Securing Your Future Together

Adventist Retirement
Adventist Retirement Plans

- Church “Legacy” Retirement Plan (DB Plan)
- Church Healthcare Assistance Plan (SHARP)
- Loma Linda Foods Plan
- Guam Micronesia Plan
- Hospital Retirement Plan
- Hospital Medical Plan
- Adventist Retirement Plan (DC Plan)
Adventist Retirement Plans

- Church “Legacy” Retirement Plan (DB Plan) – 1911 - 1999
- Church Healthcare Assistance Plan (SHARP)
- Adventist Retirement Plan (DC Plan) – 2000 – Current
Church “Legacy” Plan

- Church Retirement Plan 403(b)(9)
- Purpose of the Plan
- Frozen Contributions to the Plan
- Plan Administration
## Funding the Church “Legacy” Plan

<table>
<thead>
<tr>
<th>Institution</th>
<th>Tithe Based Pension Contribution</th>
<th>Tithe Based Healthcare Contribution</th>
<th>Payroll Based Pension Contribution</th>
<th>Payroll Based Healthcare Contribution</th>
<th>Total Contribution</th>
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<tbody>
<tr>
<td>Conf &amp; Union</td>
<td>8.10%</td>
<td>3.00%</td>
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<td>11.10%</td>
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<tr>
<td>GC/NAD</td>
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<td>10.25%</td>
<td>3.50%</td>
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<tr>
<td>Direct Tithe</td>
<td>8.829%</td>
<td>3.270%</td>
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<td>12.099%</td>
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<tr>
<td>Education</td>
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<td></td>
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<td>3.50%</td>
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<td>ABC’s HHES/FHES/FER</td>
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<td>9.45%</td>
<td>3.50%</td>
<td>12.95%</td>
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</table>
Church “Legacy” Plan

- Life-Long Monthly Pension Benefit
- Benefit Depends on:
  - Vesting
  - Total Service Credit
  - Level of Earnings
  - Eligibility for Spousal Benefits
Years of Service Credit

- Pre-2000 Years Only
- Employment by a “Participating Employer”
- Exceptions:
  - Approved Graduate Study for M.Div./PhD
  - Qualifying Military Service
  - Chaplain of Prison, etc.
Years of Service Credit

- Not Counted:
  - Years after 1999
  - Years with less than 1000 hrs. in year
  - Volunteer Work
  - Paid directly by Church or Church School
  - Years lost to Breaks in Service unless Recovered
    (25 years full service)
Spousal Benefits

• Joint & Survivor Benefit
  – Married, and have been married for at least one year before retirement
    • Retirement Healthcare Assistance
    • Spouse Death Benefit
    • Spouse Survivor Benefit (1/2 J&S Rate)
Spouse Allowance

• Additional “welfare” benefit granted to participant if Spouse has no retirement plan provided by any employer
• Recognition of career-uprooting moves
• Reduced by employer-provided retirement benefits
Spouse Allowance

- 20+ Years of Service Credit
- Married at least 1 Yr. prior to Effective Date
- SA is Reduced by the Amount of any ER Benefit
- Social Security does not count against SA
- Discontinued at Death of Spouse or Divorce
- Does not Restart at re-Marriage
Retirement Allowance

- One Time Lump Sum Benefit at Retirement
  - Based on Years of Service and Last Wages

- Eligibility
  - At least Half-Time Employment for past 2 Years
  - Go Directly from Employment to Retirement
    - Limited Exceptions within 36 months

- Calculation: 12.5% * Monthly Pay * Years SC

- Split Benefit
  - For Service Prior to 2000 – Retirement Benefit
  - For Service after 1999 – Employee Benefit from Employer
“If we take a late retirement and an early death, we’ll just squeak by.”
# Current Estimate of Benefits

<table>
<thead>
<tr>
<th>Years of Service Credit</th>
<th>Single Life Annuity</th>
<th>Spouse Allowance</th>
<th>SLA + SA</th>
<th>J&amp;S + SA</th>
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<tr>
<td>&lt;5</td>
<td>$24,067.34</td>
<td>$0.00</td>
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<td>$316.94</td>
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<td>$0.00</td>
<td>$475.41</td>
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<td>40</td>
<td>$1,267.76</td>
<td>$633.88</td>
<td>$1,901.64</td>
<td>$1,774.86</td>
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</table>

4/25/2016
What is SHARP?

• SHARP is the Self-Funded, NAD Employer Sponsored Healthcare Plan for Retirees of Participating Employers of the North American Division.

• SHARP is not Insurance

• SHARP is Governed by the Adventist Retirement Board

• SHARP Requires Minimum 15 Yrs. Service Credit
• Medicare Provides Retirees with:
  – 65+ Inpatient (Medicare A)
  – 65+ Doctor Visits (Medicare B)

• SHARP Provides Retirees with Options for:
  – Catastrophic Medical Safety-Net (Base or MCx Options)
  – Dental, Vision & Hearing (DVH Option)
  – Prescription Drugs (Rx Option, Medicare D Plan)

• 65+ Retirees **MUST** have Medicare A & B for Medical Assistance
# 2016 SHARP Retiree Earned Credit

<table>
<thead>
<tr>
<th>Category</th>
<th>Earned Credit 2016</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Standard SHARP</td>
</tr>
<tr>
<td>A 35+ Yrs</td>
<td>220</td>
</tr>
<tr>
<td>B 30-34 Yrs</td>
<td>200</td>
</tr>
<tr>
<td>C 25-29 Yrs</td>
<td>175</td>
</tr>
<tr>
<td>D 20-25 Yrs</td>
<td>155</td>
</tr>
<tr>
<td>E 15-19 Yrs</td>
<td>130</td>
</tr>
<tr>
<td>F 8-14 Yrs **</td>
<td>110</td>
</tr>
<tr>
<td>G 5-7 Yrs **</td>
<td>90</td>
</tr>
</tbody>
</table>
### 2016 SHARP Retiree Monthly Cost

<table>
<thead>
<tr>
<th>Option</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Option</td>
<td>$35/mo/person</td>
</tr>
<tr>
<td>MCx Option</td>
<td>$175/mo/person</td>
</tr>
<tr>
<td>DVH Option</td>
<td>$75/mo/person</td>
</tr>
<tr>
<td>Rx Option</td>
<td>$120/mo/person</td>
</tr>
<tr>
<td>Pre-Medicare Option</td>
<td>$450/mo/person</td>
</tr>
<tr>
<td>Non-Medicare Option</td>
<td>$130/mo/person</td>
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</tbody>
</table>
DC Plan – 2000 and beyond

- How did we land on a 403(b) Plan?
- Defined Contribution – Everybody puts something into the “pot”
- Went live in January of 2000
- Money in is money out
The Big Move

- Process: RFP (by Board request) every 5 years
  - TPA – Third Party Administrator
  - Price
  - Services

- VALIC – 15 years

- The move – January of 2015 to Great-West/Empower
  - Technology
  - Education
  - Web based
  - Participants better off in 5 years
DC Plan – Get to know us

• We are a small “piece” of what you and your staff do on a daily basis

• A very important piece – one that is HIGHLY regulated

• The IRS regulations can seem arbitrary and not user friendly – especially in lieu of what we do and how we do it as a church

• PLEASE REMEMBER: We’re here to help and assist you
  – Better to try and “fix” something BEFORE it goes to Empower
Who is “us”

- Kristina Dahabura – Accounting Software Specialist (ARP Support)
  - kristinadahabura@nadadventist.org
  - 301-680-6456
  - All things to the department - My right hand
  - Specifically: Year End and Limits Testing; RA & Disability questions; Data Manager; ARP Upload
Who is “us” - continued

- Joanne Cortes – DC Plan Specialist
- joannecortes@nadadventist.org
- 301-680-6198
  - Day to day processing
  - Export of file “batches” – M,T
  - Loans: Signatures/Empower
  - RMD’s
  - Crossed trained with Shyamala
Who is “us” - continued

- Shyamala Injety – DC Plan Specialist
- shyamalainjety@nadadvenist.org
- 301-680-6270
  - Daily bank info & weekly wires – W, Thurs
  - Hardships: Signatures/Our office
  - EPCRS
  - Delinquency
  - “T” codes
  - Crossed trained with Joanne
“Hands on Help”

- Our Website: www.adventistretirement.org
- Our Admin Manual
- Our Legal Plan Document
- SPD: Summary Plan Description
- Face to face “training” or “DC Plan 101”
- Emailed “Bulletins”
Know the Process

• Who in your establishment does the following?
  – HR
  – IT
  – Payroll

• What are your protocol’s and procedures?

• Data in a generated “payroll” file
  – Indicative employee information
  – Contributions

• Matching Funds
• Batched
• Wire
• Email “dialogue”
How can YOU help US?

- Terms & Processes:
  - Eligibility
    - Basic, Match and Employee (Elective Deferral); Schwab
      - Roths – do you offer them?
    - Local Hire – Potentially messy, especially for moving employees
  - SRA’s and Beneficiaries
    - Affidavit
    - Beneficiary with Empower
  - Status Codes
How can YOU help US? – Continued

- Special Pay
  - Have you elected it?

- RA’s and Limits

- Delinquency

- EPCRS

- Old VALIC TSA accounts

- 402 and 415 Testing
It’s a Partnership

• A lot of moving pieces
  – NAD Policies
  – Retirement Policies
  – IRS regulations

• We rely heavily on you as the “boots on the ground” – you ARE the front line

• Our “doors” are always open – we WANT to hear from you