



Issue 10, January 2009

## Pension Upgrade Postponed Due to the Market

It shouldn't be too surprising for anyone who is listening to the financial news from around the world that there is a serious problem with our economy.

Since the financial meltdown in markets around the world, it's hard to determine where the pension fund stands without a current valuation. The valuation of the plan that was done at December 31, 2007, can't be considered accurate any longer, so another one will be done at December 31, 2008.

As a result, the Pension Board has decided to postpone the upgrade to pension benefit payments for those retired since January 1, 2007, and to the pension accrual for active members. While it has been the practice to award regular updates, the board has been very clear that it will only do so if the plan can afford it.

The Statement of Beliefs and Guiding Principles of the plan guide the decisions of the board in these matters. When the plan can afford the upgrade, it will be awarded to all those that did not receive one for 2009. The Statement of Beliefs and Guiding Principles can be viewed at [www.united-church.ca/minstaff/pension/principles](http://www.united-church.ca/minstaff/pension/principles).

## Pension Communication Survey Results

The numbers are in. Thanks to everyone who assisted us in completing the pension communication survey. The general finding is that you, our membership, feel well informed about your pension. Some key things that came to our attention are the following:

There are still issues with our mailing lists. Inaccuracy is a problem, as is a certain inflexibility of our mail system in allocating multiple copies to an address. If members wish to receive more than one copy of pension materials, please be sure to let us know. You can also assist us in keeping our mailing lists up to date by informing MEPS when volunteers, such as treasurers and M&P chairs, change. When personnel (ministry or lay) change, updated contact information must be sent to The United Church Pension and Benefits Centre. For members who receive e-mail notification that pension communications have been posted on the United Church's website ([www.united-church.ca](http://www.united-church.ca)), please keep us apprised of your current e-mail address.

Most members are very supportive of the production of an Annual Report, and the Pension Board feels the report is a necessary tool to communicate both the structure and the key financial details that directly affect the pension of our members. However, there is a perception among about 10% of the membership that this information vehicle is inappropriately expensive. MEPS will be looking for ways to reduce production costs to address this concern. The paper used, for example, although it is a glossy stock chosen to hold the colour well, is relatively inexpensive, and it is chosen to meet our criteria for using an environmentally responsible process. However, reducing the colour component of the report is an option being considered.

"We didn't know it was you calling!" Our survey was conducted to speak with the most varied types of members: calls were made in the morning, during the workday, and in the evening. Unfortunately, we didn't have "call display" indicating it was the United Church calling. Some respondents mentioned this was a barrier to their pick-up or to continuing with the survey. We're sorry you missed this opportunity to contribute, but we are always interested in hearing from our members. Contact us anytime: 1-800-268-3781 ext. 3161 or by e-mail at <mailto:4sight@united-church.ca>.

## Pre-Retirement Seminars

Pre-retirement seminars are educational sessions on how the United Church benefits plans change for retirees and what you need to know about the pension plan to best prepare for retirement. These seminars are a valuable planning tool. To hold a pre-retirement seminar in your area, please contact your Presbytery Pension Convener or Conference Personnel Minister to get the ball rolling. The next confirmed seminar is scheduled for Bay of Quinte Conference on May 7, 2009 (location to be announced). Contact Conference Personnel Minister Phil Hobbs at 613-398-1051 (office) or by e-mail at [personnel@bayofquinteconference.ca](mailto:personnel@bayofquinteconference.ca).

Another forum for retirement education is the Retiree Luncheon, a combination of celebration and information sharing. Hamilton Conference has already booked Susan Jones, one of our retirement benefits experts, to speak at their October 2009 event. Speak to your Conference Personnel Minister or Presbytery Pension Convener about holding one in your area!

## Commuted Value Changes Take Effect April 2009

All members of the pension plan are fully vested as soon as they enrol in the plan. As a result, when a member of the plan is no longer working for the United Church, there is an option to withdraw the "commuted value" of their pension entitlement and put it into another registered retirement savings vehicle. The commuted value of your pension is the estimated amount of money the pension plan needs to fund the promised pension benefit.

The Ontario Pension Benefits Act (PBA) governs all defined benefit pension plans registered in Ontario, including the United Church's. The PBA requires that commuted values be calculated based on the Canadian Institute of Actuaries Standards of Practice. The basis for this calculation is expected to change as of April 2009. Generally, the new commuted value calculations will reduce the commuted value of your pension (more pronounced for newer members of the plan). The factors affecting this calculation are, among others, life expectancy, interest rates, and inflation.

Your personal pension statement shows an estimated "transfer value." The actual "commuted value" is calculated at the time of transfer. (See p. 3 of the Companion Guide you received with your 2008 pension statement.)

## Keep in Touch!

Remember to inform The United Church Pension and Benefits Centre of all changes to your personal and employment information. (For those people who are enrolled with ADP, these corrections will be made automatically).

Do it quickly and easily online at: [www.united-church.hroffice.ca](http://www.united-church.hroffice.ca)

Call The United Church Pension and Benefits Centre at: 1-888-657-4607

E-mail: [united-church@hroffice.ca](mailto:united-church@hroffice.ca)

Do you have comments, questions, or ideas for the newsletter? Please contact us by phone at 1-800-268-3781 ext. 3161, or by e-mail at [4sight@united-church.ca](mailto:4sight@united-church.ca).