



Pension Newsletter

Issue 18, December 2011

Important Pension Plan Decisions Ahead

As previously reported in *Foresight*, the Pension Board and its committees met frequently through 2011 to understand the plan's long-term sustainability. Over recent years, the global economic situation has changed radically. It appears this is not a short-term blip but a fundamental change that requires a fundamental response. The plan design must be updated to accommodate these economic realities.

Three components can be adjusted to address long-term sustainability: accrual rate, contribution rate, and benefit upgrades. The Pension Board and its committees have studied these components from various perspectives. It has become clear that the current design, in which the pension is accrued or earned at a rate of 1.7 percent of pensionable earnings with a contribution rate of 4 percent for members and 7 percent for pastoral charges and other participating employers, is not sustainable. The combined contribution rate of 11 percent plus the investment earnings on the fund does not pay for the current rate of accrual of pension benefits and pension upgrades.

Studies commissioned for this project show that to maintain the current accrual rate and provide pension upgrades equal to the increase in the cost of living, contributions would have to increase to well above 20 percent. Even maintaining the current accrual rate with an increase to contributions that is affordable and provides some measure of inflation protection is not sustainable. In fact, providing full inflation protection under most scenarios is unaffordable. The Pension Board is in the process of identifying the most appropriate combination of accrual rate, contribution rate, and level of benefit upgrade that is affordable while still providing a sufficient level of retirement income.

Decisions will be made in the coming months and reported in 2012 issues of *Foresight*.

Resources for Pension Information

All questions regarding the policies and processes related to governance of the pension plan of the United Church are welcome! Much of this information is available online at www.united-church.ca/minstaff/pension, or refer to the Contacts listed below.

Your Benefits Resources (YBR): Secure Mailbox

YBR, the Benefits Centre website, should be easy to use for most members of the pension and benefits plans. To ensure security of personal information, the new site does not have an e-mail communication option. Privacy and security can be breached if a member inadvertently includes information like SIN or birth date in an e-mail message, or if e-mails are forwarded to another person or group with sensitive information buried in the e-mail exchange.

Members and pensioners who have health and dental benefits can communicate electronically with the Benefits Centre through a secure mailbox on the YBR site at <http://ybrcanada.hewitt.com/ucc>. Members who have created a PIN can log in to the site and then follow these steps:

- Select "About You" (on the top blue menu bar)
- Select "Secure Mailbox" (on the top blue menu bar)
- Select link "Send a question to the United Church Benefits Centre"

You cannot send attachments through this communication tool, but that is another aspect of the secure communications policy of the Benefits Centre. The call centre will direct members to either fax or mail forms or papers when necessary.

Updates to Address Information

Active Members: Contact your treasurer or payroll administrator, who will do one of the following:

1. Complete the New/Change Employee sheet and fax it to the payroll service provider (ADP).
2. Contact the Benefits Centre directly to update the address (if not using the payroll service).

Pensioner Members: Contact the Benefits Centre directly at 1-866-859-5025.

E-mail Notification

To receive e-mail notice about *Foresight* (three annual e-mails, plus one for the annual report), make sure that your current e-mail address is in your profile at the Benefits Centre.

Call the Benefits Centre at 1-866-859-5025 or go online at <http://ybrcanada.hewitt.com/ucc> and update the field directly. (E-mails are different! See “Address Information Updates” above.)

Contacts

Policy and governance questions are welcome at 1-800-268-3781 ext. 3161. Send your query by e-mail to PensionBoard@united-church.ca.

For specifics of your pension, call the Benefits Centre at 1-866-859-5025.

Pensioners should direct benefit payment questions to RBC Dexia at 1-800-668-1320.