

# Retirement

## Don't Forget the "S"!

You were ready to check out the Retirement Planner but the website address didn't work? A common mistake is leaving out the "s" in the https part of the Planner's address. Double check and make sure you type in the following address: <https://www.tptools.ca/SDARetirementPlanner>.

## Ready to Retire?

To start the retirement process, meet with your employer to request a retirement application. Once completed and submitted, your employer will forward your application to the Retirement Department.

You will then receive a package with your retirement benefit calculation, retirement options and additional forms you need to complete and return to the Retirement Department. You should begin this process at least six months before your selected retirement date.

## All About Your Pension Plan!

In our last issue of *Planning for Retirement*, we announced the launch of our Retirement Planner, a powerful online tool to help you estimate your potential retirement income. If you've taken the time to try it, you already know just how easy and informative it really is. In this issue, we want to focus on one of the options within the Planner — the Quick Pension Estimate. Read more below!

We also want to update you on actions the Church has taken to improve the funded status of our pension plan. With the majority of members in favour of extending our deficit payment period from 5 to 10 years, we have taken advantage of the solvency special payment schedules to help eliminate the deficit in our pension plan fund. Flip the page to learn more!

## Quick Pension Estimate

For those of you that haven't checked out the Retirement Planner yet, what's stopping you? Maybe you just need a little incentive. How's this — if you are less than two years away from retirement eligibility (age 55) you can obtain a pension estimate for one of 24 future dates in approximately five minutes. It's as easy as 1, 2, 3!

- 1 Logon to the Retirement Planner using your employee number and PIN (<https://www.tptools.ca/SDARetirementPlanner>). This information was provided to you in a letter when we launched the Retirement Planner this past June. If you have misplaced your letter, please contact the Retirement Department at 905-433-0011 or write to [retirement@sdacc.org](mailto:retirement@sdacc.org).

If it's your first time, you'll need to accept the User Agreement.

- 2 From the Welcome screen, if you're close to retirement eligibility (age 55), you'll choose **Quick Pension Estimate** to estimate your Church pension at a specific date and view the different forms of pension available to you. Note: if you are not within two years of retirement eligibility, you will not see the **Quick Pension Estimate** option.

Remember that all members (whether near or far from retirement) can get retirement income projections using the first two options:

- **My Church Pension** to estimate your Church pension at various ages.
- **My Income from all Sources** to estimate your retirement income from all sources at various ages.

- 3 Follow the simple steps on the next three screens (for those of you counting, this will equal to more than the promised three steps, but it's so easy and so fast, we're only counting this part as one step!):

- **Personal Information screen:** Quickly verify that your personal information listed on the screen is correct.
- **Assumptions screen:** Just insert your desired retirement date, marital status and (this might be the hard one) your spouse's date of birth.
- **Results screen:** Simply review your personalized pension estimates.



## More About the Results Screen

The results screen will show you your estimated Church pension at your selected retirement date. You can choose to view your estimated pension as a monthly or an annual amount.

If you have a spouse, you'll see the estimated Church pension plan benefit payable to you for your lifetime and the benefit payable to your spouse for his or her lifetime after your death. If you are a single plan member, you'll see the estimated benefit payable to you for your lifetime.



## What Do I Do With my Results?

Once you've estimated your Church pension (at various dates, as many times as you'd like), you can:

- Check your results against your retirement income goals to make sure you are on track.
- Print a report, complete with your personal information, assumptions used and tables to keep as a personal record or share with your financial advisor or family.

Essentially, you'll use your results to estimate if your Church pension is aligned with what you need, which allows you the opportunity to adjust your savings plan today to ensure you reach your goals tomorrow. Don't forget that your Church pension is just one source of retirement income. To see the *bigger picture* of your potential retirement income, be sure to use **My Income from all Sources**.

## What Does a Solvency Ratio of 78% Mean?

When calculating the finances of our pension plan, two sets of valuations are completed: going concern and solvency, each with a different set of assumptions. A solvency valuation assumes the plan is terminated, or wound up, at the valuation date. It calculates the actual benefits accrued up to the valuation date and determines the total amount of money needed to settle current pension obligations.

A solvency ratio of 78% means that, in the unlikely event that the plan had been terminated on January 1, 2010, the plan's assets would only have covered 78% of the benefits owed to members. In this case, the Church would have had to contribute an additional amount equal to 22% of the liabilities to provide 100% of the benefits owing.

Rest assured, the Church is not terminating the plan. We are in good financial health and continue to actively manage the plan to ensure all members receive their promised pension plan benefits.

## Our Commitment to You

The Church is committed to providing a secure pension plan for members and their spouses. Together with your personal savings and government benefits, your pension plan is an important aspect of your overall financial strategy.

Want to see a complete picture of your retirement income? Visit the Retirement Planner at: <https://www.tptools.ca/SDARetirementPlanner>.

## Funded Status of the Plan

Last March, members received a letter stating that the Church had elected to apply solvency funding relief effective January 1, 2009. This involved three measures, the most notable being the option to extend the payment period from five to 10 years for losses experienced in 2008 (refer to your annual statement on the Retirement Planner for more details).

The funding relief measures didn't absolve plan sponsors from having to make contributions to fund solvency deficits — it simply reduced the minimum annual contributions that we were required to make in the short-term, providing us with more flexibility to ensure the long-term viability of the plan.

## Impact of Our Decision

Based on the most recent actuarial valuation as of January 1, 2010, the market value of the pension plan's assets was \$72 million and the pension plan's liabilities were approximately \$92.5 million, resulting in a solvency ratio of 78%.

As a result of electing the solvency funding relief measures, the minimum employer contributions for 2010 are \$5 million. Of course, we always have the option to contribute more, as we did in 2009 and as we are doing in 2010 — the Church's actual contributions in 2010 will be \$6.4 million.

## Pension Factor Increase

Due to your support of the solvency funding relief measures, we are able to increase the Pension Factor from \$2,175 to \$2,197, effective January 1, 2011. Since the Pension Factor in effect when you retire helps determine the amount of monthly pension you may receive, this is an important change.

The Church plan uses a formula that begins with a common Pension Factor. It also takes into account a Benefit Rate Factor and your Credited Service. The formula is:

$$\text{Pension Factor} \times \text{Benefit Rate Factor} \times \text{Credited Service}$$

## How Does the Pension Factor Affect my Pension?

The pension benefits provided to members retiring in 2011 will be based on the increased Pension Factor. So, for example, if a member has a Benefit Rate Factor of 1.30% and 35 years of Credited Service, we can calculate the monthly pension earned using the current Pension Factor versus the increased Pension Factor. As you can see in the calculations below, the increased Pension Factor results in a monthly pension of \$1,000, which is an increase of \$10 per month.

### 2010 Pension Factor:

Pension Factor	$\times$	Benefit Rate Factor	$\times$	Credited Service	=	Total Monthly Pension
\$2,175		1.30%		35		\$990

### 2011 Pension Factor:

Pension Factor	$\times$	Benefit Rate Factor	$\times$	Credited Service	=	Total Monthly Pension
\$2,197		1.30%		35		\$1,000

**Note:** The Pension Factor is reviewed periodically and may be increased from time to time, though increases are not guaranteed. Future Pension Factor increases do not affect current retiree benefits.

## Tell Us What You Think!

If you have any questions, comments or suggestions, please don't hesitate to contact us. **We appreciate your feedback!** You can contact the Retirement Department at **905-433-0011** or write to [retirement@sdacc.org](mailto:retirement@sdacc.org).