

**The webinar is now online.**  
The presentation will begin at 4:00 pm Eastern

- Please **print out** the following materials to reference during the presentation *(for best results, you may want to print in grayscale rather than full color)*
  1. **Handout version of this presentation**
  2. **2011 NAD YEM Locally Funded Policy voted action**
  3. **2011 Resolution Document**
  4. **Visual of Retirement Options under Locally Funded Initiatives**
  5. **Payroll Export File Definition Layout**
  6. **Transmittal Form for Roll-out Date**
- To download: [www.adventistretirement.org](http://www.adventistretirement.org), HR Personnel, Webinar Materials, Locally Funded Nov 2011 Webinar

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**Adventist Retirement Plan**

Retirement Plan Changes:  
Locally Funded Employee Issues and their Impact on all Employers and Employees

November 10, 2011

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**Materials You'll Need**

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### Housekeeping

- How to ask questions
  - Type questions in “question” box of gotowebrinar screen
  - Responses to questions will be provided at the end of the presentation
  - Not using “hand raise” feature
- Recording of the webinar
  - We are recording this webinar, and a copy will be posted to our website early next week
- Full notes version of webinar
  - A full notes (script) version of the webinar will be posted to our website early next week

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### Presenters & Q&A Support

- Presenter
  - Maurine Wahlen, Associate Administrator
- Q&A Support
  - Beth Roberts, DC Plan Manager
  - Julie Keaton, DC Plan Specialist
  - Kristina Dahabura, ARP Support
  - Lorne Vernon, DC Plan Programmer

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### Outline

- Recent Plan Changes
  - Pre-2010
  - 2010 NAD YEM Local Hire Guidelines
  - 2011 NAD YEM Locally Funded Policy
- 2011 Policy
  - Purpose of 2011 Policy
  - NAD YEM Action
  - 2011 Resolution Document
- Nuts and bolts
  - Payroll Export File Definition Layout Changes
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Recent Plan Changes - 1

**Pre-2010**

- Courtesy payroll
- Benefits depending on documentation

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Pre-2010 Plan Provisions

Conference Payroll Employees			Locally Funded Employees		
Full-time	50% - 99%	< 50%	With document	No document	
Basic	Basic	None	Basic	None	
Match	Match	None	Match	None	

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Recent Plan Changes - 2

**Pre-2010**

- Courtesy payroll
- Benefits depending on documentation

**2010 YEM Guidelines**

- Phased approach to single benefits track
- "Convergence"
- Election by employer
- Phased by employment categories
- All employers eventually on same provisions

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### 2010 Local Hire Guidelines: All moving toward one plan profile

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### 2010 YEM Guidelines

Conference Payroll Employees			Locally Funded Employees		
Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%
Basic	No Basic	None	Basic	No Basic	None
Match	Match	Match	Match	Match	Match

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### Recent Plan Changes - 3

**Pre-2010**

- Courtesy pay/roll
- Benefits depending on documentation

**2010 YEM Guidelines**

- Phased approach to single benefits track
- "Convergence"
- Election by employer
- Phased by employment categories
- All employers eventually on same provisions

**2011 YEM Policy**

- Not phased; all employees included
- No "convergence"
- 4 Options
- Election by employer
- Not by category (except ECEs)
- Each employer elects one of 4 options

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### Purpose of 2011 Locally Funded Policy

1. Move all courtesy/local payroll employees to regular conference/employer payroll
2. Standardize retirement benefits for all employees within conference/participating employer
3. Allow ONE of TWO options for all employees
  - Pre-2010 benefit profile, OR
  - 2010 local hire benefit profile
4. And allow an additional OPTION for ECEC employees
  - No benefits

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### 1: Move all courtesy/local payroll to regular payroll

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graph LR; A((Locally Run Payrolls)) --- B((Courtesy Payroll)); B --- C((Regular Payroll)); B --> D((All employees))
```

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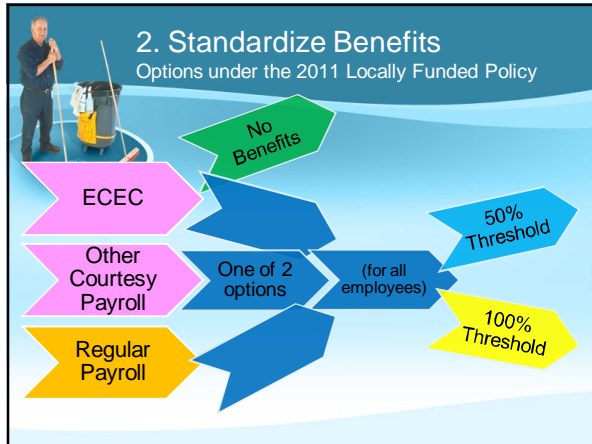
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### What are the options?

For non-ECEC employees

- Option 1 = pre-2010 profile with 50% threshold
  - Meaning employees must work at least 50% time in order to receive employer basic and match contributions
- Option 2 = 2010 local hire guideline profile with 100% threshold
  - Meaning employees must work full time (100%) in order to receive employer basic contributions
  - And ALL employees are eligible for employer match contributions
- Chosen option must apply to ALL non-ECEC employees

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### What are the options?

For ECEC employees

- Option A = benefit profile to match Option 1 or 2 selected by employer for non-ECEC employees
- Option B = NO benefits for any ECEC employees
- Chosen option must apply to ALL ECEC employees in conference/participating employer's territory

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North American Division  
Locally Funded Employees Phase II Summary of Recommendations  
Effective July 1, 2011 and July 1, 2012

**Pre-2010 benefit profile – 50% threshold**      **2010 Local Hire benefit Profile – 100% threshold**

**Part I – RETIREMENT BENEFITS**  
Effective July 1 2011 recommendation that each Conference (inclusive of all participating employers in the Adventist Retirement Plan) has the option/discretion to either:

- (1) Offer retirement benefits with the 5% basic employer contribution and the employer match (up to 3%) to all employees (conference funded and conference locally funded employees) who work half time or more, or
- (2) Offer retirement with no 5% basic employer contribution but with the employer match (up to 3%) to all part-time employees (conference funded and conference locally funded employees) who elect to make a personal contribution to their retirement account. Full-time conference funded and full-time conference locally funded employees will receive retirement benefits with the basic employer contribution and the employee match up to the allowable amount.

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**Part III – EARLY CHILDHOOD EDUCATION AND CARE CENTERS**  
Effective July 1, 2012 recommendations as follows for Early Childhood Education and Care Centers (ECEC):

- (1) The separation of Early Childhood Education and Care from K-12 (an Education system of kindergarten to 12<sup>th</sup> grade) employees, thereby creating two classifications of education employees.
- (2) **Match Option 1 or 2 chosen for non-ECEC employees** that although Early Childhood Education and Care Center industry standards do not include benefits for its employees, Conferences must elect one of the following benefit options to apply to all ECECs in the conference territory:
  - No benefits for ECEC employees**
  - A. Health care and retirement benefits for eligible exempt (salaried) full-time and non-exempt (hourly) full-time ECEC employees. No health care for part-time ECEC employees, and retirement benefits will be offered to eligible part-time ECEC employees in accordance with employing organizational policy (Option 1 or 2 as elected by the employer in Part I).
  - B. All full-time and part-time ECEC employees receive no benefits.

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Implementation Date:  
Date by which all locally funded employees  
have been converted to regular payroll status

Resolution Date Deadline

**Part IV – IMPLEMENTATION COMMENCEMENT/RETIREMENT RESOLUTION/CONVERSION DEADLINE**

On or before July 1, 2012 each Conference or Employing Organization will have taken an action on its executive committee or governing board to commence the implementation of the locally funded employee conversion policy and the adoption of the Retirement Resolution relating to the retirement recommendation. In addition, each employer will complete the locally funded employee conversion not later than December 31, 2013.

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2011 Locally Funded Policy:  
Select one of four options

Conference Employer

University Employer

All other employers

Option 1 w/ECEC benefits

Option 1; NO ECEC benefits

Option 2; w/ECEC benefits

Option 2; NO/ECEC benefits

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- **Resolution for the Adoption of the North American Division Conference Locally-Funded Employee Policy (511-11N)**
- 
- The 2010 Year End Meeting of the North American Division approved guidelines relating to the status of locally-funded employees and the benefits to which such employees were entitled. Pursuant to this action, employers were permitted to execute a resolution by which adopting employers would indicate their election to follow such guidelines.
- 
- The 2011 Year End Meeting of the North American Division modified these guidelines and adopted them as a policy. This policy now requires that each employer participating in the Adventist Retirement Plan ("Plan") must adopt a new resolution identifying the contributions that it will make to the Plan on behalf of its employees under the 2011 policy. This resolution, which cannot be amended or revoked by unilateral employer action, applies to all employees, including locally-funded employees who either are currently or were in the past paid pursuant to a local or courtesy payroll.
- 
- \_\_\_\_\_ ("Employer") hereby agrees to implement the terms of this Resolution as part of its operating and employment policies.

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- **All Employees, Except for Early Childhood Education Center Employees**
- 
- The Employer hereby agrees to provide contributions to the Plan on behalf of all employees who meet the Plan's eligibility requirements, except for Early Childhood Education Center ("ECEC") employees, in accordance with the terms of the Option selected below:
- 
- **Option A-One**
- 
- By adopting Option A-One, the Employer agrees that all employees who meet the Plan's eligibility criteria (whether currently on regular, courtesy, or local payrolls), will be eligible for **employer basic** and **employer matching** contributions only if they are working on at least a half-time basis effective as of the implementation date set out below.
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- **Option A-Two**
- 
- By adopting Option A-Two, the Employer agrees that all employees who meet the Plan's eligibility criteria (whether currently on regular, courtesy, or local payrolls) will be eligible for **employer basic** contributions only if they are working full-time. Employees working less than full-time (including part-time employees working more than half-time who are currently receiving **employer basic** contributions) are not eligible for employer basic contributions effective as of the implementation date set out below.
- 
- In addition, by adopting Option A-Two, the Employer agrees that all employees who meet the Plan's eligibility criteria (whether currently on regular, courtesy, or local payrolls), including employees working less than half-time, will be eligible for **employer matching** contributions effective as of the implementation date set out below.

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**Early Childhood Education Centers ("ECEC") Employees**

- The Employer hereby agrees to provide contributions to the Plan on behalf of all ECEC employees who meet the Plan's eligibility criteria in accordance with the terms of the Option selected below.
- Option B-One**
- By adopting Option B-One, the Employer agrees that all eligible exempt (salaried) and non-exempt (hourly) ECEC employees will be eligible for **employer basic** and **employer matching** contributions in accordance with the Option selected above for non-ECEC employees (Option A-One or Option A-Two), effective as of the implementation date noted below.
- Option B-Two**
- By adopting Option B-Two, the Employer agrees that no **employer basic** or **employer matching** contributions will be made to any ECEC employee effective as of the implementation date noted below.

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**Implementation Date**

- The implementation date of this Resolution is \_\_\_\_\_.
- Note:** The implementation date indicated above must be no earlier than January 1, 2012 and no later than December 31, 2013.
- By signing below, the Employer acknowledges and certifies the following:
- Resolution Date:** The date the governing body of the Employer approved this Resolution is \_\_\_\_\_. **Note:** The resolution date indicated must be no later than July 1, 2012.

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- This Resolution will remain in force and effect unless and until the North American Division adopts new retirement benefit policies authorizing the amendment or termination of this Resolution.
- The North American Division has not authorized any grandfather provisions allowing certain employees to remain under other retirement contribution policies.
- This Resolution must be executed unedited and without employer-initiated changes.
- At all times prior to the implementation date indicated above, the Employer must continue to make contributions in accordance with the terms of the Plan; provided, however, that an Employer that adopted a resolution pursuant to the 2010 guidelines must make contributions to the Plan in accordance with the terms of such resolution.
- \_\_\_\_\_
- [Employer]**
- By: \_\_\_\_\_
- Its: \_\_\_\_\_
- Date signed: \_\_\_\_\_, 20\_\_

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### 2011 YEM Policy: Option 1 with ECEC benefits

Under 2011 YEM Policy	Conference Payroll Employees (except for ECEC employees)			Locally Funded Employees (except for ECEC employees)			ECEC Entities (all ECEC employees)		
	Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%
	Contributions Allowed	Basic Match	Basic Match	None	Basic Match	Basic Match	None	Basic Match	Basic Match
Threshold w/ECEC benefits									
Typical status code	A	A	N	A	A	N	A	A	N
ER Guide	B	B	B	B	B	B	B	B	B
EE Guide	1	1	1	1	1	1	1	1	1

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### 2011 YEM Policy: Option 1 with NO ECEC benefits

Under 2011 YEM Policy	Conference Payroll Employees (except for ECEC employees)			Locally Funded Employees (except for ECEC employees)			ECEC Entities (all ECEC employees)		
	Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%
	Contributions Allowed	Basic Match	Basic Match	None	Basic Match	Basic Match	None	None	None
Threshold w/NO ECEC benefits									
Typical status code	A	A	N	A	A	N	N	N	N
ER Guide	P	P	P	P	P	P	P	P	P
EE Guide	1	1	1	1	1	1	E	E	E

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### 2011 YEM Policy: Option 2 with ECEC benefits

Under 2011 YEM Policy	Conference Payroll Employees (except for ECEC employees)			Locally Funded Employees (except for ECEC employees)			ECEC Entities (all ECEC employees)		
	Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%	Full-time	50% - 99%	< 50%
	Contributions Allowed	Basic Match	No Basic Match	None	Basic Match	No Basic Match	None	Basic Match	No Basic Match
Threshold w/ECEC benefits									
Typical status code	A	N	N	A	N	N	A	N	N
ER Guide	V	V	V	V	V	V	V	V	V
EE Guide	2	2	2	2	2	2	2	2	2

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### 2011 YEM Policy: Option 2 with NO ECEC benefits

Under 2011 YEM Policy	Conference Payroll Employees (except for ECEC employees)			Locally Funded Employees (except for ECEC employees)			ECEC Entities (all ECEC employees)			
	Contributions	Allowed		Basic	No Basic		None	None	None	
		Match	Match		Match	Match			Match	Match
Option 2: 100% Threshold w/NO ECEC benefits	Basic	No Basic	None	Basic	No Basic	None	None	None	None	
Typical status code	A	N	N	A	N	N	N	N	N	
ER Guide	G	G	G	G	G	G	G	G	G	
EE Guide	2	2	2	2	2	2	E	E	E	

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### So which option should I choose? – 1

- Do you as an employer have sufficient budget/cash flow to bring all locally funded employees onto regular payroll status and pay them the appropriate benefits?
  - If YES, then choose Option 1
  - This avoids having current employees lose benefits
  - If NO, then answer the following...(see next slide)

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### So which option should I choose? - 2

- Do you believe there will be a net POSITIVE cash flow from reducing current PT employee basic contrib (for 50% - 99% PT) and adding PT employee match contrib (< 50% PT)?
  - If YES, then choose Option 2
  - If NO, then you will need to review current employment levels and make budgetary decisions

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### What about which option for ECEC employees?

- Factors to consider
  - Industry trends show ECECs do NOT typically offer benefits
  - Offering benefits will require increased tuition/fees
    - Unless conference/employer subsidizes benefits
  - Increased tuition/fees may reduce competitive advantage in marketplace and reduce enrollment
  - Proximity to SDA K-12 school may increase benefit comparisons among staff
- Note: Retirement Plan does not discriminate based on religion, so non-SDA employees participating in Plan is not an issue

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### ARP Export File Changes

- ERGUIDE
- EEGUIDE
- Status Code A definitions
- Status Code N definitions

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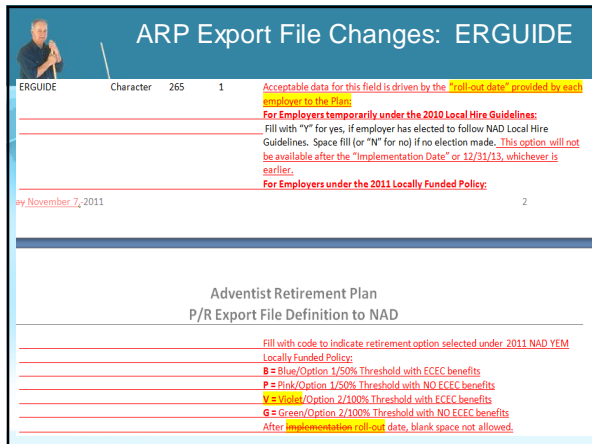
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**ARP Export File Changes: ERGUIDE**

ERGUIDE Character 265 1

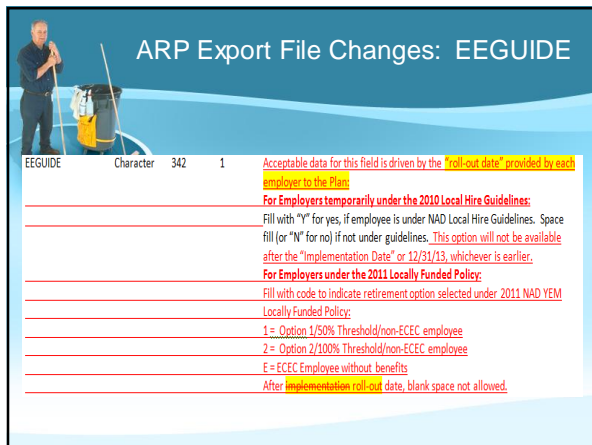
Acceptable data for this field is driven by the "roll-out date" provided by each employer to the Plan.

**For Employers temporarily under the 2010 Local Hire Guidelines:**  
Fill with "Y" for yes, if employer has elected to follow NAD Local Hire Guidelines. Space fill (or "N" for no) if no election made. This option will not be available after the "Implementation Date" or 12/31/13, whichever is earlier.

**For Employers under the 2011 Locally Funded Policy:**  
Fill with code to indicate retirement option selected under 2011 NAD YEM Locally Funded Policy:  
 B = Blue/Option 1/50% Threshold with ECEC benefits  
 P = Pink/Option 1/50% Threshold with NO ECEC benefits  
 V = Violet/Option 2/100% Threshold with ECEC benefits  
 G = Green/Option 2/100% Threshold with NO ECEC benefits  
 After implementation roll-out date, blank space not allowed.

by November 7, 2011 2

Adventist Retirement Plan  
P/R Export File Definition to NAD



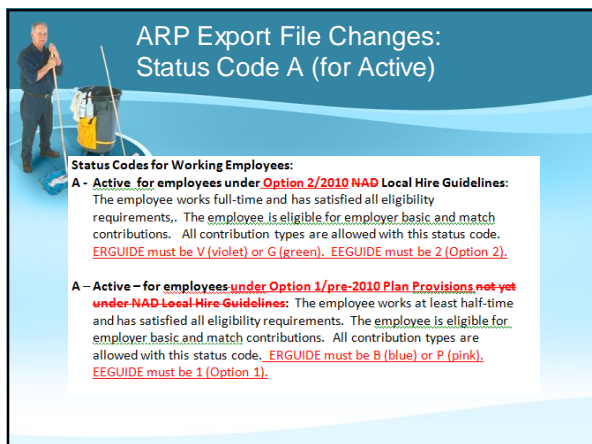
**ARP Export File Changes: EEGUIDE**

EEGUIDE Character 342 1

Acceptable data for this field is driven by the "roll-out date" provided by each employer to the Plan.

**For Employers temporarily under the 2010 Local Hire Guidelines:**  
Fill with "Y" for yes, if employee is under NAD Local Hire Guidelines. Space fill (or "N" for no) if not under guidelines. This option will not be available after the "Implementation Date" or 12/31/13, whichever is earlier.

**For Employers under the 2011 Locally Funded Policy:**  
Fill with code to indicate retirement option selected under 2011 NAD YEM Locally Funded Policy:  
 1 = Option 1/50% Threshold/non-ECEC employee  
 2 = Option 2/100% Threshold/non-ECEC employee  
 E = ECEC Employee without benefits  
 After implementation roll-out date, blank space not allowed.



**ARP Export File Changes: Status Code A (for Active)**

**Status Codes for Working Employees:**

**A - Active for employees under Option 2/2010 NAD Local Hire Guidelines:**  
The employee works full-time and has satisfied all eligibility requirements. The employee is eligible for employer basic and match contributions. All contribution types are allowed with this status code. ERGUIDE must be V (violet) or G (green). EEGUIDE must be 2 (Option 2).

**A - Active - for employees under Option 1/pre-2010 Plan Provisions not yet under NAD Local Hire Guidelines:** The employee works at least half-time and has satisfied all eligibility requirements. The employee is eligible for employer basic and match contributions. All contribution types are allowed with this status code. ERGUIDE must be B (blue) or P (pink). EEGUIDE must be 1 (Option 1).

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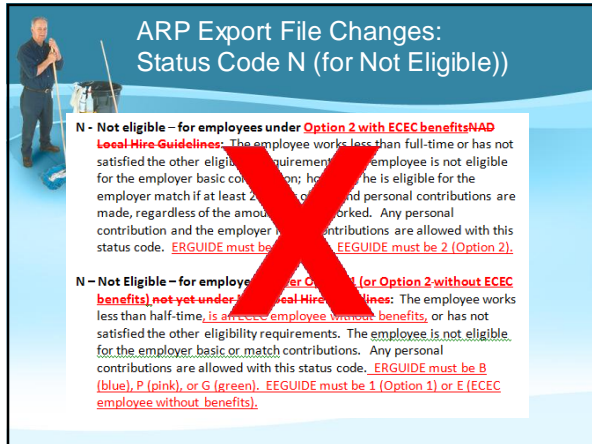
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**ARP Export File Changes:  
Status Code N (for Not Eligible)**

**N - Not eligible – for employees under Option 2 with ECEC benefits NAD Local Hire Guidelines:** The employee works less than full-time or has not satisfied the other eligibility requirements. The employee is not eligible for the employer basic contribution; however, he is eligible for the employer match if at least 20 years of age and personal contributions are made, regardless of the amount of time worked. Any personal contribution and the employer match contributions are allowed with this status code. **ERGUIDE must be B (blue), P (pink), or G (green). EEGUIDE must be 2 (Option 2).**

**N - Not Eligible – for employees under Option 1 (or Option 2 without ECEC benefits) not yet under Local Hire Guidelines:** The employee works less than half-time, is an ECEC employee without benefits, or has not satisfied the other eligibility requirements. The employee is not eligible for the employer basic or match contributions. Any personal contributions are allowed with this status code. **ERGUIDE must be B (blue), P (pink), or G (green). EEGUIDE must be 1 (Option 1) or E (ECEC employee without benefits).**

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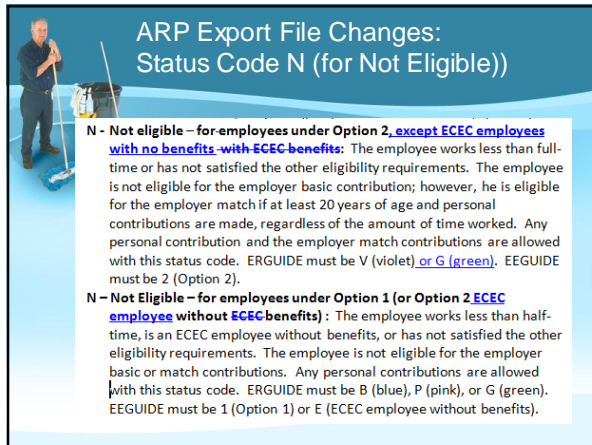
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**ARP Export File Changes:  
Status Code N (for Not Eligible)**

**N - Not eligible – for employees under Option 2, except ECEC employees with no benefits - with ECEC benefits:** The employee works less than full-time or has not satisfied the other eligibility requirements. The employee is not eligible for the employer basic contribution; however, he is eligible for the employer match if at least 20 years of age and personal contributions are made, regardless of the amount of time worked. Any personal contribution and the employer match contributions are allowed with this status code. **ERGUIDE must be V (violet) or G (green). EEGUIDE must be 2 (Option 2).**

**N - Not Eligible – for employees under Option 1 (or Option 2 ECEC employee without ECEC benefits):** The employee works less than half-time, is an ECEC employee without benefits, or has not satisfied the other eligibility requirements. The employee is not eligible for the employer basic or match contributions. Any personal contributions are allowed with this status code. **ERGUIDE must be B (blue), P (pink), or G (green). EEGUIDE must be 1 (Option 1) or E (ECEC employee without benefits).**

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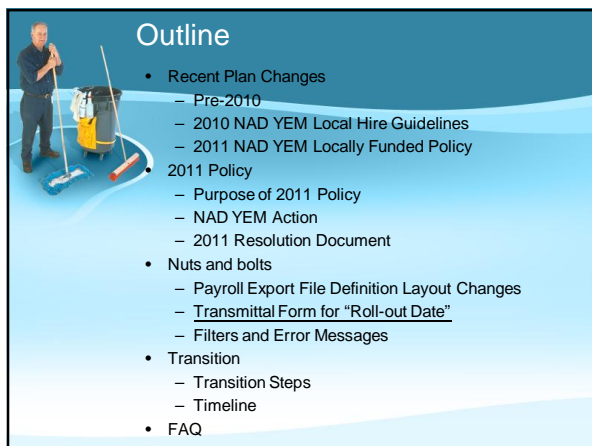
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  - Pre-2010
  - 2010 NAD YEM Local Hire Guidelines
  - 2011 NAD YEM Locally Funded Policy
- 2011 Policy
  - Purpose of 2011 Policy
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  - 2011 Resolution Document
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  - Transmittal Form for "Roll-out Date"
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## Transmittal Form for "Roll-out Date" page 1 of 2

**Adventist Retirement Plan**  
Locally Funded Employee Policy  
Transmittal Form for "Roll-out Date"

**Instructions:** Please complete this form and forward to the Adventist Retirement Plan by emailing Beth Roberts at [beth.roberts@nad.adventist.org](mailto:beth.roberts@nad.adventist.org) or faxing to her attention at FAX 301-680-6190.

**Purpose:** The purpose of this Transmittal Form is to notify the Retirement Plan of your "Roll-out Date" which is the date on which you will FIRST be sending through a payroll file fully converted to the new 2011 Locally Funded Policy. The Plan should already have received a copy of your Resolution Document and governing body action selecting a benefits option.

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## Transmittal Form for "Roll-out Date" page 2 of 2

*It is not required that this first payroll file include ALL locally-run payroll employees currently paid at off-site payrolls (such as elementary school or local church). See timeline below. However, it is required that all employees within the payroll file be consistently reported under the 2011 Policy and that all future payroll files submitted by your organization be consistently reported under the 2011 Policy. You may, if needed, add in locally-run payroll employees on future payrolls (see green bars on timeline below); however, many employers may not require this phase-in period and may be able to submit all locally-run payroll employees in the first "Roll-out Date" file.*

Upon receipt of this Transmittal Form, the Plan will set the database filters to allow an incoming file from your organization under the 2011 Policy.

Your Roll-Out Date \_\_\_\_\_ (after 1/1/12 and before 12/31/13)

Organization Name \_\_\_\_\_  
 Your Name (Printed) \_\_\_\_\_  
 Your Email address \_\_\_\_\_  
 Your Phone Number \_\_\_\_\_

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## Outline

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### Filters & Error Messages

- **Earliest Roll-Out Date**
  - January 1, 2012
- **Effective date for new filters/error messages**
  - January 1, 2012
- **ERGUIDE field drives filters applied to file**
- **Filters**
  - Resolution received by deadline of 7/1/12
  - Resolution received prior to new ERGUIDE data fill
  - Transmittal for Roll-out Date received prior to new ERGUIDE data fill
  - ERGUIDE and EEGUIDE compatibility
  - ERGUIDE compatibility with Resolution Document
  - Contribution flow consistent with ERGUIDE and EEGUIDE data fill

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### Outline

- **Recent Plan Changes**
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- **FAQ**

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### Transition Steps - 1

1. Review factors to consider in selecting retirement benefits option
2. Select one of two options for non-ECEC employees
3. Select one of two options for ECEC employees
4. Get copy of required Resolution document
  - Available at [www.adventistretirement.org](http://www.adventistretirement.org)
5. Select "**implementation date**" (*no later than 12/31/13*)
6. Have the governing body vote the resolution (*no later than 7/1/12*)
7. Notify the Plan by emailing a copy of the minutes and Resolution to
  - [Beth.roberts@nad.adventist.org](mailto:Beth.roberts@nad.adventist.org)
8. Coordinate with payroll software vendor to set up appropriate payroll codes

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### Transition Steps - 2



1. Convert all employees currently on conference and courtesy payroll to new Policy (\*and all locally-run payroll employees if possible; if not, see step 4)
2. Notify Plan of "roll-out date" by submitting Transmittal Form
3. Submit first payroll file under new Policy (*file must report all employees within payroll file consistently under new Policy*)
4. \* If not already done in step 3, bring locally-run payroll employees onto regular payroll
5. On or before "implementation date" have submitted at least one payroll file to the Plan with all locally funded employees included under new policy

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### Timeline



Timeline diagram showing key dates and events:

- Resolution Date:** July 1, 2012. Date of action by governing body to adopt retirement policy.
- Last payroll file under previous/fold plan provisions:** Occurs before July 1, 2012.
- After January 1, 2012:** Period following the resolution date.
- Roll-out Date:** Occurs after January 1, 2012.
- First payroll file under new Policy:** Occurs after the roll-out date. May not include all locally funded employees yet, but all employees which ARE in file, are reported consistently under new Policy.
- Subsequent files under new Policy:** Each payroll may include additional locally funded employees as they are added into regular conference payroll, but each submitted file will consistently be reported under new Policy.
- Implementation Deadline:** Dec 31, 2013. All locally funded employees now included in regular conference payroll under new Policy and submitted by this deadline.

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### FAQ - 1

- Do all employers have to fill out the 2011 Resolution document?
  - Yes; all participating employers in the ARP need to fill this out.
  - This includes –
    - Colleges/universities
    - Publishing Houses
    - HES
    - Academies \*\*
  - \*\*Note that academies who do their own payroll must fill out the Resolution document; however, their only Option is the one chosen by their Conference, so the academy Resolution must be received by the Plan either with or after the Conference Resolution and must be in alignment with the Conference Resolution

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### FAQ - 2

- Do I have to vote a new resolution even if I've already voted the 2010 NAD YEM Local Hire Guideline resolution?
  - Yes.
  - The 2011 Resolution is different from the 2010 Resolution
    - Includes all categories of employees
    - Is not a phased approach
    - Offers a choice in benefit structure
    - ECEC employees are separate class
    - Includes deadlines for resolution and implementation

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### FAQ - 3

- What if I want to remain on the pre-2010 Plan provisions – do I still have to vote on the 2011 resolution?
  - Yes.
  - All employers must intentionally state what benefit structure they will operate on moving forward.
  - The resolution also notes that all courtesy payroll/locally funded employees are now treated the same as regular conference employees under the resolution, and this is different than the pre-2010 Plan provisions

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### FAQ - 4

- Can I later revoke/change the 2011 resolution to switch back to a different benefits option?
  - No.
  - The 2011 resolution is irrevocable until such time as the NAD revisits the entire retirement benefit policy (not anticipated at this time)

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### FAQ - 5

- If I vote to change the retirement benefits option from 2010 local hire to pre-2010, may I submit Mistake of Fact (MOF) requests – or catch-up contributions – for this change?
  - No.
  - Making this change is not a Mistake of Fact in IRS definition, as it was not a "mistake" but a change of mind/direction on the part of the governing body.
  - Any changes will be prospective, not retrospective.

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### FAQ - 6

- I would like to allow my current 50% or more part-time employees to continue to receive employer basic contributions – “grandfather” them in. May I do this?
  - There is no provision for “grandfathering” any category of employee.
  - An employer should select Option 1 if he wants 50% and more employees to receive employer basic
  - As of the roll-out date, all employees will be governed by the chosen retirement benefits option.

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### FAQ - 7

- So until I implement one of these options, can I follow whatever retirement benefit strategy I want to?
  - No.
  - During the transition period between 2011 NAD YEM and implementation of the new policy, all employers must adhere to the retirement plan provisions they currently have in place, which must be one of the following:
    - Pre-2010 Plan provisions
    - 2010 YEM local hire guidelines as voted by the employer
    - 2011 YEM locally funded policy as voted by the employer

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### FAQ - 8

- I’m planning to adopt the 2011 policy, but only for my new hires.
  - There is no grandfathering for current employees, so the adopted 2011 policy must apply to all employees, not just new hires.

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### FAQ - 9

- I voted at 2011 NAD YEM for both the COLA and the new locally funded retirement benefit policy; however, I don't intend to adopt either policy within my territory. I voted for these measures in order not to hold other employers back from implementing them.
  - Choosing whether to adopt a COLA policy is different than complying with a retirement benefits policy of a legally-binding 403(b) Plan.
  - The IRS requires participating employers to comply with the legal Plan document provisions, and failure to do so constitutes a "plan failure"

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### Question & Answer Session

- Please type questions into the "question" box on your gotowebinar screen
- We will not be using the "raise hand" feature for this webinar

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- *Thanks for joining us today*

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