



Kaiser Retirement Guide

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Understanding Your Kaiser Permanente Retirement Benefits: A Guide for Southern California Employees Nearing Retirement

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1. Introduction

Kaiser Permanente offers a robust suite of retirement benefits designed to support your financial well-being after your working years. This guide is tailored for Southern California employees nearing retirement, helping you navigate the available plans, eligibility requirements, and strategic choices. The information incorporates content from the official Summary Plan Description (SPD) provided by Kaiser Permanente.

2. Overview of Retirement Benefits

Kaiser Permanente provides employees with a mix of retirement benefits:

- **Defined Benefit Pension Plan**
- **403(b) Tax-Sheltered Annuity Plan**
- **401(k) Plan** (if applicable by role or region)
- **Supplemental Retirement Plans**
- **Employer Match Contributions**
- **Health Reimbursement Arrangements (HRAs)**

These benefits vary by union affiliation, job classification, and tenure.

3. Defined Benefit Pension Plan

Eligibility: Employees become participants on the January 1 or July 1 following 1 year of service if they worked at least 1,000 hours in that year.

Key Features:

- Monthly lifetime income beginning at normal retirement age (usually 65)
- Formula: Years of credited service × Final Average Compensation × Benefit Multiplier
- Early retirement option starting as early as age 55
- Minimum service requirement: 5 years of vesting service

Benefit Multiplier: Typically 1.25% or 1.5% depending on union and position

Sample Calculation Table:

Years of Service	Final Average Pay	Multiplier	Estimated Annual Pension
20	\\$80,000	1.5%	\\$24,000

4. 403(b) and 401(k) Plans

403(b) Plan:

- Allows voluntary pre-tax and Roth contributions
- Contributions can be changed throughout the year
- Investment options include mutual funds and target-date funds

401(k) Plan:

- Offered to select management and non-union employees
- Functions similarly to the 403(b) but may offer different match provisions

Contribution Limits (2025):

- \\$23,000 employee deferral
- Additional \\$7,500 catch-up if age 50+

Employer Match:

- Varies by job role and union contract
 - Often based on percentage of pay contributed, up to a capped amount
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5. Supplemental Retirement Plans

Certain highly compensated or management employees may also participate in:

- **457(b) Plan:** Additional elective deferral plan
- **Excess Benefit Plans:** To provide benefits restricted by IRS limits

6. Employer Contributions and Vesting

Plan Type	Employer Contribution	Vesting Schedule
Defined Benefit	100% employer funded	5 years
403(b)/401(k)	Up to 100% match	3–5 years depending on job role and union contract

7. Early Retirement Provisions

- **Early Retirement Age:** Generally 55
- **Eligibility:** Must have 15 or more years of vesting service
- **Reduction Factors:** Benefits reduced based on age and service at early retirement
- Some unions offer additional bridge benefits for employees retiring before Social Security eligibility

8. Payout Options: Lump Sum vs. Annuity

Feature	Lump Sum	Annuity
Payout Style	One-time rollover or cash	Monthly lifetime income
Taxation	Tax-deferred if rolled into IRA	Ordinary income tax on each payment
Flexibility	High	Low
Longevity Risk	On you	Covered by plan

9. Survivor Benefits

- If you are married at retirement, you must choose between a life-only annuity or a joint-and-survivor annuity
- Spouse may receive 50%, 66⅔%, 75%, or 100% of your benefit depending on your election
- Pre-retirement death benefits may provide surviving spouse a benefit if vested

10. Integration with Social Security and Other Pensions

- The KP pension does not reduce your Social Security
- You may coordinate timing of KP pension and Social Security for income planning
- Medicare eligibility starts at age 65; KP retiree healthcare may coordinate with it

11. Union-Specific Differences

Union	Retirement Age	Pension Formula	Retiree Health Benefit
SEIU-UHW	60+	$1.5\% \times \text{Years} \times \text{Final Pay}$	HRA provided; eligibility based on age/service
CNA	60+	Similar; confirm details	HRA, subject to union agreement

12. Retiree Healthcare Coverage

Health Reimbursement Arrangement (HRA):

- Funded by Kaiser at retirement based on age and service
- Used for qualified medical expenses, Medicare premiums, or supplemental insurance

Eligibility: Often requires retirement after age 55 with 10+ years of service

Plan Options:

- KP Medicare plan or external Medicare supplement
- Some unions provide additional subsidies or coordination benefits

13. Summary: Optimizing Your Retirement Strategy

- Review the official SPD for exact eligibility and calculation rules
- Consult with KP's retirement service center before making elections
- Work with a financial advisor to coordinate KP benefits with other retirement income sources
- Consider long-term care and healthcare planning as part of your decision

Disclaimer: This guide incorporates excerpts from the official Kaiser Permanente Summary Plan Description. For detailed and binding provisions, refer to the official SPD or contact the HR department.