



The United Church of Canada  
L'Église Unie du Canada

**To:** All Members of the Pension Plan of The United Church of Canada

**From:** Human Resources Unit, General Council Office

**Date:** June 2010

**Subject:** Changes to the Plan Document governing the Pension Plan of the United Church

The Pension Board, as reported in the last few Annual Reports, has spent a great deal of time and effort to develop a governance structure that will meet and protect the needs of plan members. A key element of that structure is the Plan Document.

Over the past year, the Pension Board has updated the document to streamline the language and make it more accessible. Along the way, five relatively minor plan-design changes were approved. These changes affect members of the plan differently, depending on their status within the pension plan. These changes will take effect January 1, 2011.

<b>Applies To</b>	<b>As of January 1, 2011</b>	<b>Currently (until December 31, 2010)</b>
Newly-enrolled members (within last 2 years)	All members' benefits are locked-in immediately as soon as the member is enrolled. Members leaving the pension plan upon ending employment with the church may transfer the commuted value (lump sum) of their pension to a locked-in retirement savings vehicle, or leave it in the plan.	Members leaving the plan within two years of enrolment can opt to transfer the commuted value (lump sum) of their pension to a locked-in retirement savings vehicle OR receive a refund of employee contributions as a cash payment, subject to income tax.
All active or deferred members	For members aged 55 years of age or over at termination of plan membership, the commuted value of their pension can no longer be transferred out of the plan. The member must elect to receive an immediate pension or defer payment of their pension up to 65 years of age. This change ensures the member's pension holds its full value at retirement.	On termination of plan membership when under age 65, members can elect to receive an immediate or deferred pension, OR transfer the commuted value of their pension to another locked-in, registered retirement savings vehicle. (Note: By electing a transfer, members forfeit post-retirement group insurance benefits with the United Church's plans.)

<b>Applies To</b>	<b>As of January 1, 2011</b>	<b>Currently (until December 31, 2010)</b>
All active or deferred members	Members who retire before age 65 may elect to receive a temporary pension, payable up to age 65, which is no greater than the member's estimated Old Age Security benefit. At age 65, the pension paid is reduced to no less than 50% of the pension payable at retirement (excluding the temporary amount) so that the total amount paid over the member's lifetime would be approximately equal to the amount that would have been paid had the member not elected this option at retirement.	Members who retire before age 65 may elect to receive a temporary pension payable to age 65 which is based upon an estimated amount of the Canada Pension Plan AND Old Age Security benefit. At age 65, the pension is reduced so that the total amount paid over the member's lifetime would be approximately equal to the amount that would have been paid had the member not elected this option at retirement.
Pensioner members	Members who are single at retirement and are already receiving a pension benefit will no longer be able to apply to add a new life partner, or spouse, as a co-annuitant if they subsequently acquire a life partner. Thus, the member's benefit is consistent through retirement.	Members who were single at retirement and subsequently acquire a life partner, or spouse, can apply to have their pension changed to provide a pension to their partner in the event of the member's death. This reduces the monthly payment amount of benefit.
Active members	The method for calculating the rate of interest applied to contributions is currently being reviewed. The new method of setting the interest rate will more closely reflect current interest rates but will not fall below any minimum rate required by regulation.	The interest rate applied to contributions is based on the four year average of the pension fund's rate of return. This means the applied rate doesn't always reflect current interest rates.

All changes are compliant with Canadian pension legislation.

If you have questions about these changes, or about the Pension Plan of The United Church of Canada, please contact the Human Resources Unit at General Council Office.

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Please keep informed about developments regarding the change of benefits administrators (April 2011) through *Foresight*, the pension plan newsletter, and the Annual Report of the Pension Plan of The United Church of Canada.

*Foresight* is available on the United Church's website at:  
<http://www.united-church.ca/communications/newsletters/foresight>  
or contact the Human Resources Unit (see above) to have a copy sent to you.