



Hapanowicz & Associates Case Study: Date of Official Retirement

Jack Hill was an Associate at Verizon. He was planning to retire in the very near future with 34 years of service. He had a 401(k) and a pension lump sum he was planning on rolling over into an Individual Retirement Account (IRA), from which he would begin to make monthly contributions to support his retirement income.

The Pension Election form that Jack had to complete asked for his Retirement Commencement date. Jack was not 100% sure what his Retirement Commencement date should be, so decided to call the support center. The Retirement Commencement date Jack was told to use on the form differed from what H&A has seen other associates use (the date following their termination date vs. the 1st of the month in the month after their termination date). When H&A realized this, it was strongly encouraged that Jack call the benefits center again, this time with H&A on the line. After double-checking with their supervisor, the recommended Retirement Commencement date was adjusted to the correct one.

After a review of the two Retirement Commencement Date options, it was discovered that a mix-up of this commencement date would have cost Jack \$30,000 in pension benefits that would have been left behind. Especially for an investor who is depending on his 401K and pension lump sum rollover for his retirement income, that \$30,000 played an essential role in the longevity of Jack's account.

H&A recommends always asking for the benefits center representative to double check their facts when walking you through retirement commencement and pension election forms. The Benefits Center is an integral part of the retirement commencement process. However from H&A's experience, we have learned that it is up to you to advocate for yourself and make sure that the answers you're getting are 100% right.

H&A has been working with Verizon employees for over 20 years and has come across every possible question or situation in the Retirement Commencement process.

If there is information provided from the Benefits Center that you'd like to double check or do not understand fully and would like to learn more about, give H&A a call and we'll be happy to help you.

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Sources: Verizon Savings Plan for Management Employees; Mid-Atlantic Plan SPD; SPD for the Survivor Benefits Program for Mid-Atlantic Associates. All sources as of 3.3.21.