

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

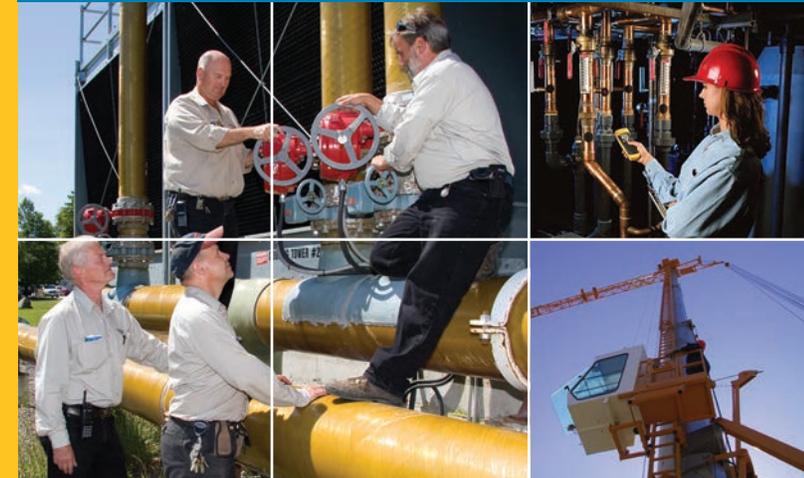
- ▶ CPF is a real lifetime pension, with benefits calculated using a set formula—a 401(k) is simply an individual savings account subject to market fluctuations.
- ▶ Only employers finance CPF—401(k) participants must finance their own accounts.
- ▶ CPF pays a guaranteed monthly benefit for life—401(k) 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

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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 2nd largest labor-management pension fund in the United States with assets in excess of \$16 billion.
- ▶ CPF receives contributions from over 6,000 union employers throughout the United States.
- ▶ CPF has more than 195,000 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!**

