

# YOUR PLAN AT A GLANCE

## Hudson Valley Federal Credit Union Defined Benefit Plan

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### ELIGIBILITY:

If you were hired prior to January 1, 2011, you became a participant in the Plan on the first day of the month after completion of 12 months of service and attainment of age 21. Employees hired on or after January 1, 2011, collective bargaining employees, and employees of affiliated employers are not eligible to participate.

### BENEFIT FORMULA:

<b>(a)</b> 45.25% * High-5 Average Earnings up to the Covered Compensation level	+	<b>(b)</b> 55% * High-5 Average Earnings over the Covered Compensation level
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If a Member has **less than** 15 years of service, the sum of (a) and (b) above is multiplied by a ratio of years of benefit service at termination/15. If a Member terminates employment prior to Normal Retirement Age, an additional prorate applies (years of service completed/years of service possible)

If a Member has **greater than** 15 years of service, the High-5 Average Earnings is increased by .25% per year of benefit service over 15 years.

The Pension Plan will be frozen effective 12/31/23. This means that you will continue to be eligible for the benefits you have already earned, but that you won't earn additional new benefits under the plan after this date.

### BENEFIT FORMULA KEY TERMS:

**High-5 Average Earnings:** This is the salary information that is used to calculate your benefit, and is comprised of the total taxable compensation on your Form W2. Overtime, bonuses, reimbursements and expense allowances are excluded from compensation for purposes of calculating your benefit.

**Covered Compensation:** This type of formula is referred to as an "integrated" formula, because it is integrated with Social Security. Covered Compensation is a value based on the average of the Social Security taxable wage base for 35 years prior to your Normal Retirement Age.

**Benefit Service:** Benefit Service begins as of your date of participation in the Plan and continues through the last day of the month of your termination from HVFCU.

**Normal Retirement Age:** This is the earlier of (1) age 65 or (2) age 60 and completion of 30 years of service. Your Normal Retirement Benefit is determined as of this date.

**Frozen Plan:** This means you will not earn any additional benefits from the plan after the date of the freeze, but all benefits you earned up to that date are protected and payable at Normal Retirement Age (or earlier, if desired).

### RETIREMENT:

Your plan allows you to begin collecting your benefit at Normal Retirement Age. You may be able to begin your benefit earlier with a reduction in amount, if you meet the eligibility requirements.

### BENEFIT FORMS:

Your plan allows you to receive your benefit in a variety of ways, including several annuity options and lump sum option. When preparing for retirement, contact your HR department to request a benefit estimate, which will outline all forms of payment available, along with dollar amounts for each form.



### PENTEGRA BY PHONE:

1-866-633-4015

Monday thru Friday, 9am – 8pm

- Benefit Estimates
- Plan Information
- General Questions