

# 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

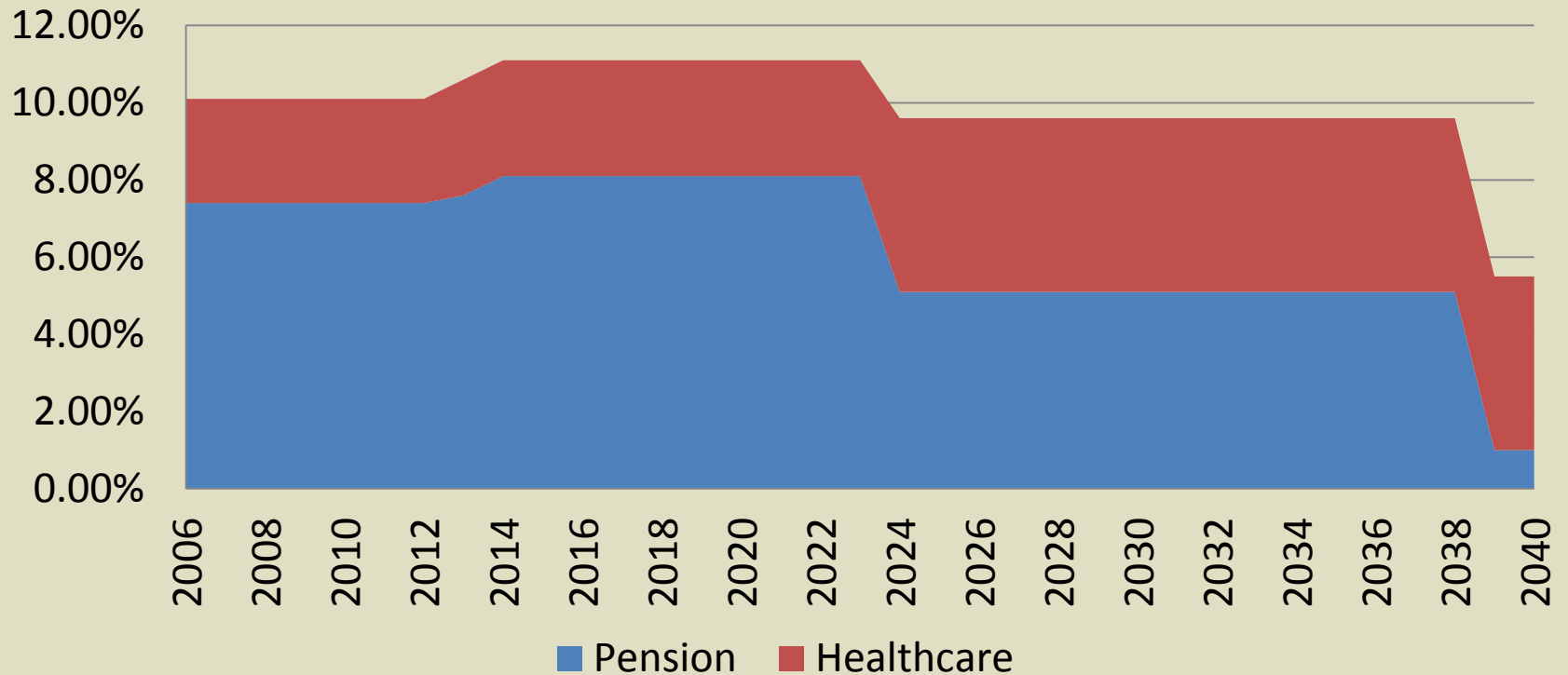
- Church Retirement Plan 403(b)(9)
- Purpose of the Plan
- Frozen Contributions to the Plan
- Plan Administration

# Funding the Church “Legacy” Plan

Institution	Tithe Based Pension Contribution	Tithe Based Healthcare Contribution	Payroll Based Pension Contribution	Payroll Based Healthcare Contribution	Total Contribution
Conf & Union	8.10%	3.00%			11.10%
GC/NAD			10.25%	3.50%	13.75%
GC/NAD Direct Tithe	8.829%	3.270%			12.099%
Education			3.95%	3.50%	7.45%
ABC's HHES/FHES/FER			9.45%	3.50%	12.95%

# How Long?

## Projected Combined Tithe% Contributions



# 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:  $12.5\% * \text{Monthly Pay} * \text{Years SC}$**
- **Split Benefit**
  - For Service Prior to 2000 – Retirement Benefit
  - For Service after 1999 – Employee Benefit from Employer

# Today's Retirement Picture

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*"If we take a late retirement and an early death, we'll just squeak by."*

# Current Estimate of Benefits

Years of Service Credit	Single Life Annuity	Spouse Allowance	SLA + SA	J&S + SA
<5	\$24,067.34	\$0.00	\$0.00	\$0.00
10	\$316.94	\$0.00	\$316.94	\$285.25
15	\$475.41	\$0.00	\$475.41	\$427.87
20	\$633.88	\$158.47	\$792.35	\$728.96
30	\$950.82	\$356.56	\$1,307.38	\$1,212.30
40	\$1,267.76	\$633.88	\$1,901.64	\$1,774.86

# 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



# SHARP

- 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

Category	Earned Credit 2016		
	Standard SHARP	Pre-Medicare	Non-Medicare
A 35+ Yrs	220	440	130
B 30-34 Yrs	200	385	114
C 25-29 Yrs	175	330	98
D 20-25 Yrs	155	275	81
E 15-19 Yrs	130	220	65
F 8-14 Yrs **	110	170	49
G 5-7 Yrs **	90	110	33

# 2016 SHARP Retiree Monthly Cost

<b>Base Option</b>	\$35/mo/person
<b>MCx Option</b>	\$175/mo/person
<b>DVH Option</b>	\$75/mo/person
<b>Rx Option</b>	\$120/mo/person
<b>Pre-Medicare Option</b>	\$450/mo/person
<b>Non-Medicare Option</b>	\$130/mo/person

# 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](mailto: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](mailto: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@nadadventist.org](mailto:shyamalainjety@nadadventist.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](http://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