



With You On The Journey

# Defined Benefit Plans Service Records

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**Defined Benefit Plans | SHARP**

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# 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
- Understand the process at Retirement

# The Service Record



## North American Division Service Record

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

| Begin date<br>End Date   | Job Description<br>Employer                    | WorkType<br>Work Location                                 | Hours<br>Hourly Pay | Months | %FT<br>Work Status | %Rem | AreaRem | Plan | Service Credit Accumulated<br>Rec USA Hsp Can Sup Rgn YRF |      |      |      |      |      |      |      |
|--------------------------|------------------------------------------------|-----------------------------------------------------------|---------------------|--------|--------------------|------|---------|------|-----------------------------------------------------------|------|------|------|------|------|------|------|
| 07/01/1998<br>12/31/1998 | Groundskeeper<br>Southern Adventist University | I-Reg Salary with %remun<br>Southern Adventist University | 0<br>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<br>12/31/1999 | Groundskeeper<br>Southern Adventist University | I-Reg Salary with %remun<br>Southern Adventist University | 0<br>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<br>12/31/2000 | Groundskeeper<br>Southern Adventist University | I-Reg Salary with %remun<br>Southern Adventist University | 0<br>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<br>12/31/2001 | Machinist<br>Southern Adventist University     | I-Reg Salary with %remun<br>Southern Adventist University | 0<br>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<br>05/31/2002 | Machinist<br>Southern Adventist University     | I-Reg Salary with %remun<br>Southern Adventist University | 0<br>0.00           | 5.0    | 100                | 118  | 0       | USDC | 0.42                                                      | 1.50 | 0.00 | 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. These years cannot be used to meet the 10-year minimum vesting requirement of the DB Plan.
  - 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)

**Military Service (United States):** become denominationally employed within 1 year of separation from active duty, you 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. (ARP 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?



# The Defined Benefit Plan

Information regarding the church's pension plan/defined benefit retirement plan for those with pre-2000 denominational employment.



# Single Life Benefit – Retiree only

Pay rate =  
Pastor

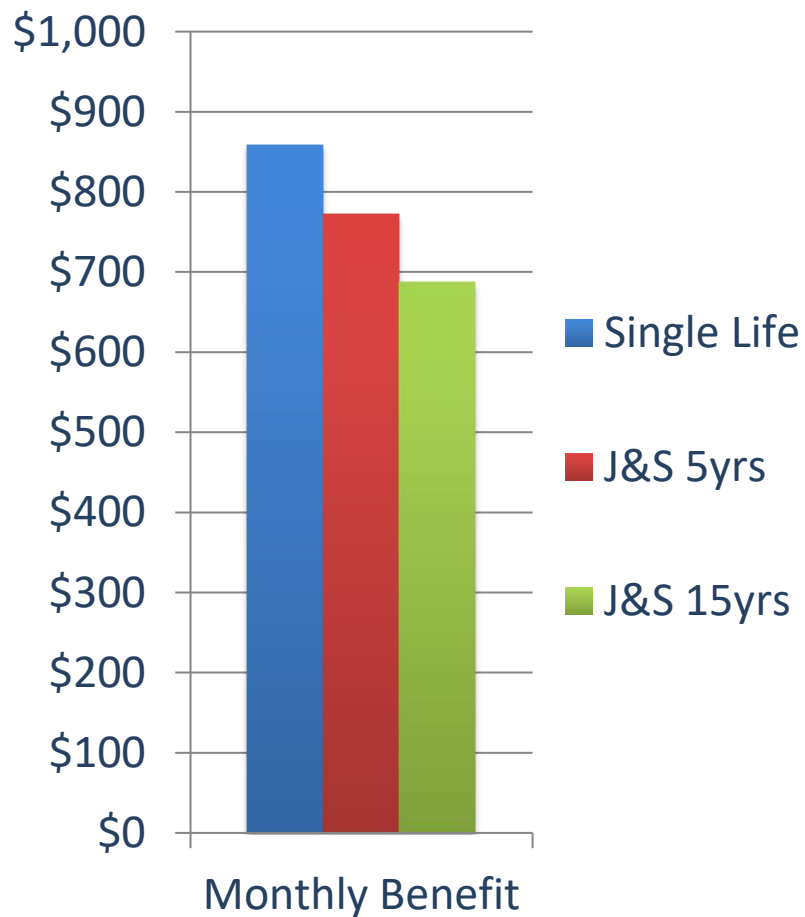
20 DB Years

BRF = 1.3%

2026 Pension  
Factor =  
\$3301.00

$20 \times 1.3\% \times$   
 $\$3301.00 =$   
 $\$858.26/\text{mo.}$

# 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

# DB Spouse Allowance – conditional benefit



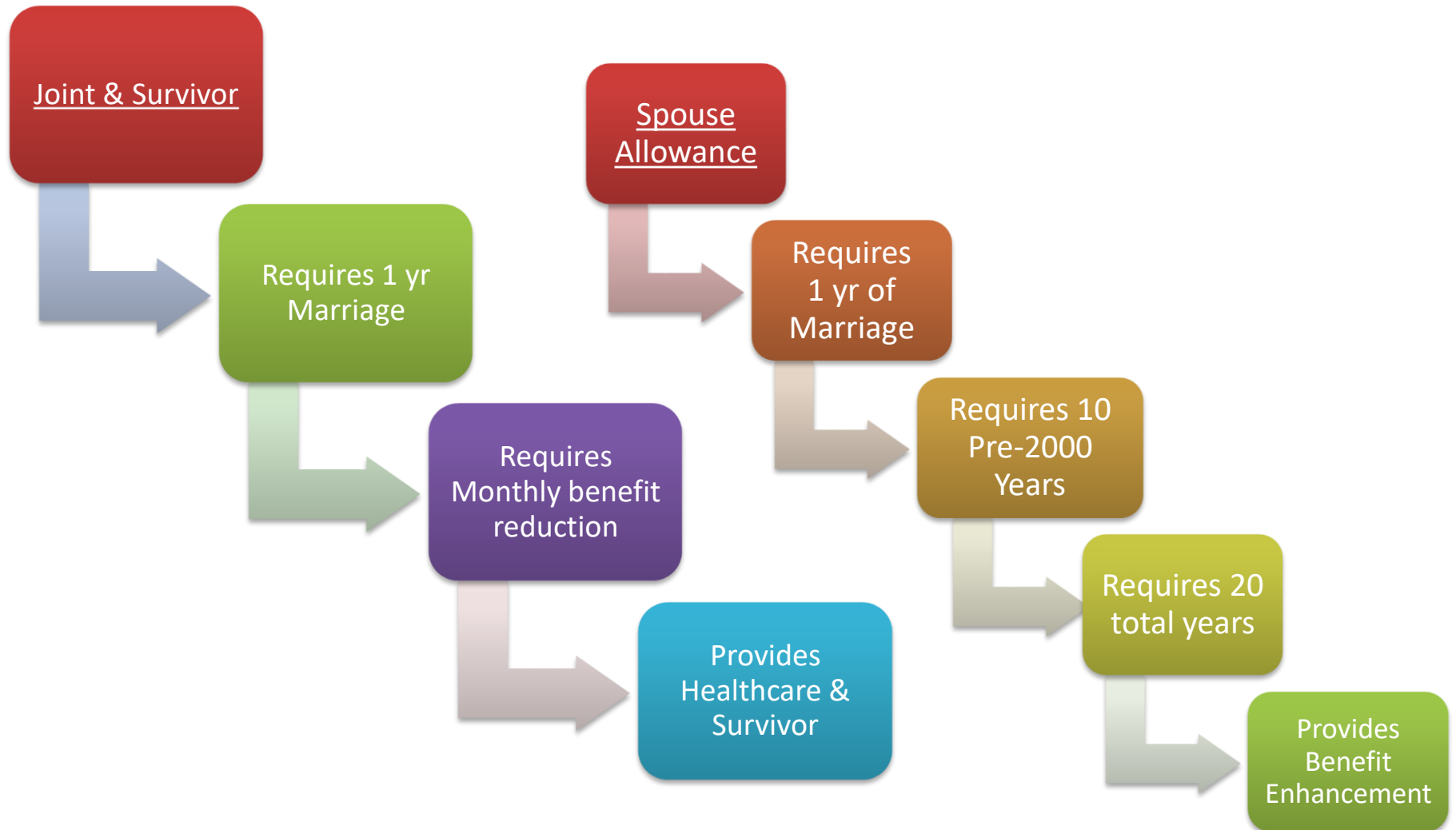
## Eligibility

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

## Adjustments

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

# Don't Confuse J&S with SA



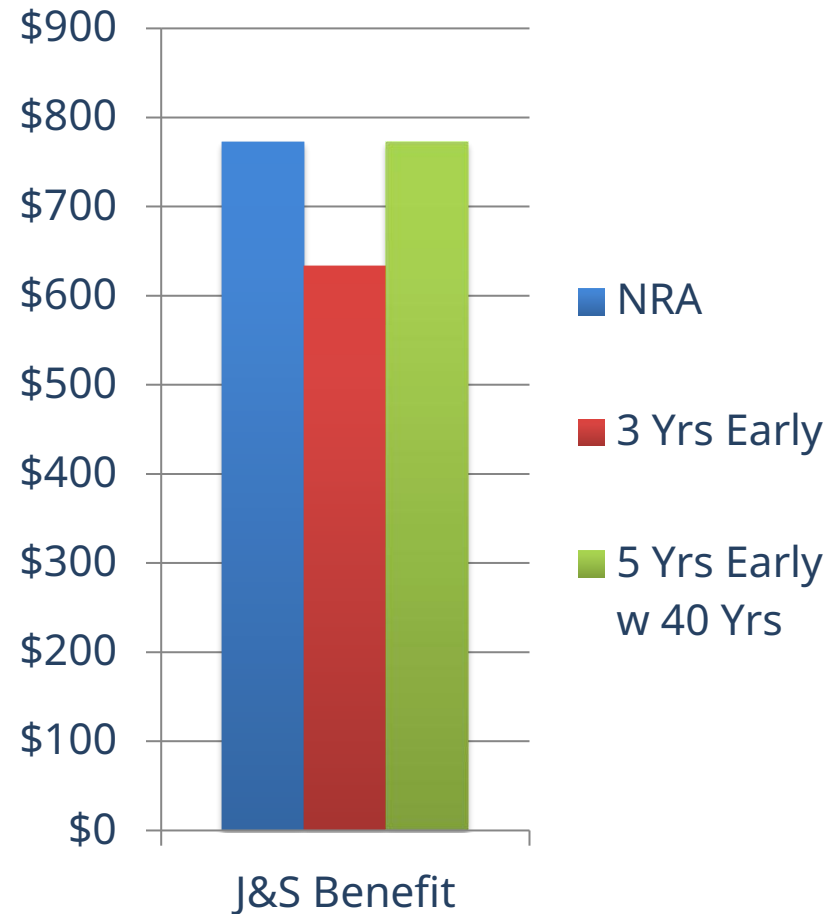
# Normal Retirement Age

NRA increases  
from age 66  
to 67

- 2020 to 2025
- 2 Month Steps/Year

Early  
Retirement  
Benefit  
Reduction  
1/2% Per  
Month prior  
to NRA.

- NRA or
- 40 years





# The Survivor Benefit

# J&S Benefit: Retiree Death

## J&S Spouse

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

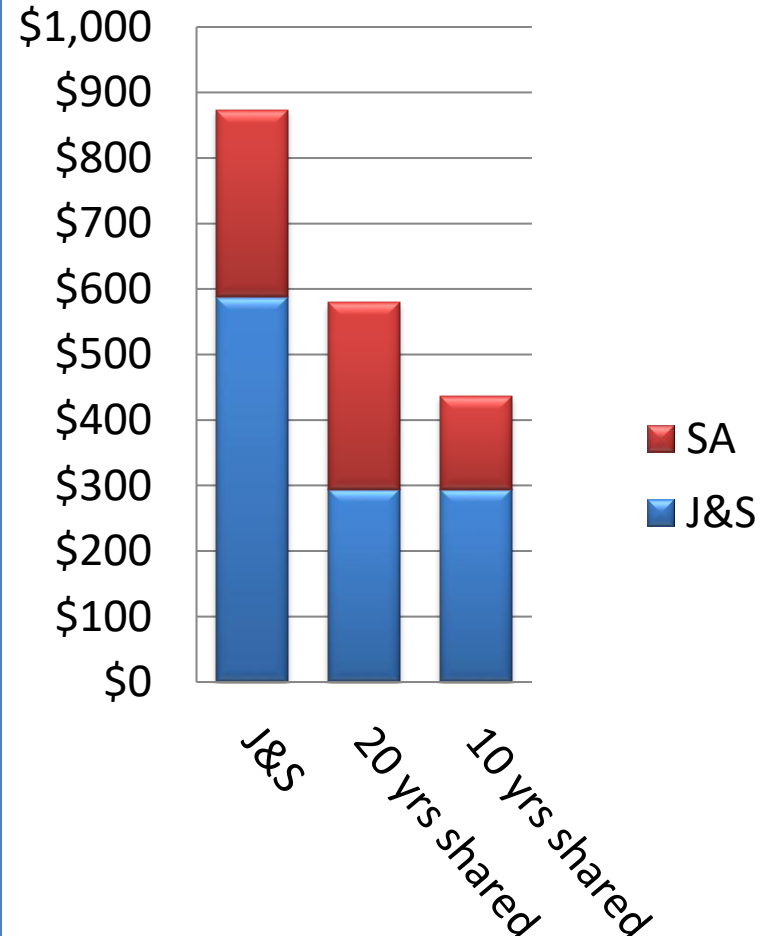
## Survivor Spouse Benefits

- $\frac{1}{2}$  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 Benefit: Spouse Death

## J&S Spouse

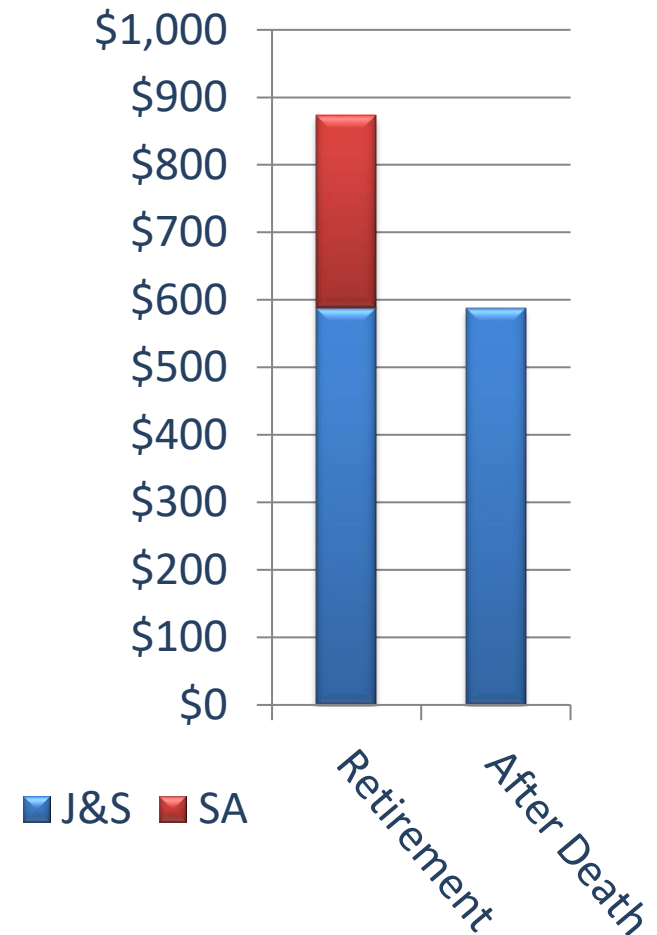
- Example: Spouse shared 20 pre-2000 years of service and the Spouse receives no personal pension.

## 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

Single Life Benefits Cease

Spouse Allowance continues *if*

- The Spouse shared at least 10 years of service.

No Survivor Benefits

No Survivor Healthcare

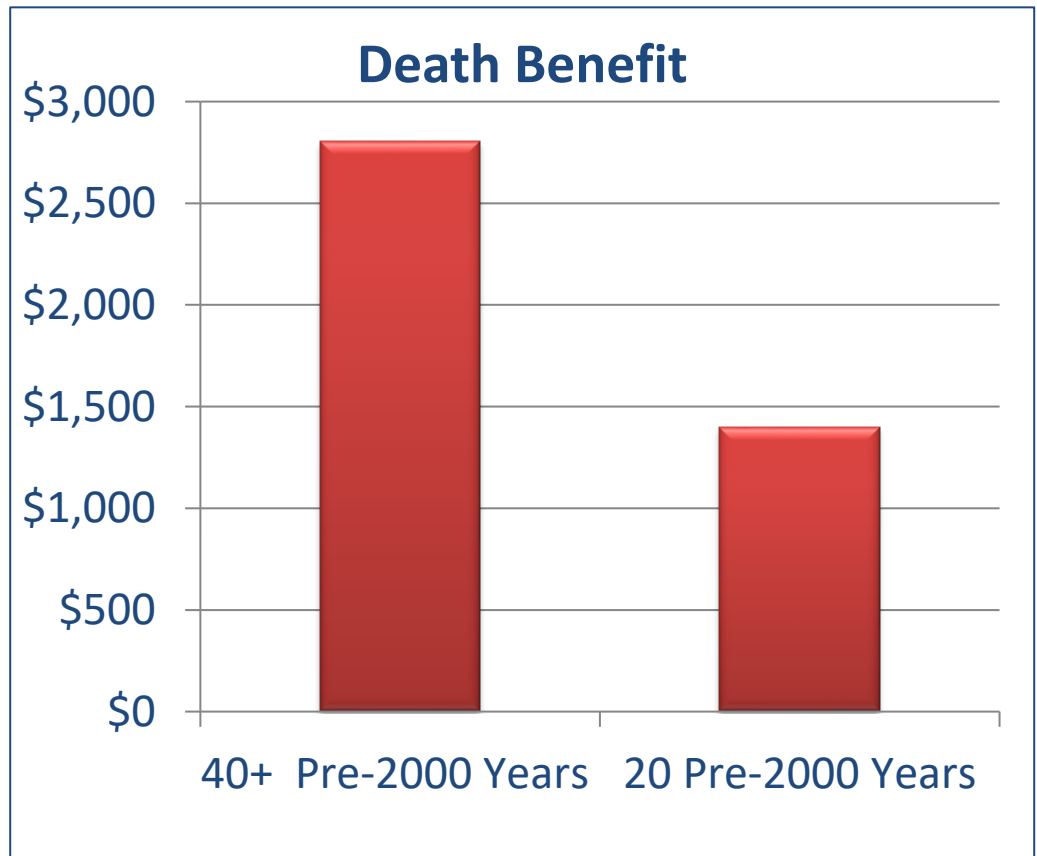


# DB Plan Death Benefit Retiree with J&S Spouse

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



# DB Plan Retirement Allowance - Z 40 05



The RA policies require that you directly from employment into Retirement. You must have vested with 10 years service credit and the maximum payment is on 40 years of service.

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)

# DB Retirement Allowance – Pre-2000

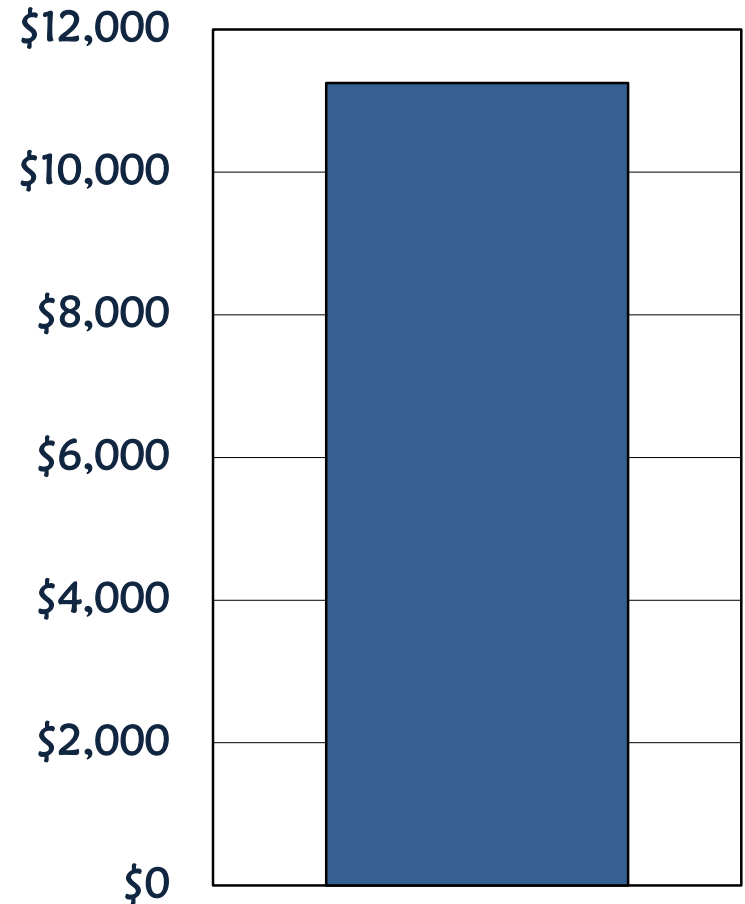
Example:  
20 Pre-  
2000 Years

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

Calculation

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

Retirement Allowance



# Applying for the Employer Retirement Allowance

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- Go through your employer
- Retirement Application –  
Pre-2000 service RA is  
completed by the  
Employer
- Payment of Pre-2000 RA  
Retiree's Choice of where to  
deposit the payment.

