

# foreSight

Pension Newsletter

Issue 8, September 2008

## Keep in Touch!

Remember to inform The United Church Pension and Benefits Centre of all changes in your personal and employment information (including salary changes).

Do it quickly and easily online at:  
[www.united-church.hroffice.ca](http://www.united-church.hroffice.ca)  
 telephone: 1-888-657-4607  
 e-mail: [united-church@hroffice.ca](mailto:united-church@hroffice.ca)

Do you have comments, questions, or ideas for the newsletter? Please contact us by phone at 1-800-268-3781, ext. 3161, or by e-mail at [4sight@united-church.ca](mailto:4sight@united-church.ca)

## Deferred Members: Where Are You?

Do you know someone who has worked for the United Church? Have they kept their contact information with the pension plan up to date? Pension plan enrolment is mandatory, and people who have worked for only a short time for the church may not be aware they have money in the plan. We are trying to contact them with information about their pension, so please spread the word: update contact information to enable us to find you when you retire! Call toll-free 1-888-657-4607 or e-mail: [united-church@hroffice.ca](mailto:united-church@hroffice.ca)

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The United Church of Canada  
 L'Église Unie du Canada

## Add It Up!

The annual pension statement has been mailed to members by Morneau Sobeco, the administrative service provider of the United Church's pension plan. With your personalized statement, you also received the "Companion Guide to Your 2008 Pension Statement." This guide is designed to assist you with understanding how your pension is calculated and how each year's credits are accumulated to provide you with retirement income.

### Pension Accrual

The annual pension benefit that you receive is not based on your contributions, but on a defined benefit based on your pensionable earnings\* and the number of years that you are eligible to contribute to the pension plan. For each year that you contribute to the plan, 1.7% of your pensionable earnings is added to the annual amount of your retirement benefit.

Using the same example as in the Companion Guide, for \$50,000 of pensionable earnings, the pension credit for one year of work with the United

\* For most ministry personnel who receive a housing allowance (or live in a manse) pensionable earnings are salary plus 40%. For lay staff, pensionable earnings are equal to your salary.

Church is  $\$50,000 \times 1.7\% = \$850$ . If you were a member of the United Church pension plan for only one year, the annual retirement benefit that you would receive at retirement is \$850.

### Defined Benefit Plan

The defined benefit plan makes the approximate value of your annual pension benefit relatively easy to calculate. Using the above equation of 1.7% of pensionable earnings, simply add up the annual pension credit from year to year. On the statement you received in the mail, you will see on the first page under "Annual Pension" the accrued amount of benefit from your years of work with the church up to December 31, 2006. The amount from the current year is then added to that accrued benefit, and the resulting amount is the annual benefit you would receive on retirement, if your membership with the plan were to end as of January 1, 2008.

### Real Value

The accrued annual pension amount is not strictly one year's pension credit added to the next, as there are periodic updates to the plan that increase amounts credited from past years. These calculations are complex, but are based on the Statement of Beliefs and Guiding

## Pre-Retirement Seminars

Susan Jones is on the road this fall with information seminars in Hamilton Conference on October 7, 2008, and at the Calling Lakes Centre in Fort Qu'Appelle, Saskatchewan, November 25–28, 2008. Pre-retirement seminars are educational sessions on how the United Church benefit plans change for retirees, what you need to know about the pension plan, and other information to help you prepare for retirement. These seminars are not just for people who are about to retire, but are a valuable planning tool for everyone who would like to know what to expect and to prepare accordingly. To hold a pre-retirement seminar in your area, please contact your Presbytery Pension Convener or Conference Personnel Minister to get the ball rolling.

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## How Are We Doing?

The Pension Board is interested in discovering if the information in the annual pension statement, the Annual Report, and this newsletter, *Foresight*, is meeting your needs as members of the pension plan. Our goal is to provide relevant information in an interesting and easy-to-read format. To gather this information, a telephone survey to a randomly selected group of members of the pension plan will be conducted in the near future. If you are interested in providing any feedback on the information you receive about your United Church pension, please don't hesitate to contact us at 1-800-268-3781, ext. 3161, or e-mail: [4sight@united-church.ca](mailto:4sight@united-church.ca)

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Principles of the plan, which holds that "Retirement income from the Plan should maintain its real value over the long term subject to available funding." These periodic updates are applied to the plan when available funds are sufficient to cover the obligations of such increases.

### Long-Term Impact

When increases are applied to benefits earned in the past, it's important to understand that the impact of that increase goes forward into the future. For both pensioners and active members who have a benefit upgrade in a year they were contributing to the plan, that increased benefit level continues into the future. So, even a small increase now means that all pensioners will have that increase for as long as they receive their pensions. The total can add up to millions of dollars as one projects the increase over time.

To date, regular pension increases have been possible thanks in no small part to the prudent management of the plan by the Pension Board and the related committees of the pension plan.

### Forecasting Pension

The best way to calculate your pension, assuming you continue to be a member of the United Church's pension plan, is to go online and use the Pension Forecasting Tool on The United Church Pension and Benefits Centre website: [www.united-church.hroffice.ca](http://www.united-church.hroffice.ca). Log on to the site using your employee number and password, select **Pension** from the menu options on the left side of the page, and then click on **Pension Forecasting Tool**. Follow the instructions on the website, or refer to the step-by-step description in your Companion Guide.

