

Plan Administrator's Report

Del Johnson, Administrator

Reflections

A newsletter for members of the NAD Retirement Plan of the SDA church.

Ninety-two years ago the Seventh-day Adventist Church determined that it would be wise to set up a Worker's Fund for aging and ill employees. A 'sustentation committee' was appointed, and was granted discretionary authority for benefits to be provided to employees who, because of infirmity, could no longer earn a paycheck from the church. There was no general retirement provision – you were expected to work as long as your health would allow you to do so.

Over the years, the plan has gone through major modifications. The church now operates separate plans for employees of the church in Canada, Bermuda, U.S. hospital and U.S. church. Policies for benefits are no longer discretionary but are legally confined to the provisions and assets of the plans. Funds cannot be transferred between plans, although they can be co-mingled for investment purposes.

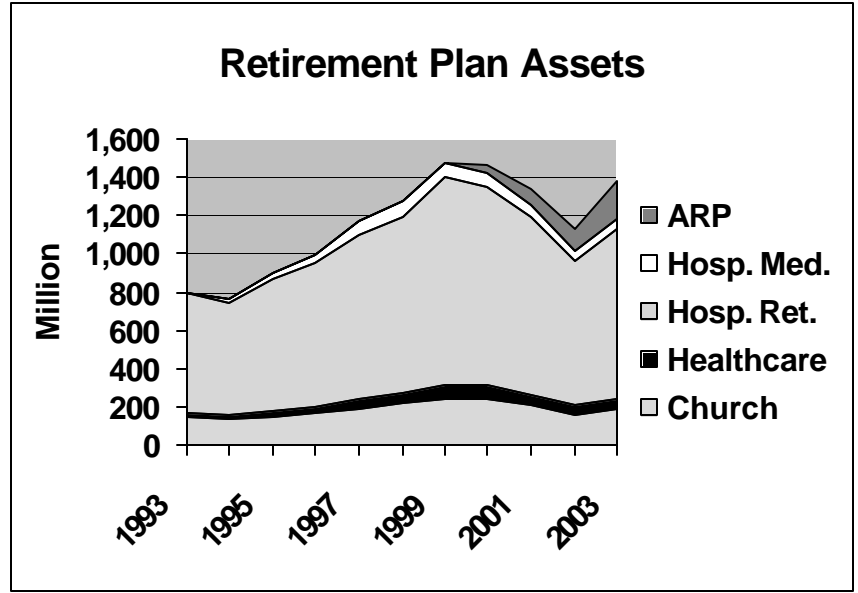
Early on the church determined to not fully fund the retirement plan, but to maintain a relatively small balance, paying for today's retirees out of current flows of funds into the plan. In the mid-1970's, the employment of new employees in the U.S. leveled off

after years of steady growth, and even declined somewhat as school industries were spun off. The result was an ever increasing pool of retirees being supported by organizations whose employee base was steady or declining.

Today this office manages seven different retirement plans, with total assets of \$1.38 billion dollars. These plans include pension and healthcare provisions for the following employee categories:

- Church/Education/Publishing Employees, through 1999.
- Church/Education/Publishing Employees from 2000 forward.
- Hospital Employees through 1991.
- Loma Linda Foods Employees through 1988.

While the hospital and Loma Linda Foods plans are estimated to own enough assets to care for their retirees without further contributions, the church pension and healthcare plans continue to be



funded by the faithful flow of dollars into local church treasuries. Without this, our ability to continue to provide retirement benefits for church employees and current retirees would quickly be in jeopardy.

In order for balances to remain at adequate levels, the plan must invest them wisely, earning at least 5% over inflation on average. During the 1990's, that was accomplished, and more, but this decade has brought significant volatility to the markets.

The graph shows the pattern of the seven funds from 1993 through 2003.

As I review the fund performances over the past decade, I am grateful for the solid gains in the 1990's, and the 2003 recovery against market losses of 2000-2002. I am thankful for clean opinions from our auditors. My sense is that our leaders take very seriously the commitments made to employees and retirees, and constantly seek refinements in maintaining an adequate cushion of funds into the future.



News Notes

From Mort

Contributing Reporter, Mort Juberg

Silver Spring, MD ~ With 111 people joining the church every hour, church leaders are weighing the impact of this growth and how to respond. Michael Ryan, head of the Global Mission Initiative, said that a church that can approach 50 million members by the year 2020 needs to be ready to meet the demands of this influx.

Silver Spring, MD ~ A proposed addition to the "Fundamental Beliefs of Seventh-day Adventists" will be studied by world church leaders in the coming months. A draft of the new statement will be presented to the Annual Council in October. If approved it will presented to the next GC Session in 2005 for consideration.

Silver Spring, MD ~ The Adventist Development and Relief Agency (ADRA) has marked its 20th anniversary. Through these two decades ADRA has changed the lives of millions of people. ADRA currently has more than 4,000 staff members in 120 countries and provided assistance valued at \$120 million last year.

Silver Spring, MD ~ Adventist health leaders echo the concerns of public health officials who are concerned about the rising rate of obesity which is set to become the number one preventable cause of death in the U.S. It is overtaking tobacco use. Church leaders note that Adventists display similar rates to the national average.

Silver Spring, MD ~ Responding to the rising international debate of same-sex unions, the Administrative Council of the church has affirmed the traditional definition of marriage as being between one man and one woman. The statement adds, "We affirm without hesitation our long-standing position."

Silver Spring, MD ~ Reports show that there has been a steady decline in mission offerings during the past few years. The church's administrative council has voted to review the mission offering program and analyze the causes for the decline.

Source: Adventist News Network

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⇒ Don't miss it ⇒ Fill out the attached form and register for this year's Retiree Convocation ⇒ ⇒ ⇒
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National Safety Month 2004

Every year, the National Safety Council promotes National Safety Month, an initiative that focuses on heightening awareness of important safety issues. The National Safety Council and its local chapters provide information, education, and training programs focused on these issues. While accidents come in various forms, the theme of this year's National Safety Month is *Crash-Free June*." The focus of "*Crash-Free June*" is to draw attention to specific types of behaviors that cause motor vehicle accidents.

18.3 million motor vehicle crashes were reported in 2002. These crashes resulted in 2.3 million injuries and 44,000 deaths -- or about 120 deaths per day. It is estimated that 90% of all motor vehicle crashes -- about 16.4 million of those listed above -- are attributable, at least in part, to driver behaviors.

Beginning June 1st, articles and daily tips will be posted on the National Safety Council website (www.nsc.org/nsm.index.cfm) to help educate everyone about the behaviors that contribute to motor vehicle accidents. But here are a few of the key behaviors to watch for, in yourself and others:

* SPEEDING

Speeding is a contributing factor in crashes that kill approximately 12,000 people each year. Speeding reduces the time a driver has to avoid a crash and increases the likelihood and severity of the crash.

*AGGRESSIVE DRIVING

Operating a vehicle in a way that endangers other people and property -- such as improper passing, weaving in and out of traffic, or following too closely -- compromises the safety of both the driver and everyone around them.

*DISTRACTED DRIVING

It only takes a second for a crash to happen. Distractions occur when drivers concentrate on something other than operating their vehicles -- such as cell phones.

*DROWSY DRIVING

Just like drugs or alcohol, sleepiness slows reaction time, decreases awareness, and impairs judgment. Just like drugs or alcohol, it can be fatal when driving.

*FAILURE TO YIELD THE RIGHT OF WAY

One of the most common driver errors, failure to yield the right-of-way is not just a breach of driver etiquette - it's breaking the law.

Participate in "*Crash-Free June*" by sharing knowledge about crash-causing behavior with friends, family and others. For more information contact the National Safety Council at 1121 Spring Lake Drive; Itasca, IL 60143-3201; (630) 285-1121; www.nsc.org.



June 2004

Bulletin Board

If you don't read or keep anything else—read and keep these items!
Payroll information: Checks mailed/deposits released: June 25, 2004

Medicare and Prescription Drugs

“Should I buy the new Medicare Rx discount card?” Recently Medicare has entered the prescription drug market, with discount cards offered now and a more fully developed Rx plan in 2006.

We have not determined yet how the 2006 change will affect the Rx offerings of SHARP. But retirees who are eligible for, and participating in SHARP have asked about the new discount cards. From what we understand, the drug discounts for the Medicare Rx card are probably somewhat less than the discount you receive by purchasing your drugs through the Medco Health card you carry under SHARP. You cannot combine the discounts.

Generally speaking, if you use the Medicare discount card, you will not be able to utilize the \$10/\$20 co-pay system under Medco Health and we will not reimburse for purchase of drug discount cards from Medicare. If you are enrolled in the Rx option under SHARP, or simply have the limited prescription coverage in SHARP's Base option, we believe the discount cards will not be of value to you. If you are not eligible for SHARP, then the Medicare discount cards may be of significant value.

Regards

Del Johnson, Administrator
Adventist Retirement Plan



Journaling from Jack

Contributing Editor: H Jack Harris

COMING SOON

THE MOST UNIQUE RETIREE CONVOCATION EVER

July 28-August 1, 2004

Columbia Union College, Takoma Park, MD

- ◆ Never before has it been in the Washington, DC area
- ◆ Never before have we had so many opportunities for unparalleled tours
- ◆ Never before have we had all meetings and activities in such close proximity
- ◆ Never before have so many retirees had opportunity to visit World Headquarters

Plan now to hear:

- ◆ General Conference Vice President, Lowell C.

Cooper for the evening meetings

- ◆ Elder James Nix speaking on world events and end time issues
- ◆ Elder Jerald Whitehouse Reaching Out To The Muslim World
- ◆ Elder Charles Bradford, speaking at both Sabbath services
- ◆ Elder William Johnsson addressing the Prayer Breakfast
- ◆ Elder G. Edward Reid in two major presentations
- ◆ Relax, enjoy, listen to inspiring music under the direction of Mrs. Zelma Edwards.

And much, much more.

All retirees are welcome, whether or not they have worked for the denomination.

Call for a registration form or if you have questions, Sharon Conway, 301-891-4132, or use the form in this newsletter.

Send comments and suggestions to: Sharon Kuykendall, Editor, *Reflections*, 12501 Old Columbia Pike, Silver Spring, MD 20904-6600 Email: sharon.kuykendall@nad.adventist.org
Website: <http://www.nadadventist.org/ret>

ARM	1-800-447-5002	Healthcare Claims Queries
ARM Email address:		RetireeHealth@adventistrisk.org
Submit medical claims:		ARM, PO Box 4088, Silver Spring, MD 20914
Medco Health	1-800-841-5396	Verify pharmacy participation with Medco Health
Jack Harris	503-255-8565	President, NAD Retirees Association— 15530 NE Knott #48, Portland, OR 97230 Email: Hjackharris@cs.com
Payroll	1-888-838-8955	Bulletin Board of Payroll Information
Fax	301-680-6190	Retirement Fax Number
Phone:	<u>(301) 680—</u>	
Barbara Yowell	6244	Lost checks, direct deposits, 1099R, Tax Withholding, Change of Address, Verification of Benefits (For loans, housing, Medicaid) Payroll Email: Payroll@nad.adventist.org
Dolores Allen	6249	General Retirement Office Information
Chris Meier	6192	Reporting a Death, Disability Reviews
Sharon Scheuneman	6287	Tuition Assistance for Children
Joyce Macatiag	6269	Healthcare Eligibility Queries

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