

November 2011

Dear Treasurers:

The following information outlines changes and provides reminders regarding the ELCIC Benefits and Pension Plan.

Benefits Information

Premiums for Dental and Health

We have included the dental and health monthly premium rate table for 2012 as an appendix to this letter, as well as posted the premiums on our website for your reference. Please note that we have changed the rate structure, to separate out members age 65 and over. We have found that the experience of those members differs based on various provincial programs for seniors and changes in health as we age. Retiring members will also have the opportunity to join an ELCIC National Retiree Health Plan in 2012.

The age limit of 70 for active members has been removed. All working members who earn at least 25% of YMPE which is approximately \$1,050 per month in 2012 and non-Rostered members who work at least 20 hours per week in addition to the salary threshold continue on the benefit plan.

Premium for Life, Disability, AD&D and short term counselling

These member benefits have been bundled in one premium at **3%** of your employees' Salary Basis, effective January 1, 2012. You will recall that the rate for the past two years was 3.25% due to a deficit in the life insurance program.

Benefits premium for new hires or at time of termination

Please remember that if a new employee begins after the first of the month no premiums for benefits are payable until the following month. However, the premium, regardless of the day of the month the employee terminates, is determined on a full month's Salary Basis, which includes vacation pay. (Pension contributions are on all earnings including partial months and vacation pay, but not severance).

Taxable Benefits

The amount paid by an employer as premium to an employee's benefit plan for life insurance coverage is a taxable benefit to the employee. This calculation and related deductions when calculating income tax and CPP **should be made on a monthly basis**. There is no change to the rate from the prior year. See the website for details of the calculation.

Pension Information

Pension Contributions for Clergy under age 65

Please remember that pension plan contributions are required on all earnings from any ELCIC congregation for all pension plan members. This includes vacation relief, interim assignments, stipends for services, etc.

Note that at age 65 and over, contributions continue at the option of the member.

Future Pension Contributions

At the National Convention this summer, we shared that the GSI Board, as the ELCIC Pension Plan Administrator, was reviewing pension contribution rates. We compared contribution rates in other defined contribution plans across Canada, both in the not for profit and for profit sectors.

We also looked at pension income streams that could be converted from typical member account balances and compared that to pre-retirement income. All of the research indicated that improvements needed to be made in preparing for retirement. The GSI Board then contemplated the financial viability of making such improvements. It was decided that the members' themselves have a responsibility to save more, but that the congregations/employers also have an important role in ensuring that their employees are provided a dignified retirement.

The result of much research, discussion and contemplation was to amend the pension text effective upon the elimination of the unfunded liability, as follows:

| | |
|-------------------------|----|
| Member contributions: | 7% |
| Employer contributions: | 8% |

The original funding plan to eliminate the unfunded liability in the retiree portion of the ELCIC Pension Plan was a 15 year timeline ending in 2018. Over the years we were able to take advantage of some unique opportunities and have reduced that horizon by five years. Our recent communications reported that 2013 would see the end of the unfunded liability.

So please start to plan and budget accordingly. We will update you next year at this time and will hopefully have a more precise date for the switchover.

Administration Information

December Pension Plan Contributions

It is important to note that pension contributions for 2011 must be received in our office by December 31st in order to appear on the member's 2011 pension statement. Any contributions that we receive after that date will appear in 2012. We will prepare and e-mail (or mail) the December invoices a week earlier than past months to give more turnaround time. Alternatively, a postdated cheque for December could be enclosed with the November payment if your invoice does not usually fluctuate.

Invoicing

A few months ago the format of our invoice changed. This update was done for the following reasons:

- to provide a better trail for adjustments due to fluctuating salaries,
- allow continuing education (CEP) contributions to be remitted in one payment,
- provide a space for voluntary pension contributions, and
- show greater detail and subtotals of benefits and pension amounts.

Salary changes for 2012

The salary calculation form can be found on our website under Forms. Fax or e-mail the completed form to our office as soon as possible.

Best regards,
ELCIC Group Services Inc



Hildy Thiessen CA
Executive Director

**Monthly Premium Rates
Active employees
effective January 1, 2012**

| Age | Status | Dental | Health & Travel | Health only | Total |
|-----|--------|--------|--------------------|----------------|-------|
|-----|--------|--------|--------------------|----------------|-------|

BC

| | | | | | |
|-------|--------|-----|-----|-----|-----|
| to 64 | Single | 47 | 78 | | 125 |
| to 64 | Family | 117 | 196 | | 313 |
| 65 + | Single | 38 | | 101 | 139 |
| 65 + | Family | 76 | | 202 | 278 |

Alberta

| | | | | | |
|-------|--------|-----|-----|-----|-----|
| to 64 | Single | 55 | 98 | | 153 |
| to 64 | Family | 138 | 245 | | 383 |
| 65 + | Single | 45 | | 88 | 133 |
| 65 + | Family | 90 | | 176 | 266 |

Saskatchewan

| | | | | | |
|-------|--------|----|-----|-----|-----|
| to 64 | Single | 37 | 68 | | 105 |
| to 64 | Family | 93 | 169 | | 262 |
| 65 + | Single | 31 | | 88 | 119 |
| 65 + | Family | 62 | | 176 | 238 |

Manitoba

| | | | | | |
|-------|--------|----|-----|-----|-----|
| to 64 | Single | 38 | 80 | | 118 |
| to 64 | Family | 95 | 200 | | 295 |
| 65 + | Single | 31 | | 103 | 134 |
| 65 + | Family | 62 | | 206 | 268 |

Ontario

| | | | | | |
|-------|--------|-----|-----|-----|-----|
| to 64 | Single | 61 | 117 | | 178 |
| to 64 | Family | 152 | 292 | | 444 |
| 65 + | Single | 49 | | 76 | 125 |
| 65 + | Family | 98 | | 152 | 250 |

Quebec

| | | | | | |
|-------|--------|-----|-----|-----|-----|
| to 64 | Single | 61 | 118 | | 179 |
| to 64 | Family | 153 | 295 | | 448 |
| 65 + | Single | 49 | | 77 | 126 |
| 65 + | Family | 98 | | 154 | 252 |

Maritimes

| | | | | | |
|-------|--------|-----|-----|-----|-----|
| to 64 | Single | 56 | 109 | | 165 |
| to 64 | Family | 141 | 271 | | 412 |
| 65 + | Single | 46 | | 72 | 118 |
| 65 + | Family | 92 | | 144 | 236 |