



With You On The Journey

Defined Benefit Plans Service Records

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The Service Record



Learning Outcomes

- Custodian
- Importance
- Key Records
- Reading It
- Error Correction
- Role at Retirement

Service Record

Maintaining Employment Documentation

Employer

- Secure Custody
- Update & Maintain Annually
- Provide a Copy to Employee every 2 years.
- At Retirement send the original/paper record with the application.

Employee

- Review for Accuracy
- Initiate Corrections with Employer
- Understand the process at Retirement

The Service Record



North American Division Service Record

Employee	Employment	Service Summary	Canada Only
John Doe , Phone: Fax: Email: ID: 407388	Hired on: 07/01/1998 Terminated on: SSN: xxx-xx-7023 SIN: Benefit Rate Factor: 1.06 Personal Marital Status: Married Gender: M Born on: 05/01/1950	ServCred* Vested? US DB < 2000: 1.50 Y Hospital DB < 1992: 0.00 N Canada DB: 0.00 N Canada Supplemental: 0.00 NAD Cert'd Foreign: 0.00 Total DB Service Cr: 1.50 US DC > 1999: 13.42 Hospital DC > 1991: 3.43 Berm & Kett > 1999: 0.00 Regional Confs: 0.00	DORE: Adjusted: Plan Entry: Comm Value Pay Date: Comm Value Yrs Paid: PreRetDeath Pay Date: PreRetDeath Yrs Paid: Eligible Credited Service: 0.00

Begin date End Date	Job Description Employer	WorkType Work Location	Hours Hourly Pay	Months Monthly Pay	%FT Work Status	%Rem	AreaRem	Plan	Service Credit Accumulated Rec USA Hsp Can Sup Rgn YRF							
07/01/1998 12/31/1998	Groundskeeper Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	6.0	100	114	0	USDB	0.50	0.50	0.00	0.00	0.00	0.00	0.00	1.06
01/01/1999 12/31/1999	Groundskeeper Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	12.0	100	114	0	USDB	1.00	1.50	0.00	0.00	0.00	0.00	0.00	1.06
01/01/2000 12/31/2000	Groundskeeper Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	12.0	100	114	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00
01/01/2001 12/31/2001	Machinist Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	12.0	100	118	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00
01/01/2002 05/31/2002	Machinist Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	5.0	100	118	0	USDC	0.42	1.50	0.00	0.00	0.00	0.00	0.00	0.00

Year by Year Documentation

Begin date	Job Description	WorkType	Hours	Months	%FT	%Rem	AreaRem	Plan	Service Credit Accumulated						
End Date	Employer	Work Location	Hourly Pay			Work Status			Rec	USA	Hsp	Can	Sup	Reg	YRF
1998-07-01	Groundskeeper	I-Reg Salary with %remun	0	6.0	100	114	0	USDB	0.50	0.50	0.00	0.00	0.00	0.00	1.06
1998-12-31	Southern Adventist University	Southern Adventist University	0.00												
1999-01-01	Groundskeeper	I-Reg Salary with %remun	0	12.0	100	114	0	USDB	1.00	1.50	0.00	0.00	0.00	0.00	1.06
1999-12-31	Southern Adventist University	Southern Adventist University	0.00												
2000-01-01	Groundskeeper	I-Reg Salary with %remun	0	12.0	100	114	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00

[illegible]

Hours	Months	%FT	%Rem	AreaRem	Plan	Service Credit Accumulated						
Hourly Pay		Work	Status			Rec	USA	Hsp	Can	Sup	Reg	YRF
0 0.00	6.0	100	114	0	USDB	0.50	0.50	0.00	0.00	0.00	0.00	1.06
0 0.00	12.0	100	114	0	USDB	1.00	1.50	0.00	0.00	0.00	0.00	1.06
0 0.00	12.0	100	114	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00
						Vesting						
0 0.00	12.0	100	118	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00

Service Issues

Less than 1000 Hours

- 1000 hours is determined by the Plan to be half-time employment.

Non-Participating Employer

- An employer who does not participate in the Adventist Retirement Plans (DB or DC).

Educators

- Teachers who work a 10-month schedule should show a full semester. July – December.

Breaks in Service

- When an employee worked for the church and then leaves for an extended break before returning to church employment.

Service Issue Exceptions



Graduate Study Pre-2000: must be employed by a participating employer within one year of graduation.

- 1 year of service credit for MDiv or JD etc.
- 2 years for doctoral degree. *If study started pre-2000 it must be completed by 2008 to receive credit.*
 - (DC Plan: ‘make up’ contributions are made by the Employer for post-1999 years. No additional Service Credit is granted – (ARP Section 4.07)
 - These years cannot be used to meet the 10-year minimum vesting requirement of the DB Plan.

Military Service (United States):

- must become denominationally employed within 1 year of separation from active duty.
- may earn up to 2 years of service credit.
 - (DC Plan/ARP “make up” contributions are made by the Employer. No additional service credit. (ARP Section 7.03))

Chaplaincy: must be certified by Adventist Chaplain Ministry to earn DB Plan service credit.
(The Chaplain or their nondenominational employer must contribute into the DC Plan for the post 1999 service credit to count. They do not receive matching contributions. (Adventist Retirement Plan (DC/post 1999) document Section 4.06))

Adventist Retirement Office

Retirement

- Review Service Record and application for accuracy
- Reviews for Policy Compliance
- Authorizes Service Record
- Calculates Retirement Benefits



Questions?



Seventh-day Adventist Retirement Plan of the North American Division Defined Benefit Plan

Information regarding
the Church Defined
Benefit retirement plan
- pre-2000 NAD
denominational
employment.



Service Credit
Vesting Rule

Benefit Rate
Factor

Pension Factor

Vested: 10 years of qualified Service Credit.

Post-1999 years through 12-31-2014 can be used to meeting the vesting requirement.

Maximum years of service credit, payable benefit is 40.

Benefit Rate Factor: 10 highest pre-2000 yearly rate factors. (table for percentage scale found in DB policy Z 35).

Pension Factor: dollar amount voted annually by NAD Ex Committee.



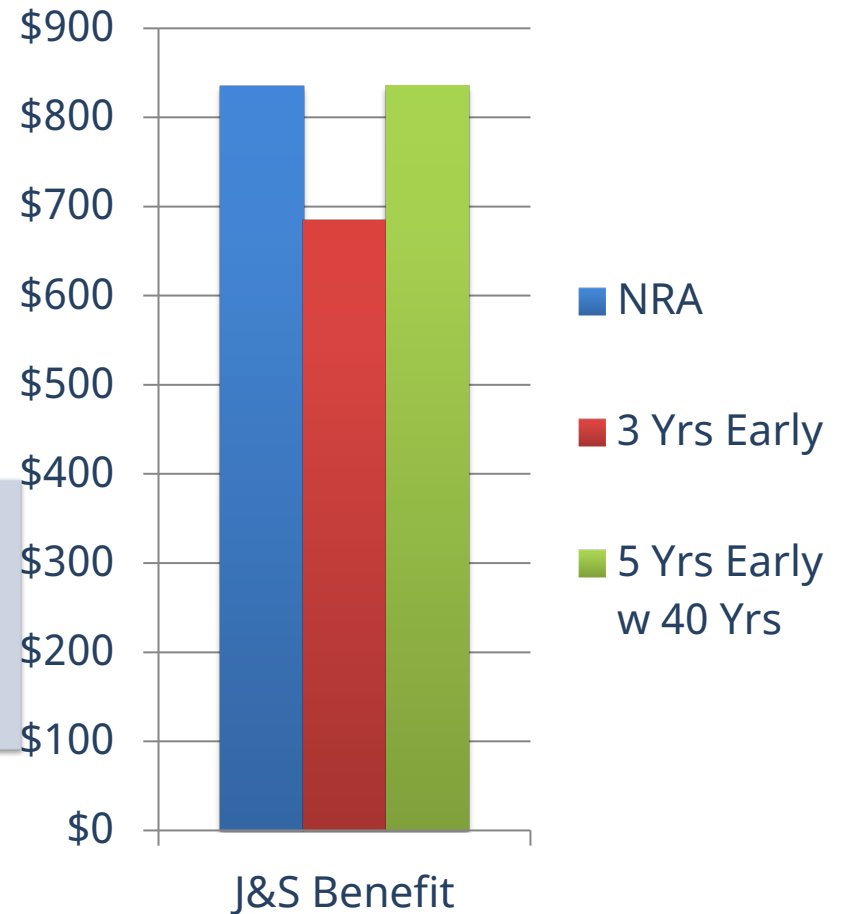
Normal Retirement Age

NRA increases
from age 66 to
67 in 2026.

- 2020 - 2025
- 2 Month Steps/Year

Early
Retirement
Benefit
Reduction 1/2%
Per Month
younger than
NRA.

- NRA or
- 40 years



Single Life Benefit – Retiree only

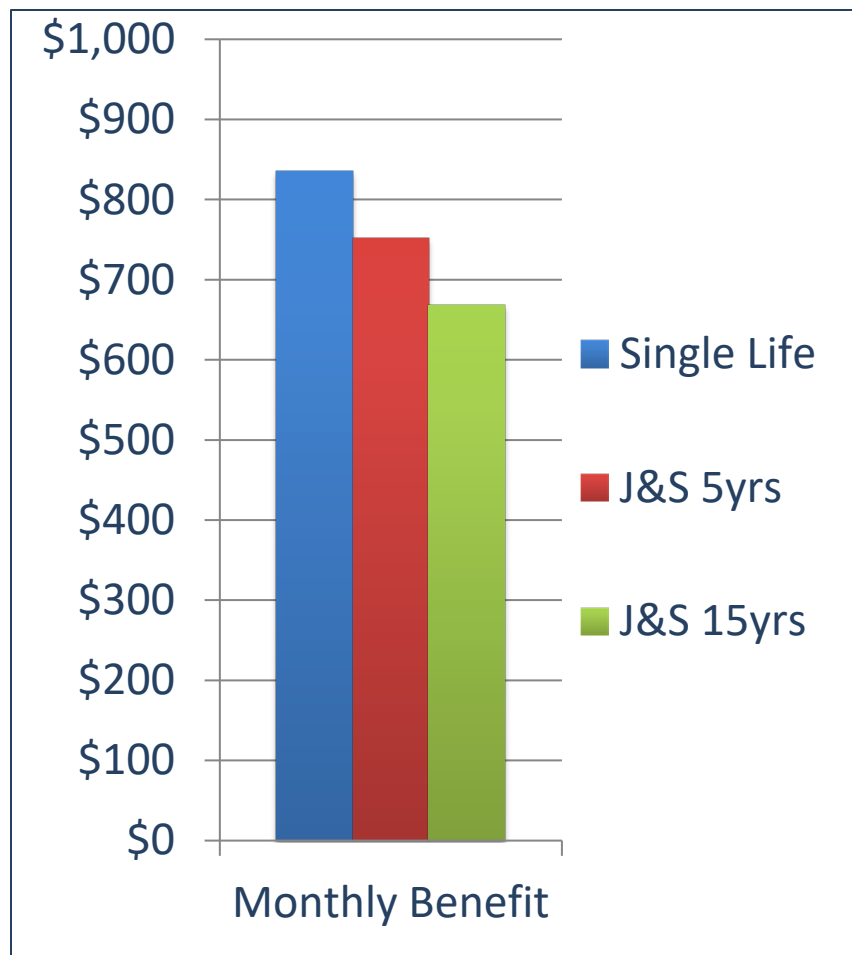
20 DB (pre-2000) Years
of Service
Credit

Benefit Rate
Factor (BRF)
= 1.3%

2025 Pension
Factor =
\$3,214.00

$20 \times 1.3\% \times$
 $\$3,214.00 =$
 $\$835.64/\text{mo.}$

Joint & Survivor Benefit: 20 DB years of service.



Married 1+ Years at date of Retirement

Single Life Benefit is Reduced by 10%

Spouse Receives

- Healthcare Assistance
- Survivor benefits

May opt for Single Life

DB Spouse Allowance – conditional benefit



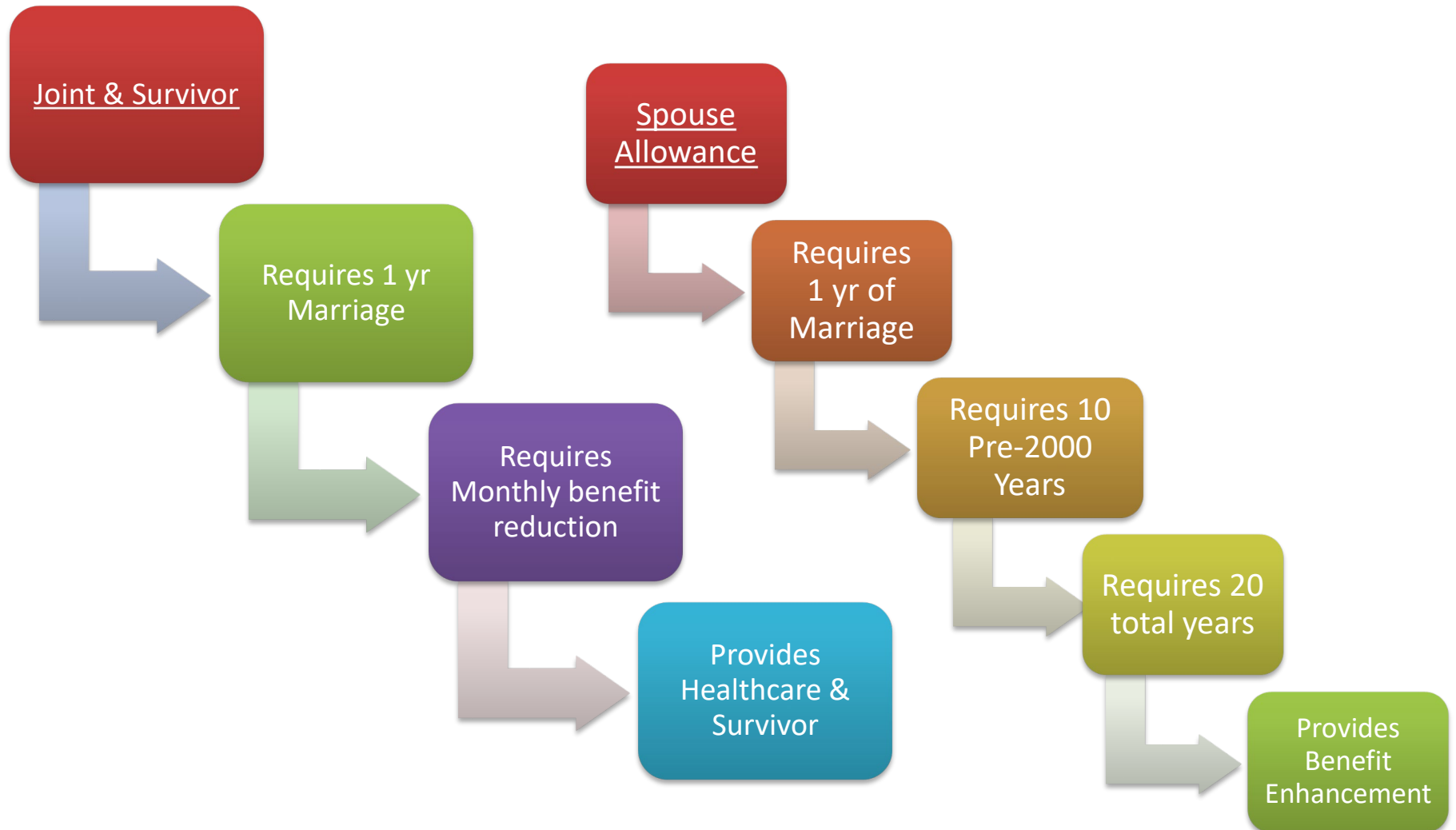
Eligibility

- Spouse must share 10 Years pre-2000 Qualified Service Credit with the retiree and;
- Retiree must have 20+ Total Years of Qualified Service Credit between DB & DC Plans.
- The Spouse's own retirement benefit, from any employer, will reduce or eliminate the SA.
- Married at least 1 year prior to the retirement effective date.

Adjustments after retirement

- Discontinued at death of spouse
- Discontinued at divorce
- Does not restart with a Re-Marriage

Don't Confuse J&S with SA





The Survivor Benefit

J&S Benefit with SA: Retiree Death

J&S Spouse

- Spouse receives no personal pension.
- Example: the Spouse shared 20 pre-2000 years.

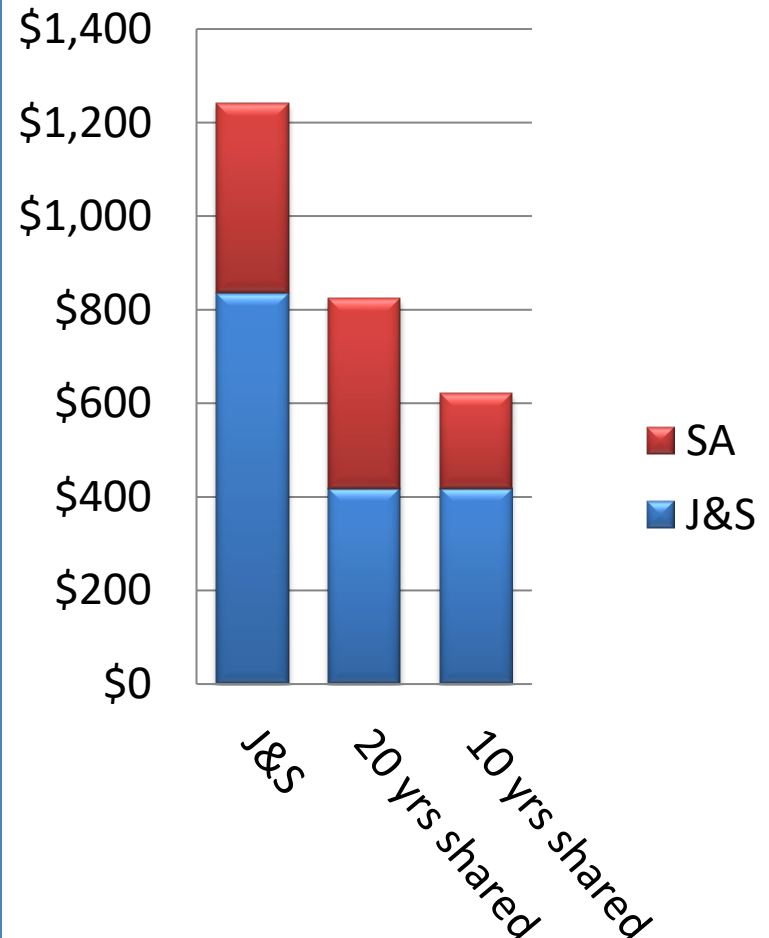
Survivor Spouse Benefits

- $\frac{1}{2}$ the J&S Benefit
- Healthcare continues
- Example: Spouse Allowance pro-rated to match shared 10 pre-2000 years of service.

Remarriage

- No impact to monthly benefit.
- New Spouse not eligible for benefits

Survivor Benefits



J&S Retiree Benefit with SA: Spouse Death

J&S Spouse

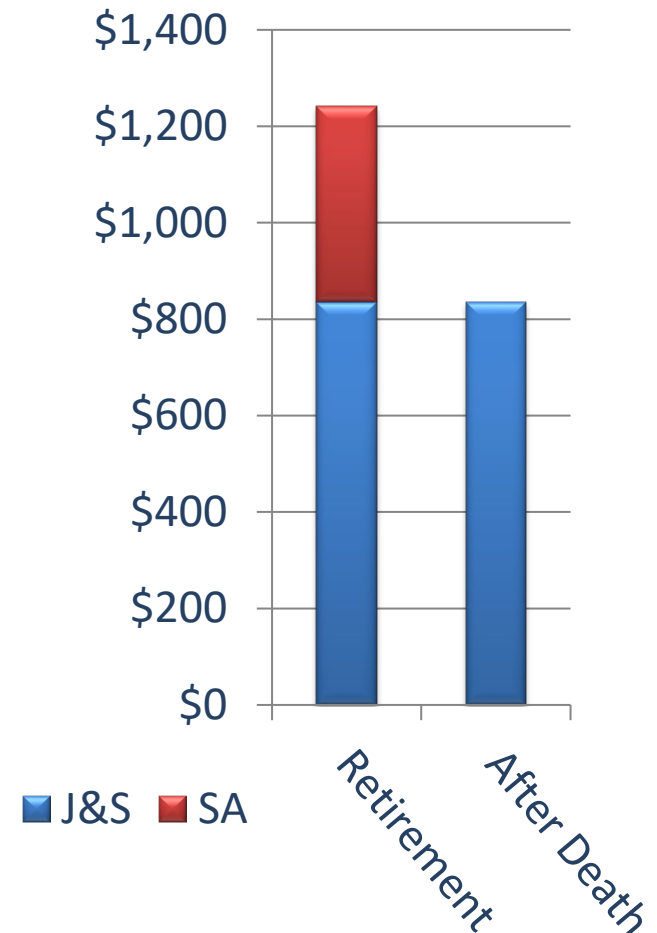
- Example: Spouse shared 20 pre-2000 years of service, and the Spouse receives no personal pension.

Retirement Benefits

- J&S Benefit Continues
- Healthcare Continues for retiree
- Spouse Allowance Terminated

Remarriage

- No impact to the monthly benefit.
- New Spouse not eligible for benefits



Survivor Spouse - Retiree with Single Life and SA

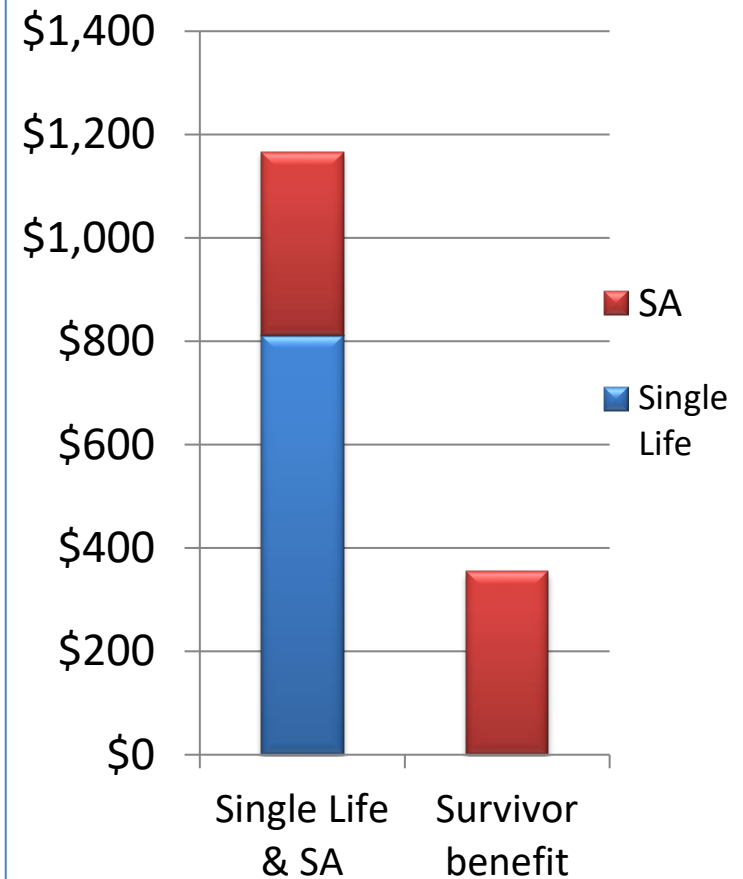
Single Life Benefits Cease

Spouse Allowance continues *if*

- The Spouse shared at least 10 years of service.

No Survivor Benefits

No Survivor Healthcare

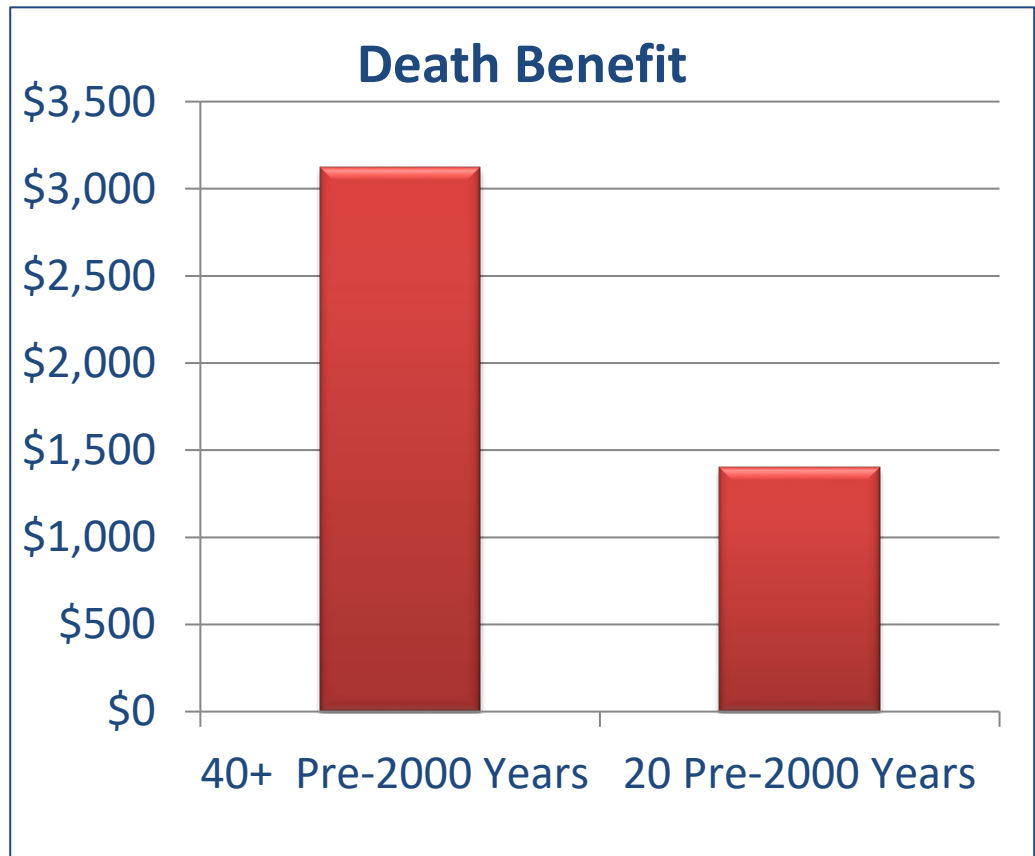


DB Plan Death Benefit Retiree with J&S Spouse

40 pre-2000 YSC =
100% of Current
Pension Factor

Prorated for 20
Years


Given to Spouse or
Family – requires a
copy of the death
certificate





- Employer Benefit:
Retirement Allowance

DB Plan Retirement Allowance - Z 40 05



The RA policies require that you go directly from employment into Retirement.

You must have vested with 10 years service credit in the DB Plan.

Or you must work at least half-time (50%) for the two years immediately preceding your Retirement.

Limited exceptions of 36-month extension if there is an involuntary termination. (Z 40 05 10)

(Employer must request the extension prior to retirement date)

DB Retirement Allowance – Pre-2000

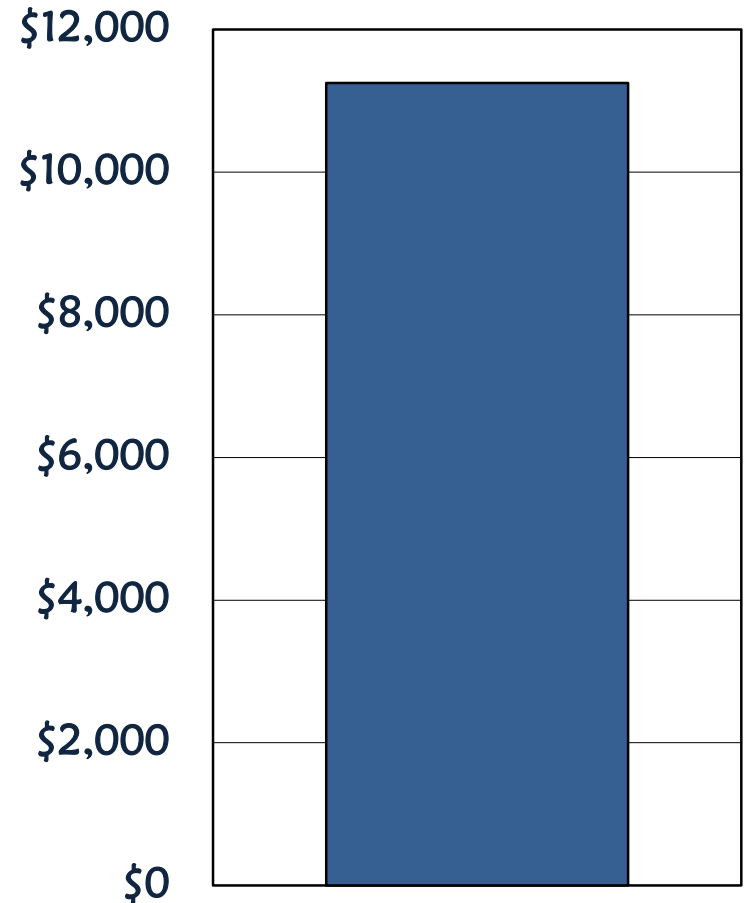
Example:
20 Pre-
2000 Years

- Can Be Transferred to Tax Deferred Account which avoid payroll taxes
- Can be taken as cash with taxes withheld

Estimate
Calculation

- $20 \times .125 \times \$4500 = \$11,250$

Retirement Allowance

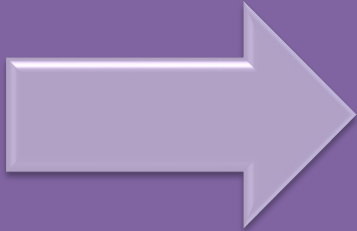


Applying for the Employer Retirement Allowance

- Start with your employer
- Retirement Application contains the RA payment – Pre-2000 service RA is completed by the Employer.
- The employer is billed back for the RA.
- Payment of Pre-2000 RA Retiree's Choice of where to deposit the payment. (IRA, Empower)
- Cash: 20% tax withheld



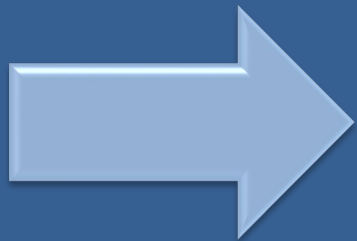
DB Vesting Requirements



Pre-2000 DB Plan Vesting Requirement is 10 Years of Qualified Service Credit



Post-1999 DC Plan Qualified Service Credit may be used to vest the employee until 12/31/2014.



Post-1999 DC Plan has no Vesting Requirement

Early Retirement Healthcare



Eligibility for the Pre-Medicare Earned Credit Assistance requires 40+ Years.

Qualified Service Credit in Both DB & DC Plans Counts towards 40 Years

Early Retirement healthcare available at full cost if less than 40 Years.

Questions?

