF participants and their spouses can’t outlive their benefits—they last for life!

