

# Retirement

## Take a Minute to Review Your Personal Information

Remember that your annual statement is based on the personal information the Retirement Department had on file as at December 31, 2007. Since all amounts shown in your statement depend on the accuracy of this information, be sure to take a minute to review it and contact your employer if you notice any errors.

## Additions to Your Annual Statement

Last year, we redesigned your annual retirement benefits statement to help you better understand the pension benefits you accumulate as a member of the Seventh-day Adventist Church Retirement Plan for Canadian Employees (the Plan). This year, we are pleased to announce new improvements: we've added more information on the post-retirement benefits that the Church provides. Your annual statement will now contain information about your Retirement Allowance, Retiree Health Coverage and Retirement Funeral Allowance, valuable benefits that will help you plan your retirement lifestyle.

Another important topic we'll discuss in this issue: designating a beneficiary. It is a key choice you'll have to make when planning your estate, so it is essential that you weigh your decision carefully!

## Three Features of Your Post-Retirement Benefits

As a Plan member, you are eligible for post-retirement benefits that aim to help you and your family in your retirement years. To help you better understand the general nature of these benefits, we've written a short outline of each below, and we've gone into greater detail in your annual retirement benefits statement, including projections of your estimated benefits at key dates. We want to make sure that you understand how these benefits will work for you so that you can better plan for your retirement.

### Retirement Allowance

The retirement allowance is a one-time, lump sum amount paid in addition to your monthly pension benefit. Your annual statement will indicate the retirement allowance service on which your benefit may be based at your earliest retirement date, earliest unreduced pension retirement date and normal retirement date.

### Retiree Health Coverage

Retiree health coverage will help you and your family with a health allowance or a health and dental plan after you retire, depending on the plan for which you qualify. Your annual statement will indicate your entitlement to this benefit at your earliest retirement date, earliest unreduced pension retirement date and normal retirement date.

**Your Projected Pension and Other Benefits**

We have projected the potential pension and other benefits you could receive from the Plan if you continue to earn credited service until retirement. Estimates are shown at your earliest unreduced pension retirement date and your normal retirement date (see "When You Can Retire" below). In addition, if you currently meet, or are projected to meet, the eligibility criteria, we project the post-retirement benefits available to you when you begin receiving your pension.

Note that all estimates are based on your personal information and various assumptions (see below) and are not guaranteed. Your actual pension and other post-retirement benefits may vary based on your actual service, eligibility rules and other conditions in effect on your retirement date.

Your Projected Pension and Other Benefits		
	Earliest unreduced pension retirement date (age 64.42) September 1, 2011	Normal retirement date (age 65) March 1, 2012
Retirement date	\$749/month	\$762/month
Registered pension	30.63 years	31.12 years
Credited Service	30.63 years	31.12 years
Service Credit	\$80/month	\$102/month
Minimum value guarantee	\$829/month	\$864/month
Total pension	Yes	Yes
Indexed pension		31.12 years
Retirement Allowance eligible service credit	30.63 years	
Retiree Health and Dental Benefits Plan	Yes	Yes
Retirement Funeral Allowance	\$1,665	\$1,692

### Retirement Funeral Allowance

The retirement funeral allowance is a post-retirement benefit payable to your surviving spouse or estate to help cover funeral expenses. Your annual statement will indicate the projected amount for your funeral allowance available at your earliest retirement date, earliest unreduced pension retirement date and normal retirement date. A funeral allowance may also be payable to you in the event your spouse predeceases you, if a joint and survivor pension was chosen at retirement.

**Your Projected Pension and Other Benefits**

We have projected the potential pension and other benefits you could receive from the Plan if you continue to earn credited service until retirement. Estimates are shown at your earliest unreduced pension retirement date and your normal retirement date (see "When You Can Retire" below). In addition, if you currently meet, or are projected to meet, the eligibility criteria, we project the post-retirement benefits available to you when you begin receiving your pension.

Note that all estimates are based on your personal information and various assumptions (see below) and are not guaranteed. Your actual pension and other post-retirement benefits may vary based on your actual service, eligibility rules and other conditions in effect on your retirement date.

Your Projected Monthly Pension and Other Post-Retirement Benefits			
	Earliest retirement date (age 55) January 1, 2025	Earliest unreduced pension retirement date (age 60.25) April 1, 2030	Normal retirement date (age 65) December 1, 2034
Retirement date	29.58 years	34.83 years	39.50 years
Credited Service	29.58 years	34.83 years	39.50 years
Service Credit	\$332/month	\$873/month	\$990/month
Registered pension			
Indexed pension	Yes	Yes	Yes
Retirement Allowance eligible service credit	29.58 years	34.83 years	39.50 years
Health Allowance Projection	\$2,764/year (family)	\$3,602/year (family)	\$4,442/year (family)
Retirement Funeral Allowance	\$1,609	\$1,894	\$2,148



## Allocating Your Non-Pension Assets

Naming a beneficiary for your Church pension is important, but you may want to draft a will to make sure all your assets are properly allocated. Drafting a will allows you to:

- Split your assets the way you want
- Ease the transfer of your estate
- Minimize income taxes, costs and fees

Like all financial matters, you should periodically review your will with the appropriate professionals to make any necessary adjustments.

## Who to Call

If you need further clarification, have questions, or would like to give feedback, please contact the Retirement Department at **905-433-0011** or write to [retirement@sdacc.org](mailto:retirement@sdacc.org).

## Future Issues

Be sure to let us know if there's a topic you'd like us to cover and we'll try our best to include your suggestions in future issues.

## Carefully Naming Your Beneficiaries

Ensuring that you have the right beneficiary is one of the most important things you can do when planning your estate. Ultimately, you want the right people to receive the right allocations—you want your final wishes fulfilled. An important part of this is knowing what happens to your Church pension in the event of your death before retirement.

Below you'll find five common questions about naming beneficiaries, and the ensuing answers. However, as pension legislation varies by province, you may want to speak with a financial advisor to ensure that you have information specific to your situation.

### 1. Do I have to name my spouse as beneficiary of my Church pension?

Yes. Your spouse is automatically entitled to your pension benefit if you die before you retire. In the event of your death, if you are vested, your spouse can choose to receive a pension or the lump sum value of your pension. In some provinces, your spouse may choose to waive that benefit—for example, he or she may be entitled to his or her own personal pension, and you may prefer to assign your pension to another beneficiary. In this case, you may name one or more beneficiaries to receive your pension benefits.

### 2. What if my marital status changes?

If your marital status changes due to separation or divorce, your current pension benefits may be taken into account when your family assets are divided. After a separation agreement is in place, you may decide to designate pension benefits you earn in the future to a different beneficiary. Speak with a financial advisor to ensure you follow procedures properly.

### 3. What if I do not have a spouse?

If you do not have a spouse, you should designate someone as your beneficiary, or your benefits will be payable to your estate. Only your chosen beneficiary is eligible to receive a death benefit if you die before retirement, and must take that benefit as a lump sum and pay income tax immediately on the entire amount. For this reason, you may want to consider the tax consequences and potential alternatives with a financial advisor.

### 4. How many beneficiaries should I choose?

Naming contingent beneficiaries will help protect your estate and heirs. If your primary beneficiary dies before you, and you don't change your designation, your final wishes may not be carried out as you planned. Some experts recommend naming two contingent beneficiaries to be on the safe side.

### 5. How often should I update my beneficiaries?

Major life changes require a re-evaluation of beneficiaries. If your marital status changes, your beneficiary dies, or as your family grows and evolves, you may want to revise your choices. Keeping everything up to date is a good idea, which is why it is worth reviewing your annual statement each year.

## Tell Us What You Think!

**We are very excited about your improved annual retirement benefits statement. 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).**