

## ALTERNATIVE DISPUTE RESOLUTION PROCESS

When a congregation ceases to be a member of Evangelical Lutheran Church in Canada (ELCIC), the congregation is no longer eligible to be a participating employer under the Pension Plan. The financial obligations of a withdrawing employer congregation to the Pension Plan are determined in accordance with the applicable pension legislation, Pension Plan text and the Employer Participation Agreement. These financial obligations include paying its share of the unfunded liability/solvency deficiency which was determined in the 2003 triennial actuarial valuation of the Pension Plan. ELCIC Group Services Inc (“GSI”) as the pension plan administrator has a responsibility to ensure that these obligations are met.

In cases where the withdrawing employer congregation disputes the obligation to pay its share of the deficiency or the amount payable as calculated by the actuary, GSI will make an offer to the withdrawing employer congregation to try to resolve the dispute without recourse to the courts. The offer will include an alternative dispute resolution (ADR) process.

The ADR process includes the following phases:

1. **Informal Meeting:** Representatives of GSI will meet with representatives of the withdrawing employer congregation to discuss the issues in an effort to resolve the dispute in a mutually acceptable manner.
2. **Mediation:** If the dispute is not resolved through an informal meeting and if the withdrawing employer congregation so chooses, the parties will participate in a mediation facilitated by a neutral, third-party mediator.
3. **Arbitration (Optional):** If the dispute is not resolved through mediation and if withdrawing employer congregation so chooses, the dispute will be submitted to arbitration where a neutral third party will be authorized to make a final binding decision.

If the withdrawing employer congregation accepts GSI’s offer to use the ADR process including binding arbitration and acts in a timely manner consistent with the ADR process, GSI will not initiate court action related to the subject matter of the dispute.