

Explanation of Benefit Options

DB – Form B

Defined Benefit Pension Plan for Employees of Regional School District # 13

Benefit Options Available without Lump Sum

<u>Form of Payment</u>	<u>Adjustment Factor</u>	<u>Initial Benefit</u>	<u>Survivor's Benefit</u> ⁽¹⁾	<u>Tax Free Amount</u>	<u>Taxable Date</u>
Life Annuity	1	\$1,000.00	N/A	\$40.00	01/01/2037
10 Years Certain and Life	0.9500	\$950.00	\$950.00	\$40.00	01/01/2037
50% Joint and Survivor	0.9000	\$900.00	\$450.00	\$32.00	03/01/2041
66.67% Joint and Survivor	0.8700	\$870.00	\$580.00	\$32.00	03/01/2041
100% Joint and Survivor	0.8000	\$800.00	\$800.00	\$32.00	03/01/2041

(1) **Survivor Benefits:** for the Joint and Survivor form of payments, the survivors benefit is only payable if the chosen survivor is alive upon participant death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

Benefit Options Available with Lump Sum

<u>Form of Payment</u>	<u>Adjustment Factor</u>	<u>Initial Benefit</u>	<u>Survivor's Benefit</u> ⁽¹⁾	<u>Tax Free Amount</u>	<u>Taxable Date</u>
One-time lump sum payment of account balance, plus	N/A	\$40,000.00	N/A	\$1,600.00	N/A
Life Annuity		\$650.00	N/A	\$32.00	01/01/2037
10 Years Certain and Life	0.9500	\$617.50	\$617.50	\$32.00	01/01/2037
50% Joint and Survivor	0.9000	\$585.00	\$292.50	\$26.00	03/01/2041
66.67% Joint and Survivor	0.8700	\$565.50	\$377.00	\$26.00	03/01/2041
100% Joint and Survivor	0.8000	\$520.00	\$520.00	\$26.00	03/01/2041

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Defined Benefit Pension Plan for Employees of Regional School District # 13

- **Life Annuity:** A life annuity form of payment provides you with a monthly payment for your lifetime. Upon your death, monthly benefit payments will cease.
- **10 Years Certain and Life Annuity:** A 10 years certain and life annuity form of payment provides you with a reduced monthly payment for your lifetime with a 10 years of monthly payments guaranteed.

Under this option, you accept a reduced benefit payable for your lifetime, but guaranteed for a minimum scheduled number of monthly payments, for instance 120 months (or 10 years). This means that if you die after retirement, but before you receive the scheduled number of monthly payments, the balance of the guaranteed payments will be paid to your beneficiary.

- **Joint and Survivor:** A joint and contingent annuitant form of payment provides you with a reduced monthly payment for your lifetime. Upon your death, monthly payments of 50%, 66.67% or 100% of the original amount will be made to your contingent annuitant. Because your contingent annuitant would receive survivor payments after your death, the relative financial effect of a joint and contingent annuitant form of payment is to reduce the monthly payments you would otherwise have received had payments been made to you as a life annuity. If you elect a joint and contingent annuitant form of payment, the actual payment amount will be determined based upon your contingent annuitant's actual age.