

With you on the journey

Adventist Retirement

Edwin G. Romero CEO/Administrator
NAD Associate Treasurer

2021 Facts

2021 Benefits Paid
\$165 + Million

Asset Management
\$3 billion

Retirement Education
(financial wellness/retirement)
1,000+

DB Church Pension
Fully Funded
12.02 Years Remaining

Defined Contribution
(Empower)
\$2 billion-participants'
assets

Participants
35,000 +

Manage 8 Plans
4 DB's, 2 HC's & 2 DC's

Adventist Retirement



VISION

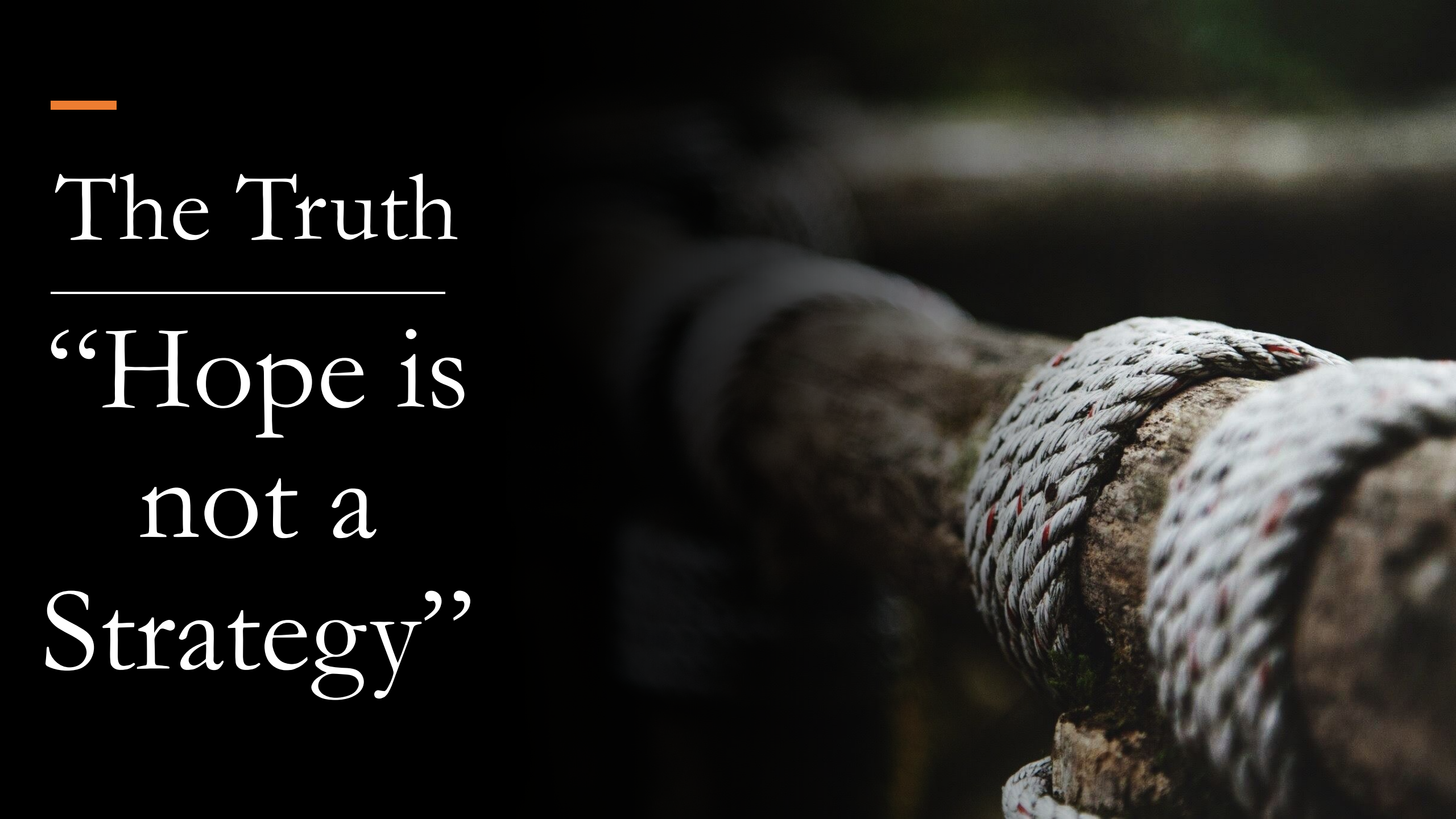
Inspire SERVICE through effectiveness, efficiency, training, education, resources & financial stewardship on behalf of our plan participants

Service-oriented culture



Adventist Retirement





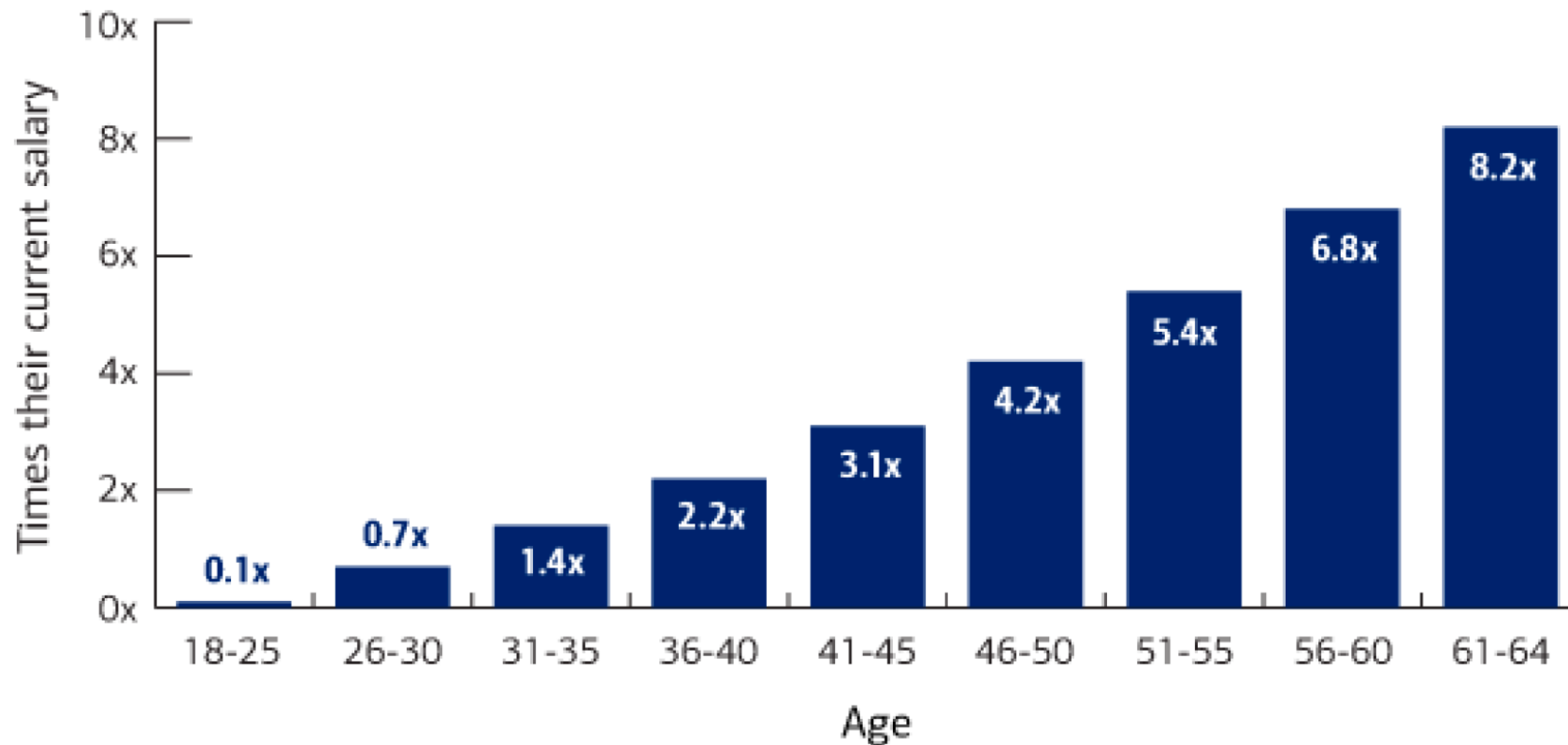
—
The Truth

“Hope is
not a
Strategy”



How much should you be saving for retirement?

With findings based on the Financial Wellness Tracker, consider using the following savings multiples as guidance for confidently replacing your income in retirement:



Launched in 2021!



AdventistRetirement

Seventh-day Adventist Church
NORTH AMERICAN DIVISION



**2 FT Certified Financial Planners (CFP's)
at no additional cost to participants
CONFIDENTIAL**

Let a CERTIFIED FINANCIAL PLANNER™ professional create a plan for your future

There is not cost and no minimum balance for this service. The service is CONFIDENTIAL!

- Identifying and prioritizing your financial goals
- Organizing your finances
- Retirement savings and income strategies
- Insurance and estate planning
- Saving for education
- Debt management



Make an appointment

By phone: 833-301-9355

Online: seventhdayadventist.empowermytime.com



Warren Buffett Once Said

“He preferred being somewhat right over being exactly wrong”



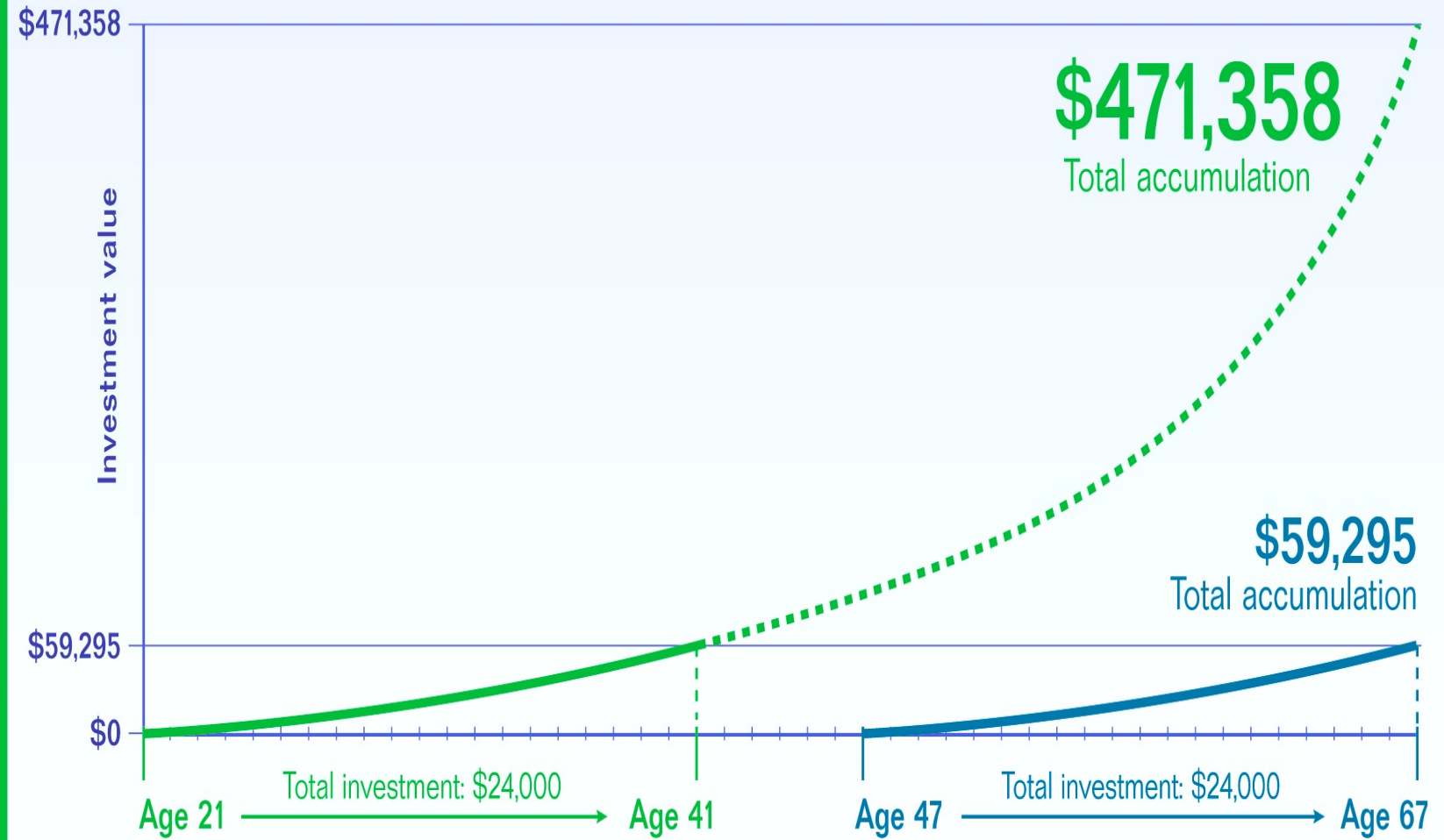


What If I Pull Money Out Early?

Opportunity Cost (compound annually)

Distribution	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Yrs. of growth	10 Years	20 Years	30 Years	40 Years
ROR (CI)	6%	6%	6%	6%
Investment balance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Investment Earnings (OC)	\$ 79,084	\$ 220,713	\$ 474,349	\$ 928,571
End Balance	\$ 179,084	\$ 320,713	\$ 574,349	\$ 1,028,571
Taxes & Penalties				
24% federal tax rate	\$ (24,000)	\$ (24,000)	\$ (24,000)	\$ (24,000)
6% state taxes	\$ (6,000)	\$ (6,000)	\$ (6,000)	\$ (6,000)
10% penalties ?	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)
Net estimated distribution	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
Total Potential Loss \$	\$ (109,084)	\$ (250,713)	\$ (504,349)	\$ (958,571)

COMPOUND IT: Why it doesn't pay to wait.



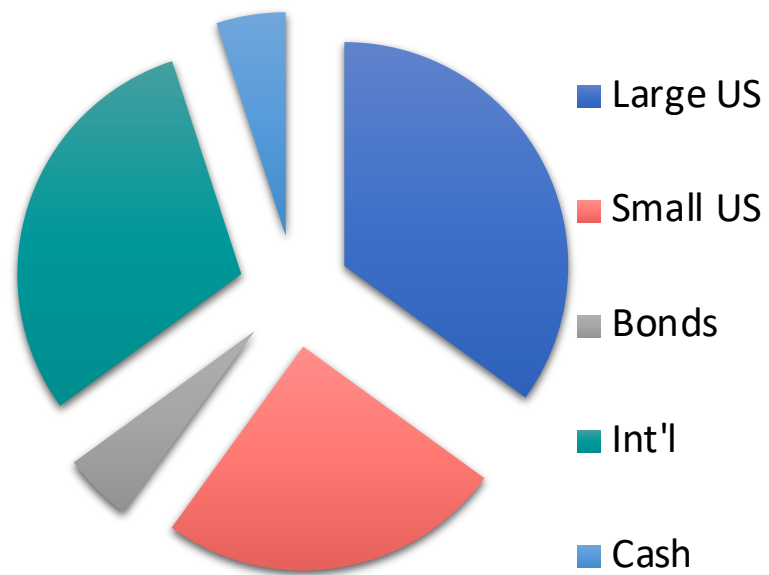
Assuming an 8% annual return, compounded monthly. Results are hypothetical and do not represent the performance of any actual investment. They do not take into account fees, expenses or taxes.

The Power
of Time &
Compound
Interest

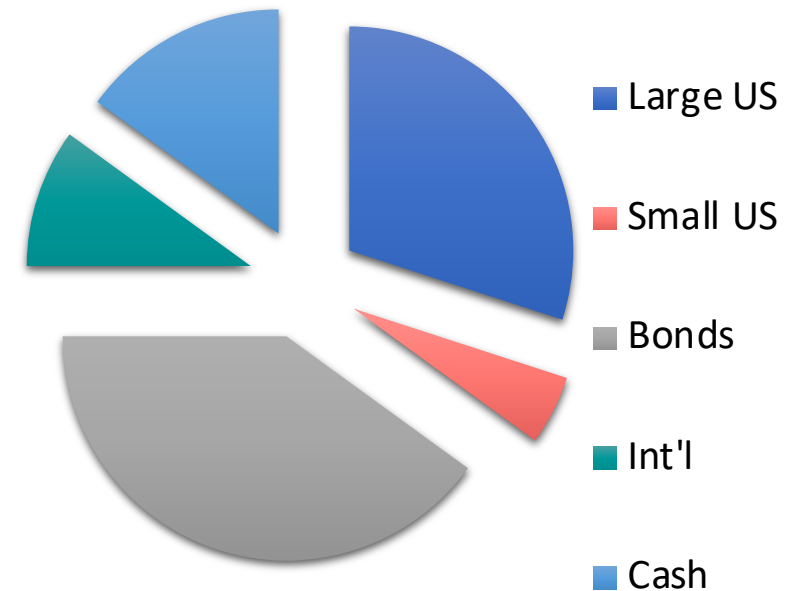
Tip: Review your Asset Allocation

Hold a percentage of stocks equal to 100 minus your age. So, for a typical 60-year-old, 40% of the portfolio should be equities. Give an example

Young Employee



Seasoned Employee





Historical Risk/Return (1926-2020)

Average annual return: **9.4%**
Best year (1982): **41.1%**
Worst year (1931): **-30.7%**
Years with a loss: **23 of 95**

100% stocks



Historical Risk/Return (1926-2020)

Average annual return: **10.3%**
Best year (1982): **54.2%**
Worst year (1931): **-43.1%**
Years with a loss: **25 of 95**

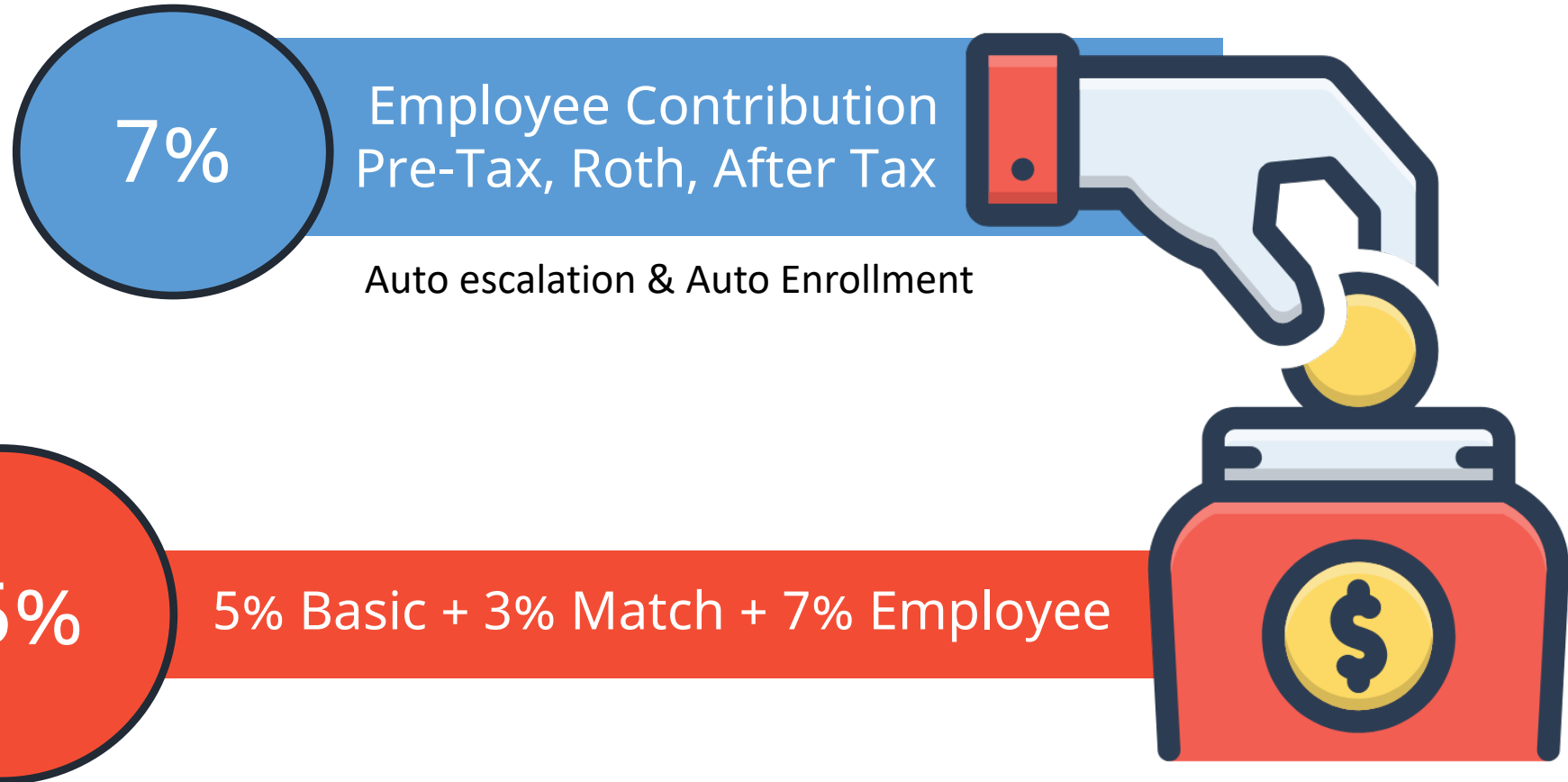
80% stocks / 20% bonds



Historical Risk/Return (1926-2020)

Average annual return: **9.8%**
Best year (1982): **45.4%**
Worst year (1931): **-34.9%**
Years with a loss: **24 of 95**

Tip: Review Your Savings Rate (contributions)

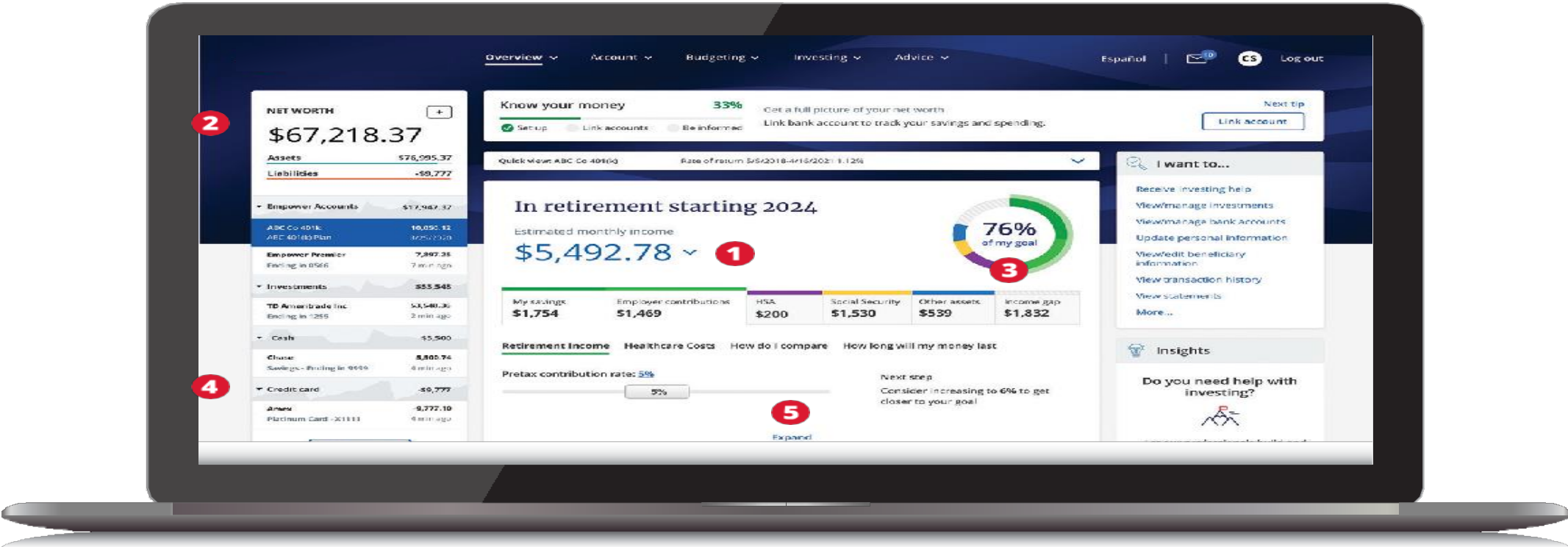


New Enhancements Coming in July!



View all your finances in one secure place

Retirement. Credit. Cash. Mortgage.



FOR ILLUSTRATIVE PURPOSES ONLY

Spenddown Account

Prepared For: **Treasurers Training**

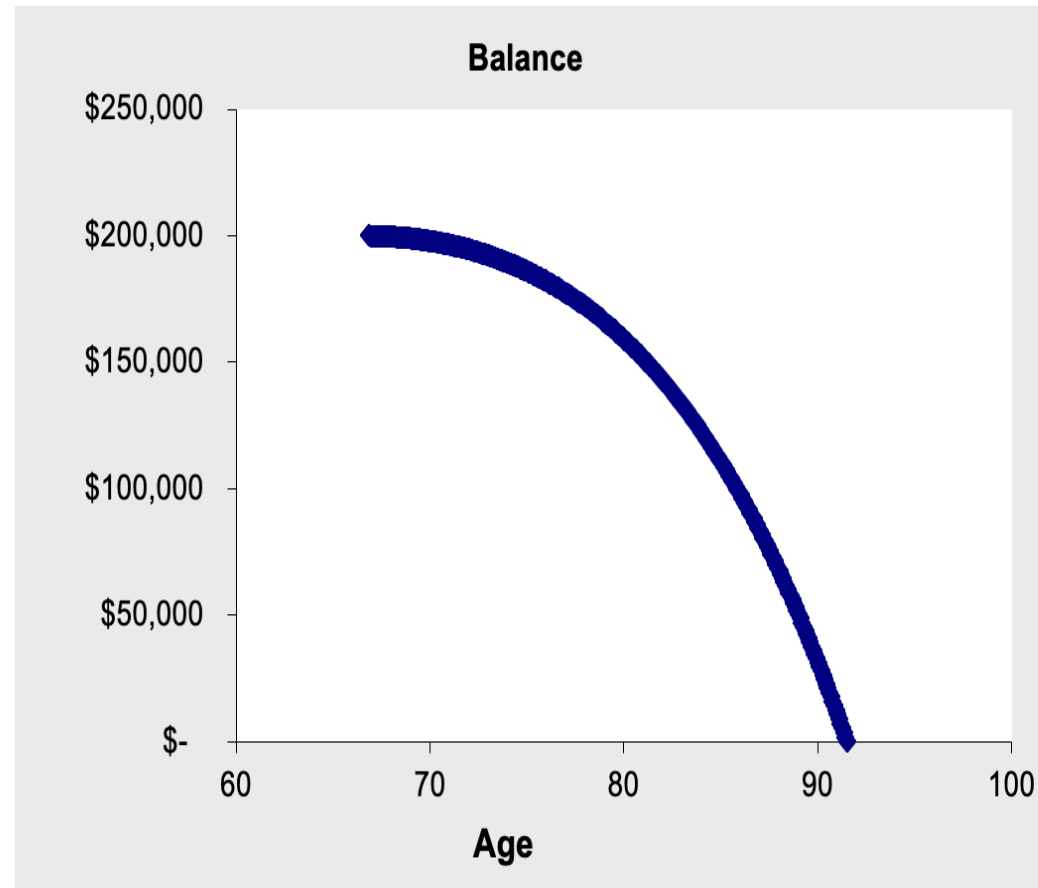
Date: 6/29/22

Withdrawal Plan

Investment at Retirement	200,000
Date of Retirement	5/1/39
Current Age	50.0
Annual Interest Rate	6.00%
Withdrawal Frequency	Monthly
First Withdrawal	\$667.00
Payment Type	End of Period
Annual Inflation Rate	2.50%

Results

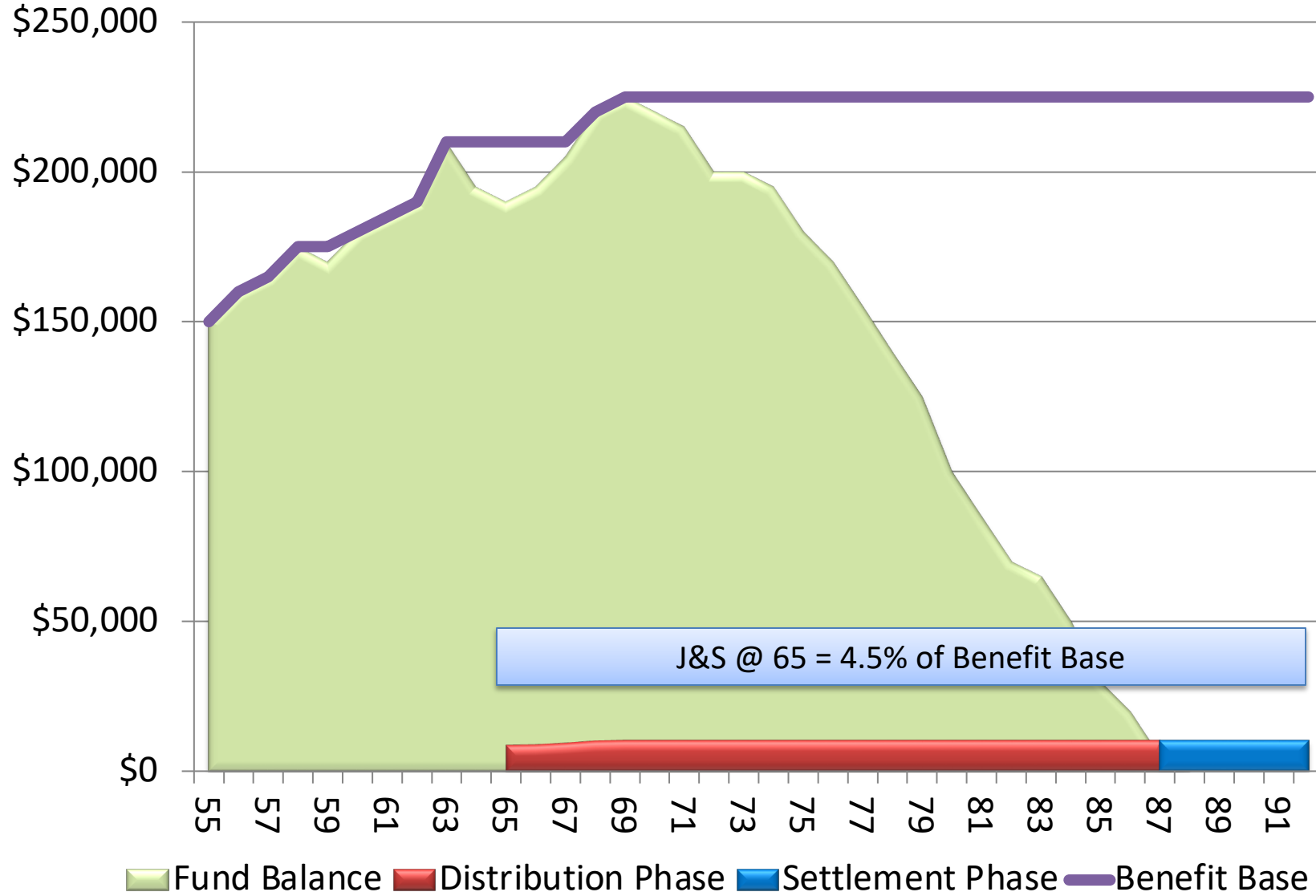
Years Until Retirement	16.85
Age at Retirement	66.9
Initial Withdrawal	1,011.22
Number of Payouts	296
Age at Last Payout	91.5
Final Payout	1,725.02
Total Interest Earned	213,183.96
Total Withdrawals	413,183.96



Payout Schedule

#	Age	Date	Interest Earned	Withdrawal Amount	Additional Withdrawal	Balance
0	66 10/12	5/1/39	0.00	0.00		200,000.00
1	66 11/12	6/1/39	1,000.00	1,011.22		199,988.78
2	67	7/1/39	999.94	1,013.33		199,975.39
3	67 1/12	8/1/39	999.88	1,015.44		199,959.83
4	67 2/12	9/1/39	999.80	1,017.56		199,942.07
5	67 3/12	10/1/39	999.71	1,019.68		199,922.10
6	67 4/12	11/1/39	999.61	1,021.80		199,899.91
7	67 5/12	12/1/39	999.50	1,023.93		199,875.48
8	67 6/12	1/1/40	999.38	1,026.06		199,848.80
9	67 7/12	2/1/40	999.24	1,028.20		199,819.84
10	67 8/12	3/1/40	999.10	1,030.34		199,788.60
11	67 9/12	4/1/40	998.94	1,032.49		199,755.05
12	67 10/12	5/1/40	998.78	1,034.64		199,719.19
13	67 11/12	6/1/40	998.60	1,036.80		199,680.99
14	68	7/1/40	998.40	1,038.96		199,640.43
15	68 1/12	8/1/40	998.20	1,041.12		199,597.51

Secure Foundation (e.g.)



Praise God

***Sustentation Plan
Defined Benefit Plan (pre-2000)***

***The church has never missed a
single payment since the
establishment of the retirement
plan in 1910***

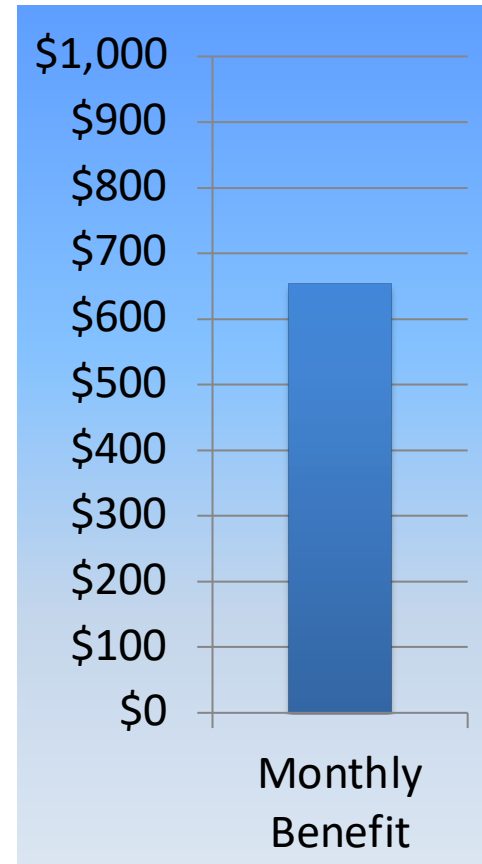
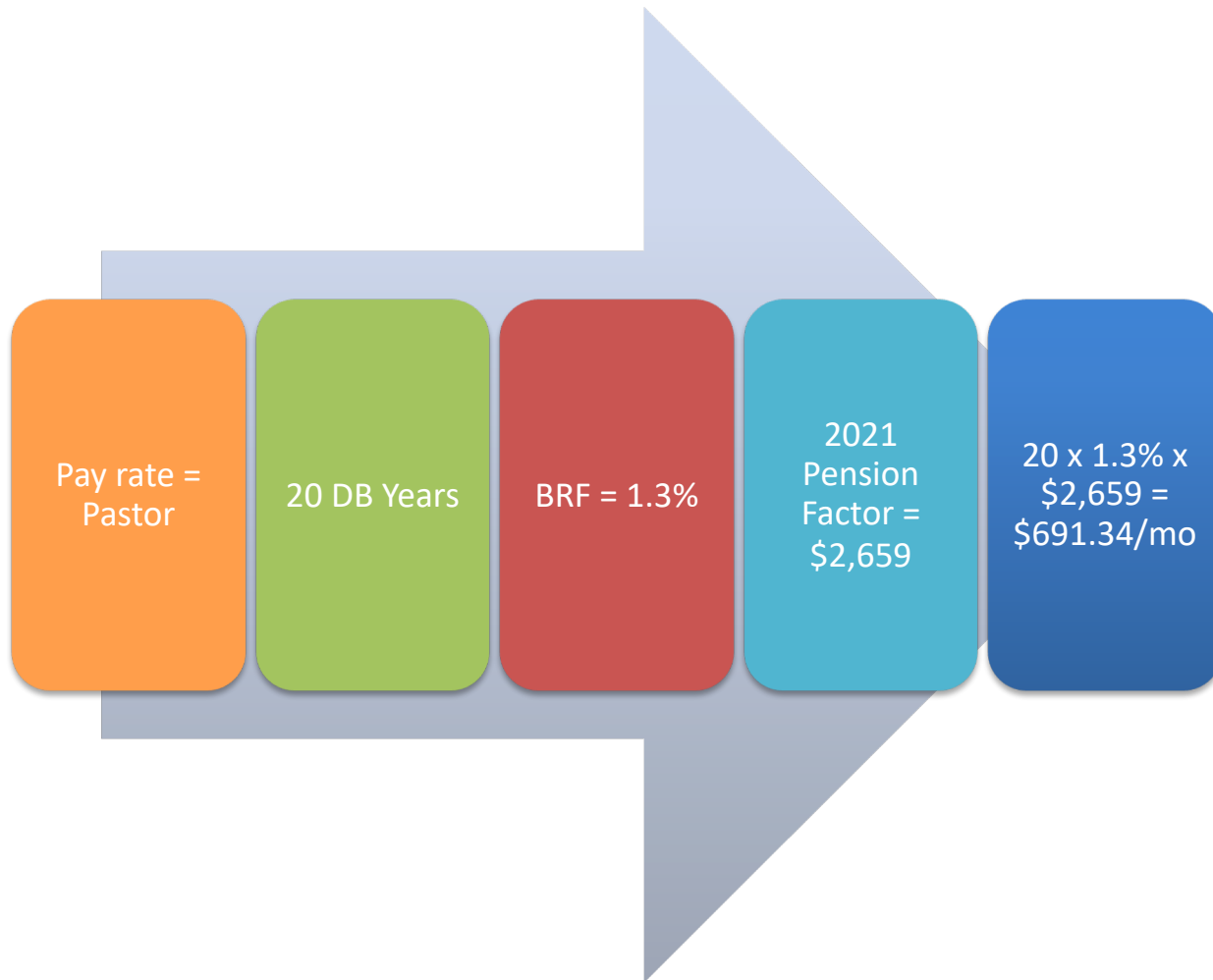
DB Church-Key Eligibility Factors

Benefits depend on:

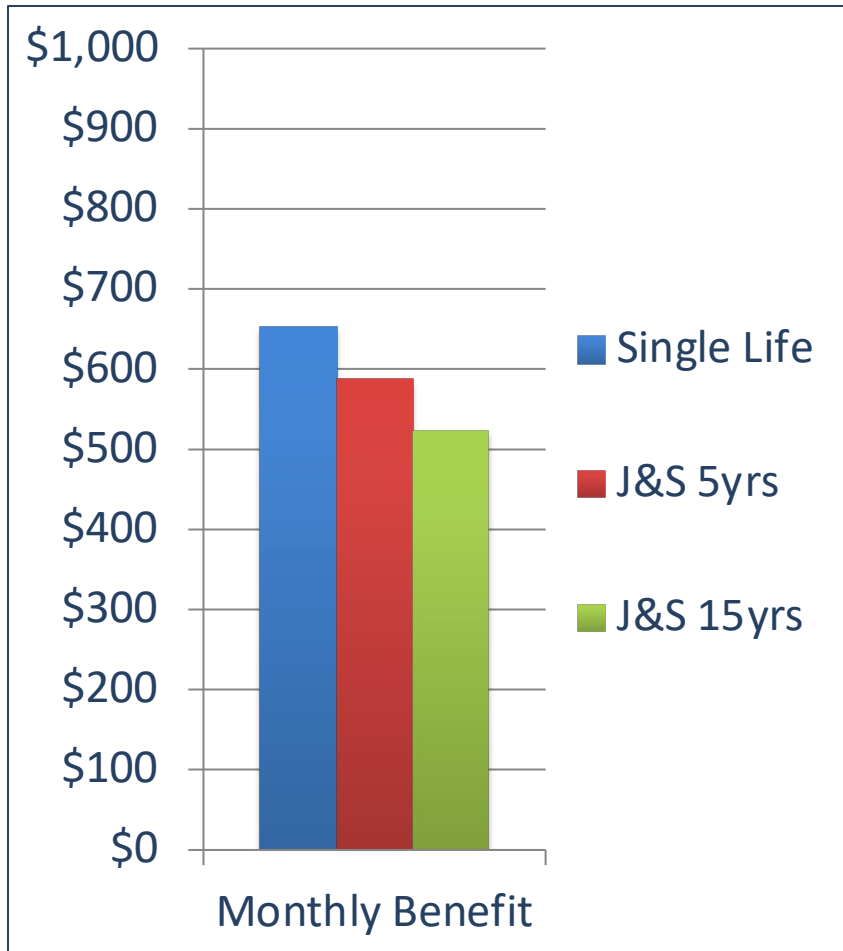
- Vesting (10 yrs.)
- Pre-2000 Qualified Service Credit
- Benefit Rate Factor
- NAD Pension Factor

North American	
Employment	
<i>Hired on:</i>	07/01/1998
<i>Terminated on:</i>	
<i>SSN:</i>	xxx-xx-7023
<i>SIN:</i>	
<i>Benefit Rate Factor:</i>	1.06
Personal	
<i>Marital Status:</i>	Married
<i>Gender:</i>	M
<i>Born on:</i>	05/01/1950

Single Life Benefit – Retiree only



Joint & Survivor Benefit



Married 1+ Years at Retirement

Single Life Benefit Reduced by 10%

Spouse Receives

- Healthcare Assistance
- Survivor benefits

May Opt for Single Life

Retirement Allowance Eligibility



Joe's Post-1999 RA

Retirement Allowance

- DC Sent Directly to ARP Account, DB-cash or ARP option
- Avoids Payroll Taxes

Calculation

- $18 \times .125 \times \$4500 = \$10,125$





DEFINED BENEFIT LEGACY PLAN

11,762 Retirees
Get Benefits
(Church Plan Only)

5,294 Active
Employees Vested
(10 yrs. S/C)

2,730 Terminated
Vested (10 yrs. S/C)

2022-2025 Peak
Years for # of
Retirees in Plan

Did you know

- Approximately 75% of tithe funds received are allocated to the the church defined benefit plan
- Approximately 25% of tithe funds received are allocated to the church health care plan (SHARP)
- Payroll based contributions same proportion from above (based on GCAS audit)
- Closures/changes (please let us know)



DEFINED
BENEFIT
LEGACY PLAN

Benefits paid over the last
10 years

\$1,020,525,307

Benefits to be paid over
the next 10 years

\$1,008,574,208

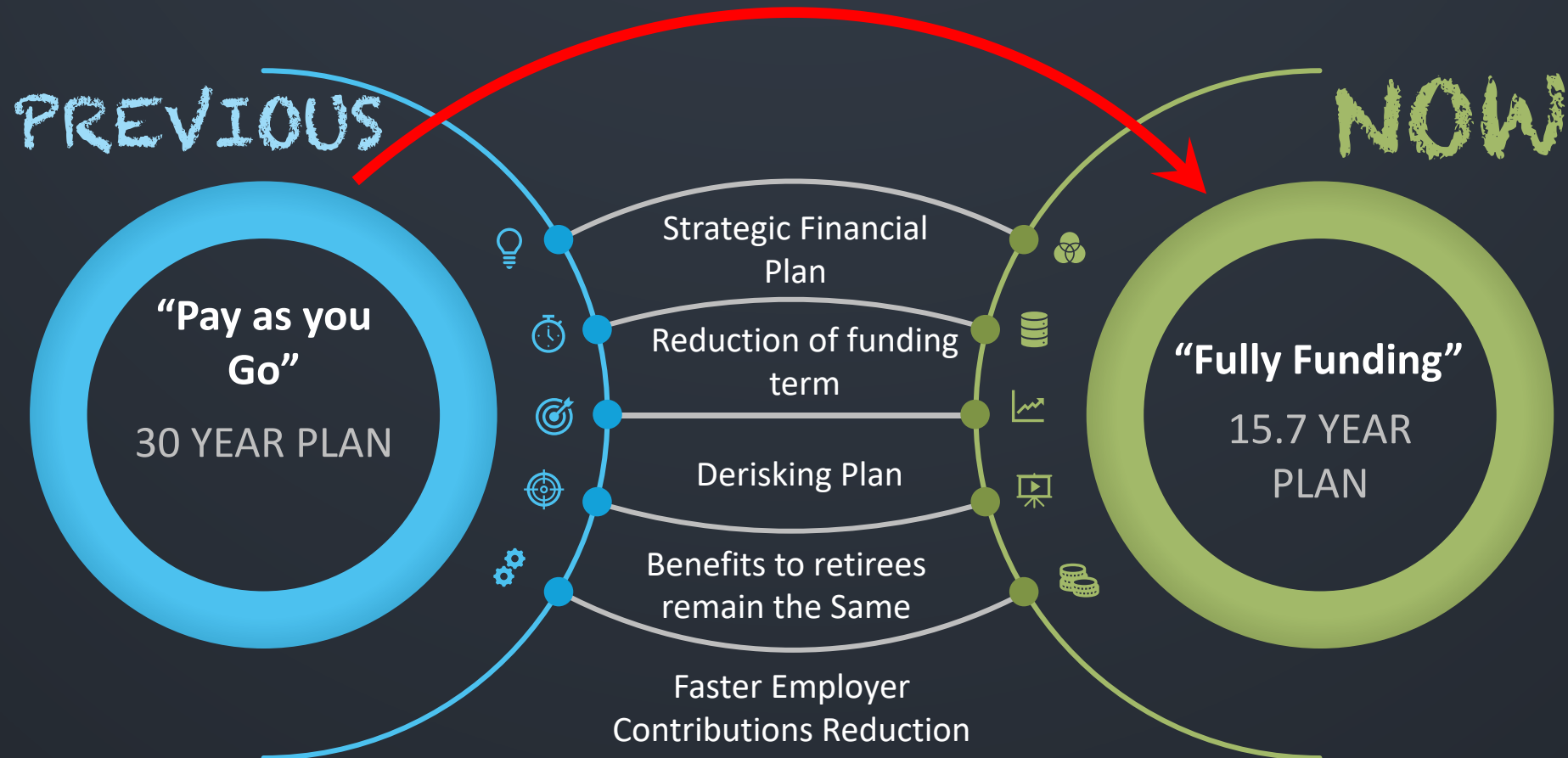
Present Value of Accrued Benefits

\$1,347,230,797

\$987,018,980 (unfunded)

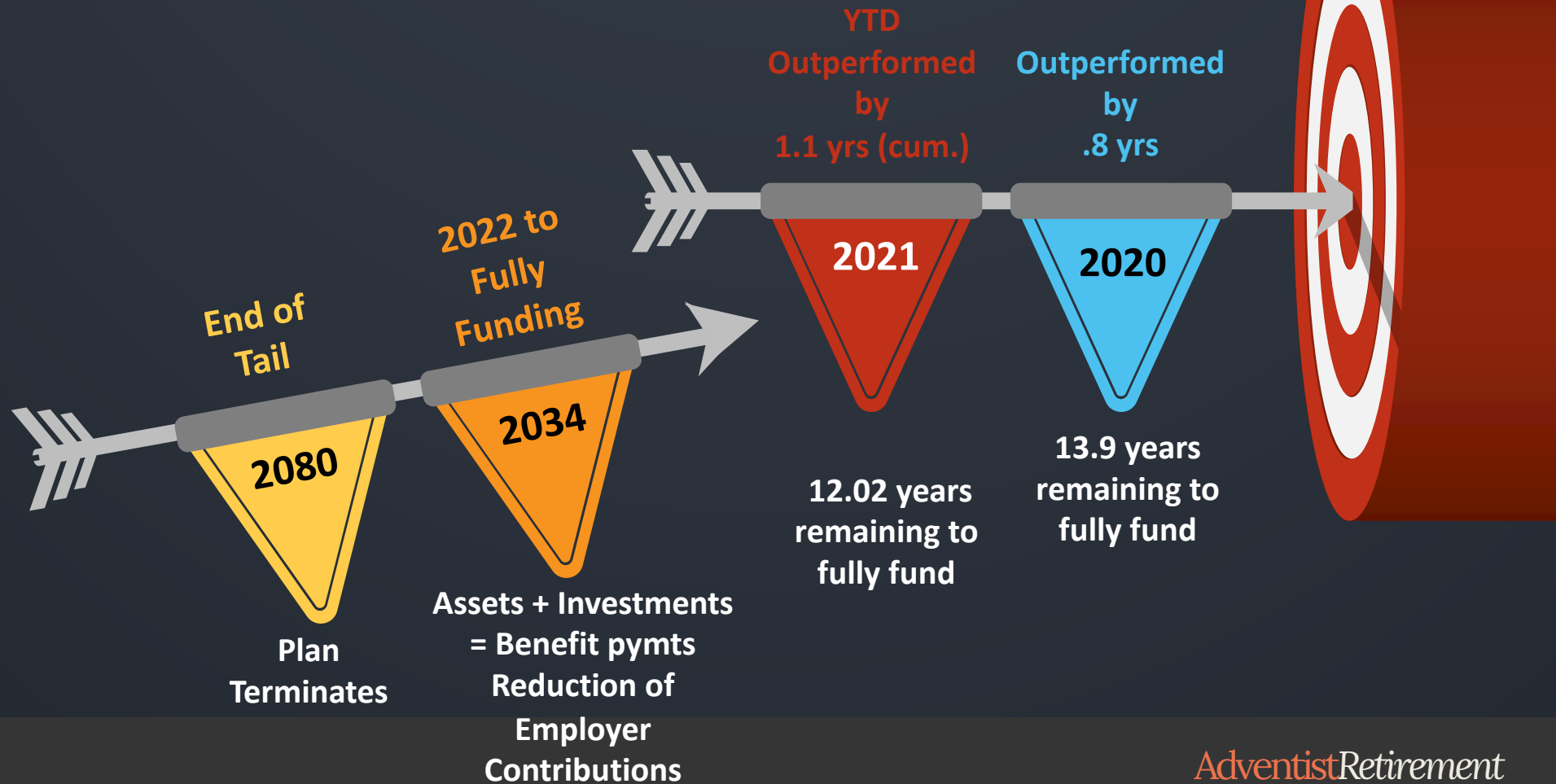
Transition of FUNDING MODELS

Defined Benefit Church Plan (Pre-2000)

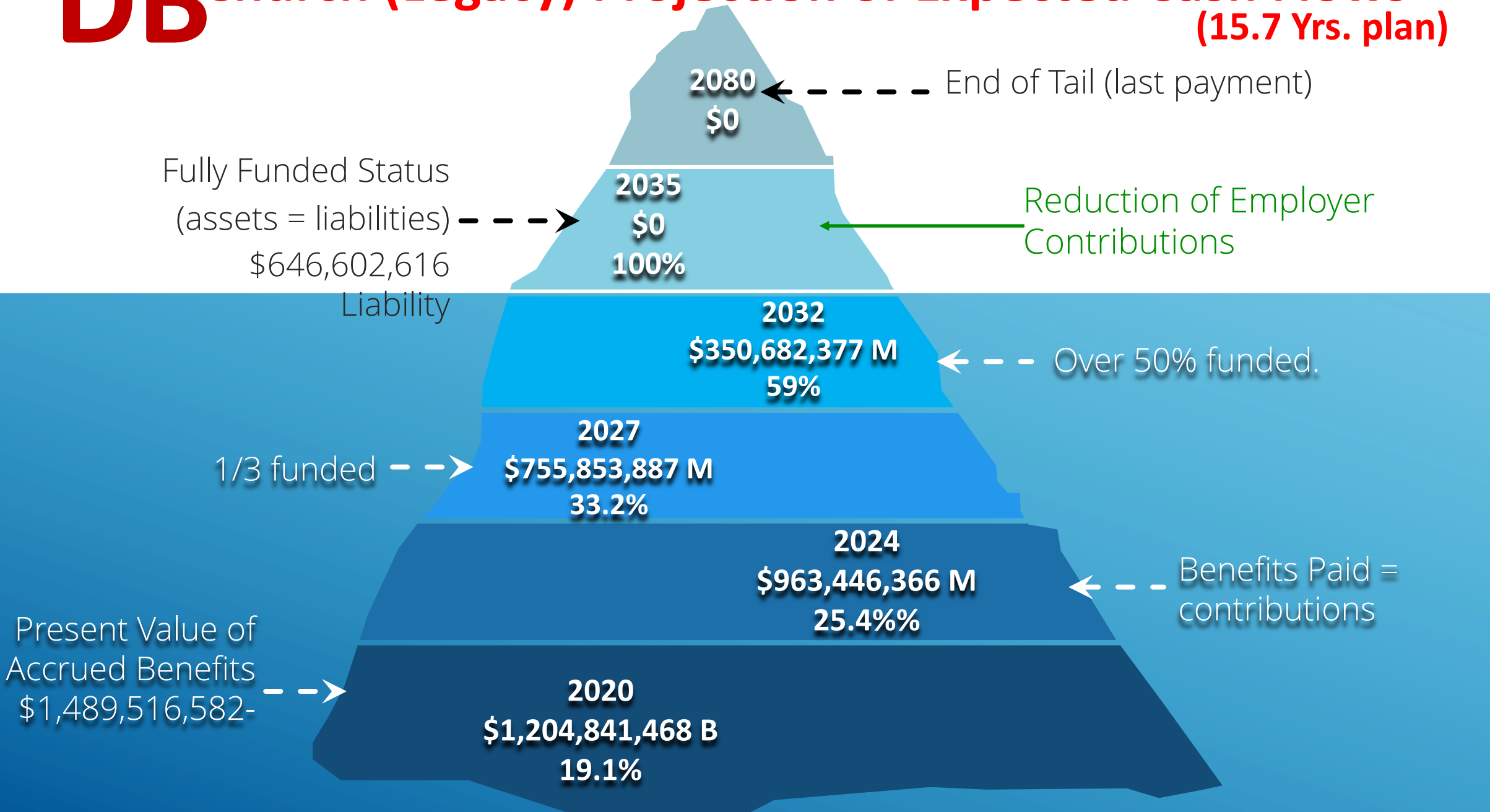


15.7 Years Fully Funding

DB Church Plan



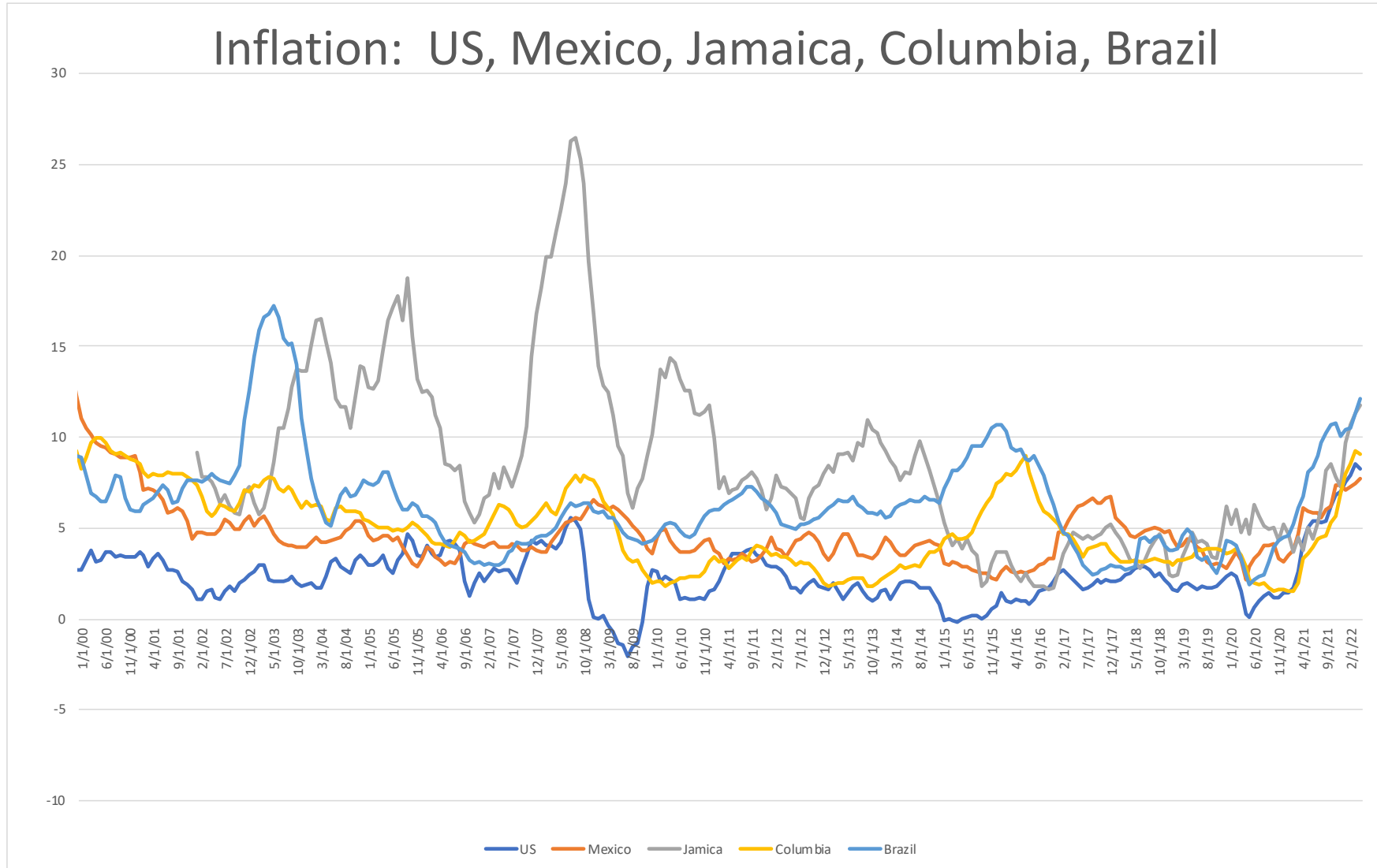
DB Church (Legacy) Projection of Expected Cash Flows (15.7 Yrs. plan)



Challenges

- Creating retirement readiness awareness
- Tithe/Payroll Based Contributions/Investment returns
- Cost of Living Adjustment (COLA)
- Inflation

Inflation: Highest Rate in US in 40 Years



Brazil 12.13%
Jamaica 11.08%
Columbia 9.07%
U.S. 8.63%
Mexico. 7.68%



Resources

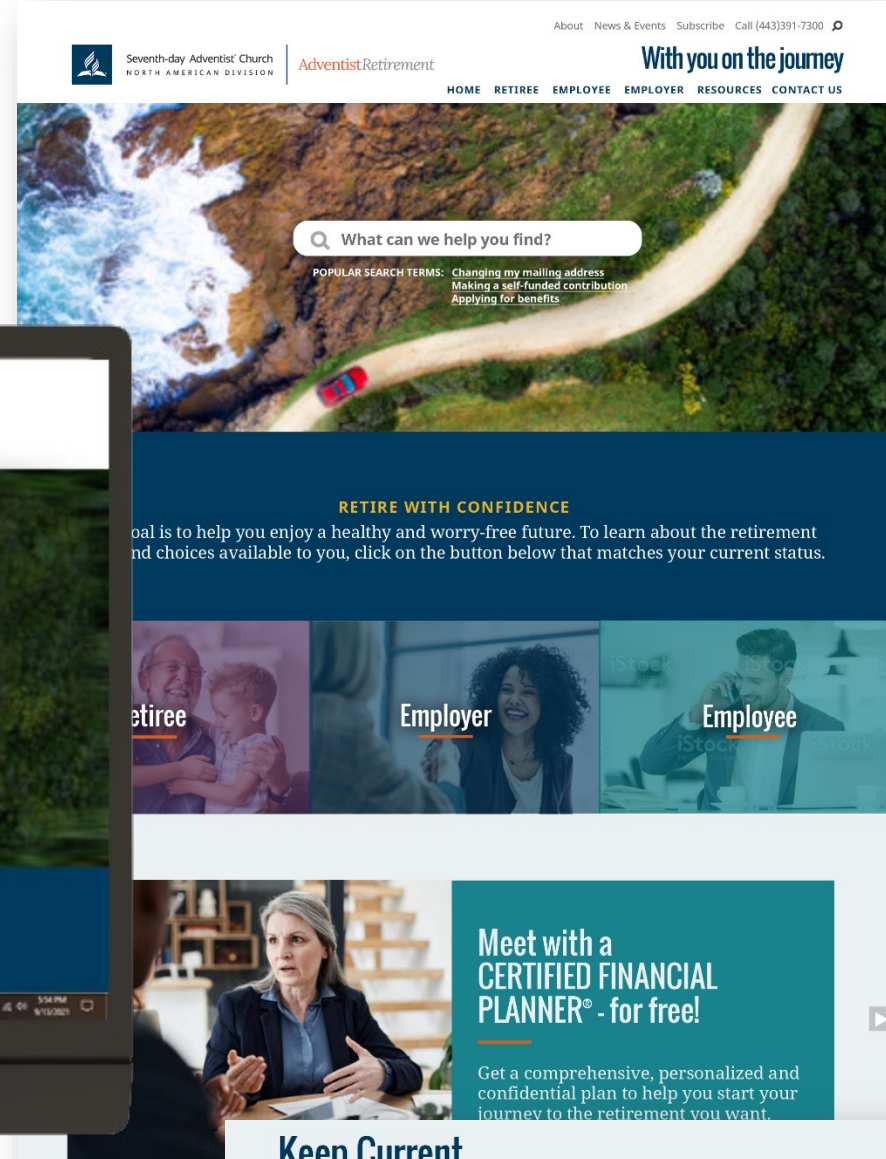




Resources

- New, mobile-friendly website coming this year!
- Planning for Retirement Booklet—Digital for download
- *Reflections* Newsletter for retirees—Email and print (postal mail)
- Employee eNews—Coming soon!
- Quarterly Email Bulletin for Employers
- Offer seminars in English, Spanish, Korean and French languages

A New Website!



 Same URL: www.adventistretirement.org

Keep Current

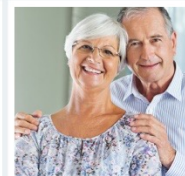
NEWS & EVENTS [View all News & Events](#)



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New Resource!

Planning for Retirement Booklet

- includes a handy checklist

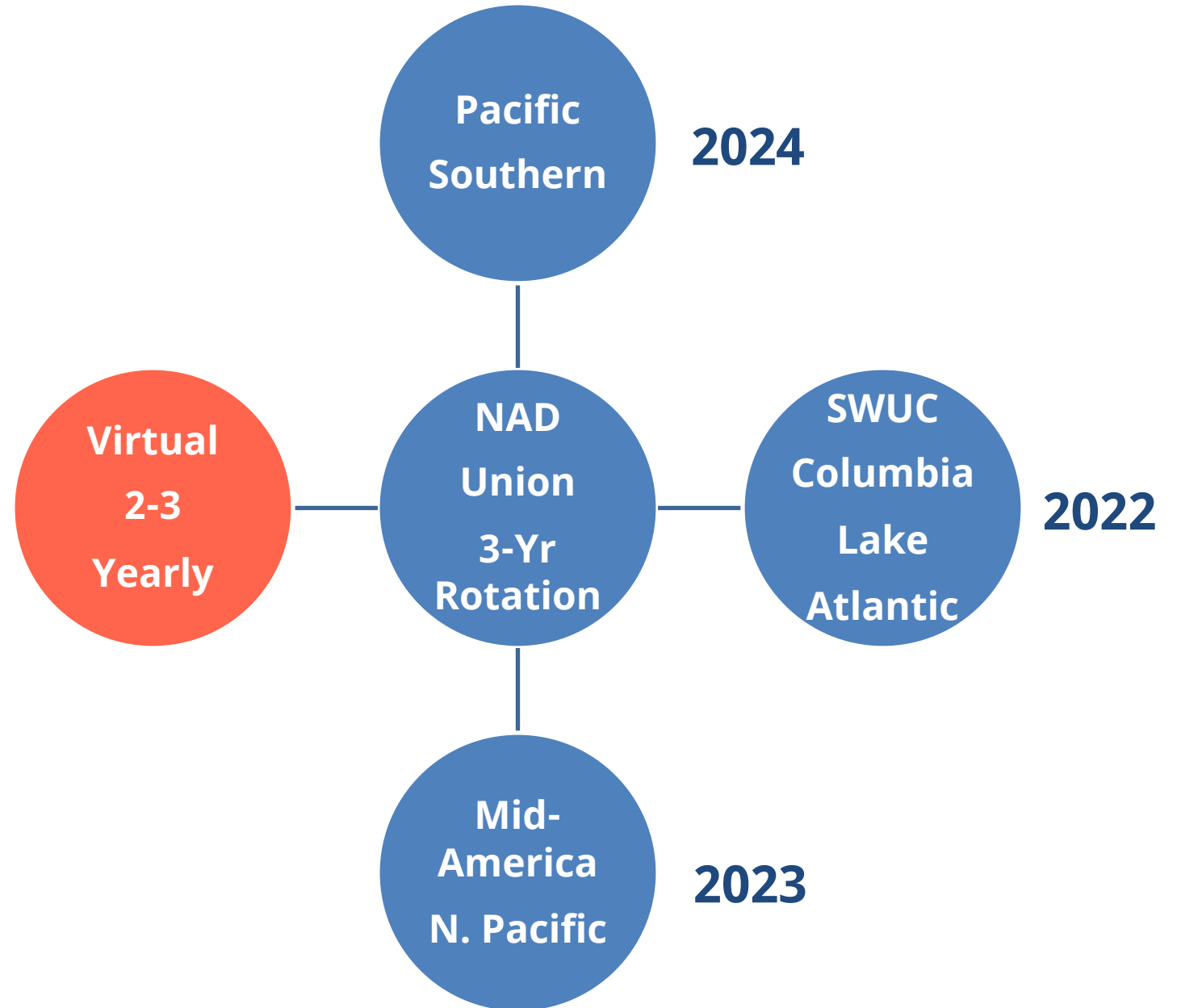
Download at

<http://www.adventistretirement.org/employee/resources>





Retirement Seminars



DB Calculator Demo

<https://calc.adventistretirement.org/>



Sharp Important Considerations

Health Care Cost—Medicare will be your primary (Social Security trust fund), supplemental plan (15 yrs. minimum NAD plan by June 30, 2020), SHARP (HRA).



“Do not withhold good from those to whom it is due, when it is in your power to act.”

Proverbs 3:27



Adventist Retirement
With you on the journey

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Q&A