

THE PENSION
AND
NATIONAL GROUP INSURANCE PLANS
(LIFE, DISABILITY, EXTENDED HEALTH & DENTAL)

OF THE

EVANGELICAL LUTHERAN CHURCH
IN CANADA

ADMINISTERED BY

ELCIC GROUP SERVICES INC

For information or forms contact us at

toll-free number 1.877.352.4247
e-mail pension@elcic.ca
website www.elcicgsi.ca

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1. Communication of Information to Group Services Inc.

Group Services needs to be informed, as quickly as possible, of changes in an employee's circumstances. We encourage you to contact us by phone, fax or e-mail. You may also include any information on the bottom portion of the remittance form or write the information on a separate sheet of paper and send it with the monthly remittance.

We require notification for the following:

- Change in Treasurer
- New employees
- Resignation or termination of employees
- Clergy On Leave Without Call or Temporary Without Call
- Sick leave, illness and disability
- Death of member, spouse or dependent child
- Change of beneficiary
- Addition of dependant
- Change in marital status
- Sabbatical or leave of absence
- Maternity / parental leave
- Change in salary or number of hours worked

It is critical that GSI is informed immediately of any of these items in order to ensure continuous and accurate coverage, and compliance with policy contracts and legislation.

Please do not take any action with regard to stopping remittances to pension, group benefits or health and dental without first confirming with Group Services.

2. Contribution / Remittance Due Dates

Remittances to ELCIC Group Services Inc. ("GSI") are due on the 15th of the month following the month in which contributions are deducted from the member's salary.

Any December 2002 pension contributions received after January 15th, 2003 will not be credited to 2002.

3. Coding

Each congregation is assigned a code: Synod-Congregation-Conference such as 10-1234-2. GSI only requires the congregation code (i.e. 1234) and the employee number. Special ministries and institutions have 12000 numbers. These numbers must be included on all remittances.

4. Employee Listing – Member and Non Member Census Report

This listing is required by February 28, 2003 and is used to ensure compliance with pension and benefit legislation.

5. Definitions

A. Employee definitions

Clergy is an ordained person, with a call or a defined contract for a minimum of six months.

Full-time lay employment is 30 hours or more per week.

Part-time lay employment is 20 - 29 hours per week.

B. Definition of "Salary"

The **Salary Basis Calculation** form will determine the salary basis that will be used for pension and benefit contributions.

- i) For clergy where accommodations are provided
Annual Cash Salary
+ 30% of Annual Cash Salary
+ Annual Housing Equity Paid (where applicable)
= "Salary"

- ii) For clergy where no accommodations are provided
Annual Cash Salary
+ Housing Allowance Paid
= "Salary"

- iii) For a lay person
Annual Cash Salary = "Salary"

- iv) For clergy on leave without call
The last 12 months "Salary" prior to beginning the leave.

C. Definition of "Annual Cash Salary"

Annual Cash Salary means actual gross earnings including overtime, bonuses and vacation pay, but not including severance pay.

D. Schedule of Year's Maximum Pensionable Earnings ("YMPE"), which will be used to calculate eligibility.

Year	YMPE	25% of YMPE
2000	37,600	9,400
2001	38,300	9,575
2002	39,100	9,775
2003	39,900	9,975

6. Pension Plan for Clergy and Lay Workers of the ELCIC

PENSION PLAN REGISTRATION NO. 0533240

A. Employer Requirements

Who participates in the Pension Plan?	Document required
All ELCIC congregations must join	Participation Agreement
ELCIC affiliated organizations must join	Participation Agreement
Anglican diocese employing ELCIC clergy	Special Participation Agreement (clergy in Anglican service)
Organizations not affiliated directly with the ELCIC but employing ELCIC clergy	Special Participation Agreement

These agreements must be completed, including all authorized signatures and received by GSI prior to enrolling the employees. The agreements can be obtained by contacting GSI.

B. Employee Eligibility and Enrolment

Employee classification (see section 5 for definitions)	Eligibility and Enrolment
Clergy	Must join the plan on their date of hire, if their salary is at least 25% of the YMPE.
Full time lay employees	Must join the plan 90 days from their date of hire, if their salary is at least 25% of the YMPE.
Part time lay employees in Manitoba	Must become members upon completion of 24 consecutive months in which they have earned at least 25% of YMPE. They may join the plan 90 days from their date of hire, if their salary is at least 25% of the YMPE.
Part time lay employees excluding Manitoba residents	May join the plan 90 days from their date of hire, if their salary is at least 25% of the YMPE.

Enrolment forms are to be completed by each new employee and returned along with a completed Salary Basis Calculation form to the Group Services office.

C. Pension Plan Contributions

i) Member Contribution to Pension
5% of "Salary"

ii) Employer Contribution to Pension
5% of "Salary" plus

2% of "Salary" as a supplemental contribution, which shall only be allocated to the member's account if it is not required to finance an experience or solvency deficiency that may emerge in the retired life portion of the fund.

iii) Member Optional Voluntary Contributions to Pension

The ELCIC Pension Plan, in accordance with the maximum contributions allowed by CCRA, can receive, by payroll deduction, a total yearly contribution of 18% of an employee's salary. The basic employee and employer contributions total 12% of salary, which leaves a maximum of 6% of salary for voluntary employee contributions. Voluntary employee contributions must also be in accordance with CCRA's guidelines for Pension Plan/RRSP contributions. It is each member's responsibility to ensure that all extra contributions to a pension plan or RRSP are within their personal limits.

NOTE: An Employer is not allowed to make any extra contributions to the ELCIC Pension Plan.

D. Late Entry

Employees that must join the plan as defined above are entitled to this benefit from date of eligibility. It is important to enroll and submit all the documentation of enrollment on a timely basis immediately following eligibility. If for some reason an employee is missed, remittances back to date of eligibility must be made until the employee is 'caught up' to where they would have been had they enrolled at date of eligibility. These remittances are subject to the annual maximum of 18%. Please contact the GSI office should this situation arise.

E. Maintaining Membership – Pension Plan

After an employee has met eligibility and is enrolled in the ELCIC Pension Plan, there is no minimum salary requirement to maintain membership in the ELCIC Pension Plan.

F. Tax information

Treasurers need to ensure that all contributions to the ELCIC Pension Plan are reported correctly on a member's T4 (see section on completing T4 supplementary, Box 20-Registered pension plan contributions, Box 52-Pension adjustment).

7. National Group Insurance Plans (Life, Disability, EFAP, Extended Health and Dental)

A. Employer Requirements

Who participates in the Group Insurance?	Document required
All ELCIC congregations	Subscription Agreement (these will be sent out in 2003)
ELCIC affiliated organizations	Subscription Agreement
Anglican diocese employing ELCIC clergy	Special Subscription Agreement (clergy in Anglican service)
Organizations not affiliated directly with the ELCIC but employing ELCIC clergy	Special Subscription Agreement

These agreements must be completed; including all authorized signatures and received by GSI prior to enrolling the employees.

B. Employee Eligibility and Enrolment

Employee classification (see section 5 for definitions)	Eligibility and Enrolment
Clergy	Must join the plan on their date of hire, if their salary is at least 25% of the YMPE. Optional life is voluntary, and subject to medical evidence.
Full time Lay	Must join the plan 90 days from their date of hire, if their salary is at least 25% of the YMPE. Optional life is voluntary, and subject to medical evidence.
Part time Lay	Must join the plan 90 days from their date of hire, if their salary is at least 25% of the YMPE. Optional life is voluntary, and subject to medical evidence.

Enrolment forms are to be completed by each new employee and returned along with the completed Salary Basis Calculation form to the GSI office.

Coverage continues for employees who are not at work due to regular summer layoffs. Premiums must be paid in advance of the layoff period.

Coverage ends on the earlier of employment termination date, or age 65 for life, disability and EFAP, and age 70 for health and dental.

C. Premium Payments

I. Life and disability

- i) Member contribution - Optional life premium only (voluntary)
- ii) Employer contribution - Premiums are 3% of monthly "salary"

II. Extended health and dental

Premium rates for the Health and Dental Plan that are currently in effect will continue until May 31, 2003. GSI will notify all plan participants a month in advance of the rate change. Budget estimates were sent in November 2002 in preparation for 2003. If you are missing any of this information please contact us.

Information for first and final payments is as follows:

First payment		
Enrolment date	1 st of month	Full monthly payment
	After 1 st of month	No payment for that month, full payment in month following
Final payment		
Termination date	Any day of the month	Full monthly payment

Cost sharing arrangements are determined by the Synod. Please contact your Synod office for the current guidelines.

D. Late Entry

Employees are covered for benefits from date of eligibility. It is important to enroll and submit all the documentation of enrollment on a timely basis immediately following eligibility. If for some reason an employee is missed, the plan allows enrolment up to 365 days after eligibility has been met. However, retroactive premiums must be submitted back to date of eligibility.

E. Maintaining Membership

After eligibility has been satisfied and the member is enrolled in group insurance there is a requirement to maintain membership.

If salary permanently reduces to less than 25% YMPE or if hours worked are permanently reduced to less than 20 hours per week for lay employees, then the member is no longer eligible and must withdraw from the plan. **GSI must be notified before remittances are discontinued.**

F. Taxable Benefits

This information can be used for completing payroll, T4s and T4 Summaries for the 2002 tax year, in conjunction with references in the first portion of this booklet.

The amounts paid by an employer as premium to an employee's benefit plan for life insurance coverage is a taxable benefit to the employee. This calculation and related deductions should be made on a monthly basis.

The following is an example based on the current rate that was effective for 2002. This may change effective March 1, 2003.

Example:

"Salary" \$42,000

Basic life insurance coverage equals 3 times salary ($\$42,000 \times 3 = \$126,000$)

Taxable benefit based on current rate **\$.29 per 1,000 x \$126,000 = \$36.54**

Dependent life insurance coverage if applicable is **\$2.39**
(flat rate premium regardless of the number of dependents)

Total of **\$38.93** per month should be included when calculating income tax and CPP.

Sales tax:

Ontario residents only, please add 8% sales tax to the taxable benefit.

Quebec residents only, please add 9% sales tax to the taxable benefit.

Special Québec information

Québec residents are required to report as a taxable benefit the premium paid for Accidental Death, Dismemberment and Disease. Please add \$ **.28** each month to the above calculation.

The amounts paid by an employer as premium to an employee's health and dental plan must be recorded as a taxable benefit to the employee on the Relevé 1 only.

NOTES