

What's NEWS at GSI



Winter 2010

An informational bulletin for members of the ELCIC Pension and Benefits Program

Investment Report

by Bill Kuehnbaum, Investment Committee Chair



2010 has been another rocky year for institutional investors whose mandate is to use investment managers that put an emphasis on investing in companies with long-term quality.

The third-quarter return on our investment portfolio was a very healthy 7.6% with our global equity component leading the way with an 11% return. Canadian equities returned 9.3% in the third quarter and Canadian fixed income returned 3.3%. These superior third-quarter returns have made up much of the ground lost during the first half of the year leaving a 4.1% return in the first three quarters of 2010.

At this time the overall objective for an average real rate of return of 4% (Consumer Price Index + 4%) over a four year time horizon has been achieved.

Several factors of note affected our rate of return. Global economic growth continues to be slow in most of the developed world despite government stimulus packages and very low interest rates – this depresses the value of the stock in quality companies. In foreign equities, emerging markets have had the best growth which has worked against our decision to avoid riskier parts of the world in favour of more developed countries. The high value of the Canadian dollar also tends to depress our outside Canada earnings. The soaring price of gold had a large impact on market return indexes which we have difficulty matching because of our risk reducing strategy of a widely diversified portfolio. Bonds have been an attractive place to be and our bond manager has performed well both in absolute terms and relative to other managers.

The GSI Board continues to closely monitor our four investment managers and is always looking for ways to increase return on investment without increasing the exposure to risk of our investments.

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*Wishing
you all a
very merry
Christmas*

As we have done in past years, Mercer was engaged to review the accuracy of the financial results and the renewal quotes presented by our benefit insurance carriers. Mercer provided advice to us based on the review, benchmarking to industry and knowledge of market trends.

Extended Health Claims Paid by Major Category

Category	Policy year 2009–2010	Policy year 2008–2009
	% of total claims of \$999,324	% of total claims of \$929,198
Drugs	73.6%	72.5%
Masseur	5.5%	5.5%
Chiropractor	5.1%	4.9%
Vision Care	3.6%	4.1%
Physiotherapist	2.7%	3.1%
All others	9.5%	9.9%

Dental Claims Paid by Category

Category	Policy year 2009–2010	Policy year 2008–2009
	% of total claims of \$493,502	% of total claims of \$430,767
Fillings	27.2%	23.4%
Cleaning	17.1%	18.8%
Treatment of gum disease	15.1%	15.4%
Examinations, X-ray	13.7%	13.8%
Crowns, inlays / onlays	8.9%	9.6%
Simple extractions	7.5%	5.8%
Root canals	5.4%	4.5%
Braces, orthodontics	2.9%	4.2%
Bridges / dentures	1.8%	4.0%
Miscellaneous	0.1%	0.5%

Short Term Counselling

This program is a voluntary, confidential counselling and information service that can provide professional help on a variety of emotional issues, family matters, workplace concerns or other personal problems. In the past 10 years anywhere from 5.2% to 11.4% of plan members use this service annually.

For telephone access to counselling and advisory services call 1-800-268-5211.
 For e-counselling or access to helpful information to go www.shepellfgi.com
 username: elchurch password: church101



Extended Health and Dental

This is our eighth renewal with Manulife as our extended health and dental benefit provider. The premiums for 2011 are posted on the GSI website www.elcicgsi.ca.

The health premiums in total will only increase 3.8% over 2009, however some provinces such as BC and Alberta will see a slightly higher increase due to their claims experience these past few years.

While the dental premiums in 2010 remained fairly consistent to 2009, the premiums overall will see a 9.5% increase for 2011. Again, each province's increase will vary slightly depending on the past year claims experience.

The data in the table to the left shows that drug claims accounted for 73.6% of all health claims, up slightly from last year. Massage therapy continues to be the second highest claiming category. The majority of the dental claims continue to be for routine services such as cleanings, examinations and fillings.

The Manulife **online claim system** is available to members for paramedical services or vision claims. It is really easy to register and use, but if you have any questions please call the GSI office.

Long Term Disability (LTD) and Life Insurance

The LTD and life benefits have been insured with Cooperators since 1998.

This past year, the plan's overall experience improved somewhat and we were able to reduce the deficit in the LTD portion as planned and to begin funding the required insurance reserves. In the last reporting period, seven LTD claims were paid by Cooperators and no death claims were reported. Another five disability claims continue to be paid by the previous LTD insurance carrier, Sun Life.

Renewal rates for these benefits are determined by a combination of experience and demographics. While our experience was relatively good this past year, our demographics are causing upward pressure on the premiums required. Therefore the LTD premium is increasing, while the life premium was slightly reduced. The effect of this is that there is no change overall to the 3.25% of salary that the employers are paying for this combined benefit, however there is a change to the taxable benefit on the life premiums. Please visit the GSI website to review the calculation.

Planning for Retirement

A study commissioned by the Financial Planning Standards Council reported that:

Canadians who have engaged in comprehensive, integrated financial planning are much more optimistic about their personal wellbeing as compared with those who have not.

Individuals with detailed, integrated plans feel better prepared to deal with financial emergencies and manage through difficult economic times, and are more confident about reaching a wide spectrum of life goals.

There is measurable proof that those who have reached out to advisors for only piece-meal, "as needed" financial advice are being left behind by Canadians in comprehensive, integrated planning.

This past year ELCIC Group Services provided four retirement education sessions to plan members: Canmore in February, Victoria in May, Toronto in June and Saskatoon in July. While attendance was reasonable and what I expected based on the past, probably a few more people could have benefited from the session. If you have any suggestions on making retirement education more accessible (or fun) please send us a note.

New Pension Jurisdiction

In accordance with the reciprocal agreement between various jurisdictions across Canada, the jurisdiction of registration for the ELCIC Pension Plan has been transferred from Alberta to Ontario due to the largest number of active members residing in Ontario.

Voluntary Contributions to the Pension Plan

Just a reminder that all active members are permitted to make voluntary contributions.

Things to note about voluntary pension contributions:

- your employer (congregation) may not match voluntary contributions
- contributions must be made by payroll deduction and forwarded by the treasurer on the monthly remittance
- total contributions to the plan including the required employee, employer and voluntary contributions are restricted by the Tax Deductible Limit, which is the lesser of:
 - 18% of your salary, or
 - \$22,970 in 2011

Why Voluntary Contributions?

Advantages

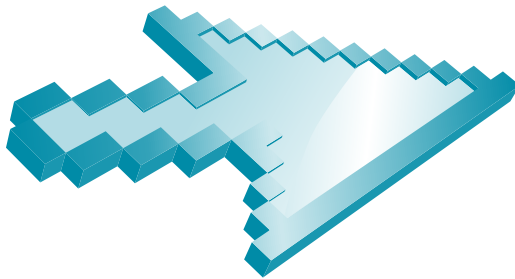
- easier to save by payroll deduction
- immediate tax reduction
- contributions can be made one year earlier than an RRSP

Disadvantages

- voluntary account cannot be withdrawn during employment

E-mail Addresses

If you have not yet let us know how to contact you by e-mail, or your e-mail address has changed please update us by sending a note to gsi@elcic.ca and write "be connected" in the subject line.



Board Members

The time has come to begin the process of seeking directors for the ELCIC Group Services Board. Please consider if anyone in your congregation may be interested in serving in this capacity. Any interested candidates should complete the bio form posted on our website and submit to our office as soon as possible.

Manulife Wellness Messages

Family Time

Winter is quickly approaching and the colder weather often brings with it increasingly busy work days. It's important that we take the time now to recognize the importance of ensuring regular time with our family and friends despite our sometimes demanding schedules.

Spending regular time with our family and friends has many mental health benefits:

- Developing a routine to ensure regular family time can lead to better work-life balance which has been shown to decrease stress levels and increase satisfaction.
- Quality time with family and friends often brings laughter. Laughter may make us feel more relaxed and happy (http://www.helpguide.org/life/humor_laughter_health.htm).
- Setting aside dedicated family time will help to remind us of the important support that our family and friends can provide us.

Remember that "family" can be defined loosely and can include your close friends, your church family or even your pets!



Performance Objectives

Consider building health and wellness into your performance objectives. When you sit down for your annual review and look at your goals and professional development, try thinking about goals for your health and wellness as well.

New research published in the European Heart Journal says happy people are less likely to develop heart disease than unhappy people. The 10-year long study followed 1,739 Nova Scotians and found that people with "positive affect" – that is, those who experienced pleasurable emotions like joy, excitement, enthusiasm and contentment – had a lower risk of heart attacks or angina than those with a more negative outlook.

Strategies for Prompt Health and Dental Claims Processing

Most claims can be received, processed and returned to members within 15 working days, and here are some helpful hints on how you can ensure that claims are processed in a timely manner.

- Ensure that your information is kept up to date. If your spouse has health and dental coverage please advise our office so that we can set up the coordination of benefits (COB), otherwise your claims may be denied at first, delaying your reimbursement.
- Sign up for direct deposit of claims payments and if you provide your e-mail address you will be advised when your statement is available for viewing and printing.
- Take advantage of your pay-direct drug card.
- Many dental offices can submit claims electronically on your behalf. Ask your dentist if this service is available.
- Ensure your identification number is on your claim as this is critical to processing.

- Register on the Manulife Secure Site. It contains a Forms & Brochures section where you can easily access claims forms. These forms will automatically print with your identification already on it. The site also provides information on submitting specialized claims and appropriate claim guidelines.

To register on the Manulife Secure Site from www.manulife.ca/groupbenefits, click on **Plan Member**, then choose **Register**. After typing in the plan number and certificate number you must provide some personal information for identification. When initial registration is complete, the system will generate an activation code that's mailed to your home address. Just key the code in once to unlock the secure features on the site. Upon receipt of the activation key, you must login to access services.

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