



● WHAT'S INSIDE:

WHAT THE WRITINGS OF EGW MEAN FOR US TODAY



PLANNING YOUR STAYCATION



ABOUT YOUR CHURCH PENSION



WHAT HAPPENS WHEN YOU RETIRE?



ELLEN G. WHITE ON PERSONAL FINANCES: WHAT HER WRITINGS MEAN FOR US TODAY

Ellen G. White (EGW) provides invaluable counsel for Adventist families. Her writings offer us guidance and inspiration on a range of spiritual and life challenges... including financial management! Despite the passage of time, her advice on personal and family finances has bearing on our lives today. In this article, we consider how we can apply EGW's writings to the financial strategies we may build for ourselves today.



IDEAS FOR A SUN-FILLED STAYCATION

It doesn't have to be a fancy, far-away vacation! Sometimes it's the little things that make all the difference when spending time with your family.

> **Backyard camping**

Pitch a tent and embark on a backyard adventure with your family. When night falls, try stargazing!

> **Grow a garden**

This is a great way to appreciate what has been so generously given to us. The joy of tending to plants and flowers is a great learning activity for the whole family.

> **Find your perfect summer reads**

Nothing beats an afternoon spent with an engrossing book! Consider reading some Seventh-day Adventist recommended titles from GoodReads available at www.goodreads.com/shelf/show/seventh-day-adventist.

> **Get involved**

Organize community activities, help your neighbour (while staying safe and practicing social distancing) or offer your services to the Church. Check out your local conference website at www.adventist.ca to find virtual events in your area.



Living within your means.

Taking care of your needs today while planning for your retirement aligns with the important goal of self-support. As EGW writes, "Independence of one kind is praiseworthy. To desire to bear your own weight and not to eat the bread of dependence is right. It is a noble, generous ambition that dictates the wish to be self-supporting. Industrious habits and frugality are necessary" (*The Adventist Home* 374.1). Living within your means is an important way to ensure you maintain your independence both now *and* for tomorrow. No matter where you are on your financial journey, a financial advisor can provide impartial and helpful advice. Visit FP Canada at www.fpcanada.ca/findaplanner to find a financial advisor in your area.



Supporting others.

The relationship between personal economy and generosity is something EGW stresses when she writes that "those whose hands are open to respond to the calls for means to sustain the cause of God and to relieve the suffering and the needy are... economical from principle; they feel it their duty to save, that they may have something to give" (*AH* 385.1). EGW's sentiments resonate with us today when we think about the immediate and longer-term benefits of sound financial planning. Taking the time to plan for your future means you'll be on track to support your family during your retirement years, plus it may allow you to help others who are not as fortunate as you.



Encouraging financial literacy.

Very much ahead of her time, EGW anticipates current trends aimed at building financial literacy and awareness in children. "Parents," she writes, "should learn to live within their means. They should cultivate self-denial in their children, teaching them by precept and example" (*AH* 376.3). Taking the time to get smart about your finances will benefit everyone around you. A great place to start is with your SDACC Retirement Planner.

This tool is available 24/7 at www.eepoint.towerswatson.com/sites/sdacc/ess and can provide you with personalized insights about your Church Pension and other sources of retirement income, (e.g. government benefits and personal savings).



Seeking health and comfort.

While it's important to economize and practice financial prudence, it's important to seek balance as well. A well-planned financial strategy can bring much-needed health and comfort, since it can help secure sufficient financial resources for you and your loved ones. As EGW observes, "God does not require that His people should deprive themselves of that which is really necessary for their health and comfort" (*AH* 379.3). A focus on finances doesn't need to imply deprivation on the one hand, or excess on the other. It is an important way of looking after your overall wellbeing and that of your family. That's why it can be helpful to use the full range of financial planning tools available to you, including those you might not be aware of, like government resources. The Government of Canada offers a host of free financial tools and calculators, including a Financial Goal Calculator, Mortgage Calculator and Retirement Income Calculator. Simply visit www.canada.ca/en/services/finance/tools.html.



Being debt-free.

EGW notes that "many, very many, have not so educated themselves that they can keep their expenditures within the limit of their income. They do not learn to adapt themselves to circumstances, and they borrow and borrow again and again and become overwhelmed in debt, and consequently they become discouraged and disheartened" (*AH* 374.2). These observations ring true today, with Statistics Canada reporting in 2020 that the household debt ratio has risen to 170.7%. Setting a budget and tracking your expenses are powerful ways to manage debt and provide financial stability and peace of mind. Use the Financial Consumer Agency of Canada's budget planner at <https://tinyurl.com/Gov-Budget-Planner> to create a customized budget for yourself for free!



YOUR CHURCH PENSION: SUPPORT FOR YOURSELF AND YOUR LOVED ONES IN RETIREMENT

When you retire, the Church will provide you with a defined benefit (DB) monthly pension, along with several important post-retirement benefits. These benefits form a foundational part of your personal retirement plan. Together with government benefits and your own personal savings, they will provide you with a stream of income so you can make the most of your retirement years.

Your Church Pension is safe and reliable, and is entirely paid for by the Church. The Church is also responsible for the investment and management of the pension fund, ensuring that all plan members receive their promised pension benefit from the plan when they retire.

Though you do not contribute to your Church Pension, it's important to take advantage of personal savings vehicles like RRSPs and TFSAs to ensure you have the retirement you've been picturing. These tax-effective savings accounts help you save more efficiently for your retirement. To learn more about these options, visit www.canada.ca/en/services/taxes/savings-and-pension-plans.html.



The Pension Factor is a basic amount used to calculate your monthly pension benefits when you end employment or retire from the Church. This amount may increase from time to time. In 2021, the Pension Factor is \$2,475.



Your Benefit Rate Factor is the average of your ten highest Yearly Rate Factors (or the average of all your Yearly Rate Factors if you have less than ten years of service with the Church). Your Yearly Rate Factor varies from 0.8% to 1.6%. For details, refer to the Planning for Retirement booklet on the SDACC Retirement Planner tool.



Your Credited Service is the total period of continuous service with the Church in Canada. It represents the amount of time that counts toward your pension benefit. There is no limit on the years of Credited Service on which you can earn a pension.



Your Service Credit is the total amount of time you've worked for the Church, whether in Canada, the U.S.A. or abroad.

If you have at least 20 years of Service Credit when retiring from active employment, your monthly pension will be indexed (up to 2.5% per year based on changes in the Consumer Price Index) to protect your pension against inflation.



WHAT HAPPENS AT RETIREMENT: RECEIVING YOUR DB PENSION

How do you know what you'll receive from your Church Pension when you retire?

Your Church Pension uses a formula to determine how much your pension benefit will be if you retire on your normal retirement date (age 65).

Example: Marla is 65 years old when she retires in 2021. She has been employed full time with the Church for 40 years. If her Benefit Rate Factor is 1.25%, her monthly pension will be calculated as:

The Pension Factor	X	Your Benefit Rate Factor	X	Your Credited Service
\$2,475	X	1.25%	X	40 Years
= Monthly pension of \$1,238				

How will your pension be paid?

Your pension is paid as a monthly payment for your lifetime only.* As an alternative to the lifetime payment option, you can choose from the following additional payment options when you retire. If you select any of them, your monthly pension will be reduced to reflect the enhanced value of the benefit:

1 Life annuity with a 10-year guarantee period*

Consists of monthly payments for your lifetime. In addition, if you die within the 10-year guarantee period, the value of any remaining pension payments will be paid to your beneficiary.

2 60% Joint & Survivor (J&S) pension with a 10-year guarantee period

If you die before your first 120 monthly payments have been paid and you are survived by your spouse, 40% of your benefit for the balance of the 120 monthly payments will be payable to your beneficiary and the remaining 60% of your benefit will be paid to your spouse for their remaining lifetime.

If you die after your first 120 monthly payments have been paid and you are survived by your spouse, your spouse will receive 60% of your benefit for his/her remaining lifetime. If both you and your spouse should die before 120 monthly payments have been paid, the balance of the unpaid guaranteed payments will be paid to your beneficiary or your spouse's estate.

3 66⅔% J&S pension

If you die and are survived by your spouse, your spouse will receive 66⅔% of your benefit for his/her remaining lifetime. If your spouse dies before you, you'll receive a restoration of your originally calculated pension amount, plus any applicable indexation, to remove the reduction you originally took for choosing this option.

4 100% J&S pension

If you die and are survived by your spouse, your monthly benefit will continue to be paid to your spouse for his/her remaining lifetime.

**If you have a spouse at the time of your retirement, both you and your spouse will need to complete a spousal waiver form to choose this form of pension payment.*

TIP

The typical reduction for a 66⅔% J&S pension is around 10%, and 15% for a 100% J&S pension. The reduction may be greater if your spouse is more than five years younger than you.

NEXT ISSUE

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.



TELL US WHAT YOU THINK!

If you have any questions, comments or suggestions about this newsletter, please don't hesitate to contact the Retirement Department.

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