

# YOUR PENSION PLAN



A summary description of  
the Canadian Christian School  
Pension Plan & Trust Fund

November, 2011



**CHRISTIAN SCHOOLS  
INTERNATIONAL**

 **CONTENTS**

<b>The Plan .....</b>	<b>5</b>
<b>How the Plan Works .....</b>	<b>6</b>
<b>Benefits .....</b>	<b>7</b>
<b>Definitions .....</b>	<b>14</b>
<b>Procedures .....</b>	<b>18</b>
<b>Your Rights and Duties .....</b>	<b>21</b>
<b>Plan Description .....</b>	<b>22</b>
<b>Questions and Answers .....</b>	<b>23</b>
<b>Notes .....</b>	<b>30</b>

## YOUR PENSION PLAN

This booklet is a short, simplified description of the Canadian Christian School Pension Plan (the Plan), its regulations and benefits. The Board of Trustees (the Trustees), who are responsible for administering the Plan, offer it to participants and their beneficiaries as a convenient way to understand the major provisions of the Plan.

**Because it is condensed and simplified, this booklet is only a general summary of the terms of the Plan, not a complete description. If questions of interpretation arise, the actual Plan Document is the final authority. You can ask to have a copy of the Plan Document sent to you, you can review a copy at your school or you can view a copy at our website at [www.csionline.org/benefits](http://www.csionline.org/benefits).**

For questions regarding the Plan, visit our website at [www.csionline.org/benefits](http://www.csionline.org/benefits), or call Christian Schools International at (877) 274-8796, extension 231.

This booklet uses a number of capitalized terms, which are defined and explained in greater detail in the Definitions Section.



## THE PLAN

The Plan is an excellent way to build toward a comfortable retirement. Combined with personal savings and government pension plans, the Plan can help you meet your retirement goals. Advance planning for retirement will help assure that your basic finances are secure, and that you will have the freedom to do the things that make retirement enjoyable.

When Christian Schools International began a retirement program in 1943, the Plan was a way people in the Christian school community could band together and help provide retirement benefits for Christian school employees. The founders were frugal, conservative people who wanted a fair program that provided a measure of security without undue risk.

The Plan has grown in strength and performance. Today there are over 100 participating schools in Canada with more than 4,000 individuals enrolled.

The Plan is a Defined Benefit Plan. This means that retirement benefits are defined in the pension benefit formula, and risk is pooled for all individuals participating in the Plan. The Plan allows you to start accruing benefits with your enrolment.

Every dollar you put into the Plan is always yours. If you leave employment before retirement, you can have all of your money refunded with interest.

For a projection of what your retirement income will be with this Plan, visit our website at [www.csionline.org/benefits](http://www.csionline.org/benefits), or contact the Plan office at (877) 274-8796, extension 231.

## HOW THE PLAN WORKS

For retirees to maintain their preretirement lifestyle, they must have disposable income (government pensions, savings, pension plans) close to what was earned during their working years. The Plan is designed to provide a portion of the money needed for a comfortable retirement. This is how the Plan works:

1. You make a contribution to the Plan through payroll deduction.
2. Your employer matches your contribution to the Plan.
3. Contributions are sent to the Plan office and are carefully invested by the Trustees.
4. You contribute to the Plan for at least two years to become Vested. If you leave the Plan before you have completed two years of participation, your contributions can be refunded with any accrued interest. This refund does not include the contributions made by your employer. Once you are Vested, you are eligible to receive a pension benefit upon retirement.

Retirement and other benefits are discussed in detail under the Benefits section of this booklet.



## BENEFITS

### 1. PENSION BENEFIT

**Normal Retirement Benefit.** Your Normal Retirement Date is the first day of the month coincident with or following the day of your 65th birthday. Available at age 65 when you retire, the pension benefit is also available at a reduced rate as early as age 55 if you choose to retire at that time and meet certain conditions. Your annual benefit is based on your Years of Service and your Final Average Earnings.

**Years of Service** is calculated in two parts.

Part One — for service before September 1, 2010:

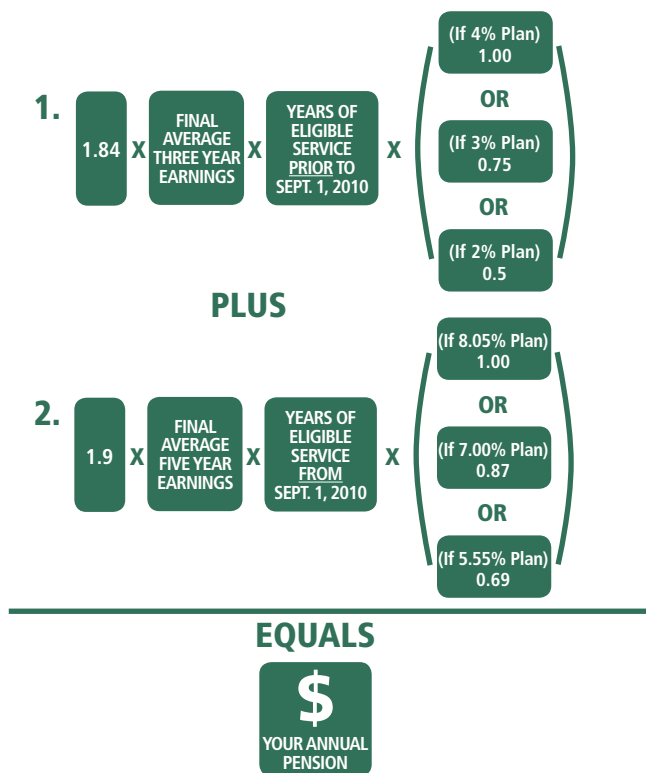
- Each year in the 4% Plan is equal to 1 year of service
- Each year in the 3% Plan is equal to 0.75 years of service
- Each year in the 2% Plan is equal to 0.5 years of service

Part Two — for service on or after September 1, 2010:

- Each year in the 8.05% Plan is equal to 1 year of service
- Each year in the 7.00% Plan is equal to 0.87 years of service
- Each year in the 5.55% Plan is equal to 0.69 years of service

In both parts, years of service are prorated based on the percentage of full-time worked in a year. For example, if you worked 100% of full-time in the 8.05% Plan you would receive credit for one year of service. If you worked 50% of full-time, in the 8.05% Plan you would receive credit for one-half of one year of service.

To calculate your annual benefit, based on Parts One and Two (described above), use the following formula:



To see additional information about your accrued benefit, see #9, Accrued Benefit starting on page 15.

If you choose the option to receive a larger death benefit than the one normally offered, your monthly payments will be smaller. (See #4, Retirement Benefit Options).

### Pension Benefit

The pension formula in the Plan is based on your Final Average Earnings (FAE). FAE is the average of the best five years of your earnings (three years of earnings for service up to August 31, 2010) in your last 20 years of service ending at a set cut-off date (currently August 31, 2011). This date is intended to be updated every year to

take into account future salary increases; however this date may not be updated in a given year if the financial status of the Plan does not allow it.

### Example:

Steven is considering retiring at September 1, 2012. At that time he will have 30 years of service in the Plan. In the 2010/2011 school year he made an annual salary of \$56,000, and he expects a salary increase of \$1,000 in September 2011. The tables below show his salary history and the calculation of his FAE for the Plan pension formula. Steve's FAE (based on a 5-year average) applicable to service from September 1, 2010 would have been \$55,000, and his FAE (based on a 3-year average) applicable to service up to August 31, 2010 would have been \$56,000. (this example assumes that the cut-off date for determining FAE has been updated each year)

School Year	Earnings	FAE at retirement	
2011/2012	\$57,000	Service up to August 31, 2010 (3 year average)	Service from September 1, 2010 (5 year average)
2010/2011	\$56,000		
2009/2010	\$55,000		
2008/2009	\$54,000		
2007/2008	\$53,000		
2006/2007	\$52,000	\$56,000	\$55,000

Steven calculates his pension using the sum of the pension formula for service up to August 31, 2010) and the new pension formula for service from September 1, 2010. (i.e., the formula under Part Two, described above)

“Part One” formula - 1.84% x FAE (3 year average) x years of eligible service to August 31, 2010.

“Part Two” formula - 1.90% x FAE (5 year average) x years of eligible service from September 1, 2010.

These pension formulas assume that Steven's school has chosen the CSI Plan option with the highest contribution

rate. (i.e., the 4% Plan before September 1, 2010, and the \*.05% Plan afterwards)

	Pension if the FAE were updated
Pension Formula	$1.84\% \times \$56,000 \times 28$ + $1.90\% \times \$55,000 \times 2$
Annual Pension	\$30,941.20
Monthly Pension	\$2,578.43

**Supplemental Pension.** You are entitled to receive an annual supplemental pension equal to \$20 for each year of Vesting Service earned before September 1, 1973. The benefit will be paid for the lifetime of you and your spouse.

**Early Retirement Benefit.** Provided you are Vested, you may choose as early as age 55 to leave employment and retire in which case, you will receive a pension for life. If you have ten years of credited service and retire at age 60 or older, there is no reduction in the benefit. If you have ten years of credited service and retire before reaching age 60, the benefit is reduced by five percent for each year you are younger than age 60. If you retire before reaching age 65 and before completing ten years of credited service, the benefit is reduced by four percent for each year you are younger than age 65.

**Vested Benefit.** If you are Vested and leave employment in a participating school before you are retirement age, you are eligible to receive normal pension benefits at your normal retirement date. You may also elect to retire as early as age 55, but your benefits will be reduced by four percent for each year you are younger than age 65.

**Retirement Benefit Indexing.** Pension indexing raises your monthly retirement pension benefits to help offset the impact of inflation. Such increases are not automatic. They are considered when the financial status of the plan allows.

## 2. DEATH BENEFIT

If you die either before or after you begin receiving your pension benefit, your beneficiary is entitled to a lump sum payment of the balance in your Contribution Account, provided that no pension benefits are payable to a survivor.

## 3. PRERETIREMENT SURVIVING SPOUSE BENEFIT

If you are married, Vested, and die before beginning to receive retirement benefits, your surviving spouse will receive a lump sum amount. This lump sum equals the present value of your Accrued Benefit, including the Additional Benefit. If you are age 45 or over, Vested, and actively employed at death, your spouse is entitled to an annuity. This annuity is equal to 60% of your pension benefit, calculated as if you had retired immediately before dying. These benefit payments begin the month that you die, and continue throughout the life of your spouse.

## 4. RETIREMENT BENEFIT OPTIONS

**Automatic/Normal Form of Benefit.** If you are married, you and your spouse will automatically receive a reduced pension (surviving spouse annuity) during your lifetime, so that 60% (66 2/3% in Manitoba, 50% in Saskatchewan) of your benefits will be paid to your surviving spouse for his or her lifetime. The amount of the reduction in monthly benefits is based, in part, on the difference in the ages of you and your spouse. You and your spouse may, in writing, waive this form of benefit and choose another benefit option. If you are not married at your retirement, or if you and your spouse waive the surviving spouse annuity option (such that your spouse would not receive a survivor's pension if you should predecease him or her), you may receive the full or normal pension benefit for life with a guarantee that the benefit will continue for at least 10 years. If you die before receiving 10 years of payments, the monthly

payments will continue to your beneficiary until 10 years of payments have been made.

**Contingent Annuity.** This option is similar to a surviving spouse annuity except that the benefit is paid to your spouse, former spouse, or a dependent, as chosen by you. A dependent means a parent, grandparent, sibling, child or grandchild who is eighteen years or younger and a full-time student, or who is mentally or physically infirm. You may select the percentage of your benefit (50, 60, 75 or 100%) to be paid for the life of the contingent beneficiary. The higher the percentage you choose, the lower your pension benefit will be.

#### **Life Only, Life Guaranteed Five, Ten, or Fifteen Years**

**Options.** With the Life Only option, benefits cease at your death. With the Life Guaranteed Five, Ten, and Fifteen year options, the pension benefit is guaranteed for five, ten, or fifteen years respectively. If you die prior to having received five, ten, or fifteen years of benefit payments, the monthly payments will continue to your beneficiary until the five, ten, or fifteen years of benefit payments (as applicable) is reached.

**Joint and Surviving Spouse Option.** You may elect to receive a joint and surviving spousal pension. With this option, benefits shall consist of an actuarially equivalent amount of pension payable during the lifetime of the participant and continuing after the participant's death equal to 50, 60, 62<sup>2/3</sup>, 75, or 100% of such amount during the remaining lifetime of a surviving spouse or former spouse. You must designate the percentage to be continued to your surviving spouse or former spouse at the time you choose this option. Generally, the higher the percentage allocated to your spouse, the lower your monthly pension benefits.

**Pop-Up Option.** A pop-up option provides for the participant in the event that the participant's spouse dies first. If a participant chooses a pop-up benefit at retirement,

and the spouse pre-deceases the participant, the participant's benefit "Pops Up" to the Life Guaranteed 10 year option (described above), which pays a higher monthly benefit.

## **5. CASH REFUND**

If you terminate employment with a Participating Employer you become vested and before your retirement date, you may choose to have your Contribution Account fully refunded and your rights under the Plan canceled. As an alternative, you may leave the balance of your Contribution Account in the Plan in anticipation of resuming participation in the Plan at a later date. If you leave your contributions in the Plan, you will be required to withdraw them after your normal retirement date if you have not resumed employment with a Participating Employer and become vested before that date.

If your employment terminates after you are Vested, and prior to being eligible for an early retirement benefit, you can choose to have the present value of your pension benefit transferred to a locked-in RRSP, a locked-in retirement account, or the registered pension plan of your new employer, if the new employer's pension plan accepts the transfer. Alternatively, you may choose to have the present value of your pension benefit used to purchase an annuity from a third-party annuity provider. Additional Benefits, if any, may be paid in cash. Such a withdrawal will erase all rights under the Plan. If you elect to withdraw only your Additional Benefit, you still retain full rights to your Accrued Benefit.

If you are not Vested when you take a cash refund, and later return to employment with a Participating Employer, you may repay the amount of the withdrawal with interest at the rate used in the calculation of lump sums payable to inactive participants. Repayment must be made either within five years from the date of refund, or two years from the date of reemployment, whichever is earlier. Repayment reinstates all your rights under the Plan.

## DEFINITIONS

**1. Accrued Benefit** — annual pension benefit payable for life, beginning after Normal Retirement Date and available after becoming Vested.

**For service prior to September 1, 2010 the pension benefit is equal to the greater of:**

**A. the sum of:**

Credited service earned before 9/1/51.....\$33.00per year

Employee Contributions made from 9/1/51 to 8/31/92...66<sup>2/30</sup>% of total

Accrued Benefit effective 9/1/83.....2% increase (for each year of unadjusted service from 9/1/51 - 8/31/83)

Accrued Benefit effective 9/1/85.....2% increase (for each year of unadjusted service from 9/1/83 - 8/31/85)

Accrued Benefit effective 9/1/87.....2% increase (for each year of unadjusted service from 9/1/85 - 8/31/87)

Accrued Benefit effective 9/1/90.....3% increase (for each year of unadjusted service from 9/1/87 - 8/31/90)

1.84% of Final Three Year Average Earnings times Adjusted Credited Participating Service completed between 9/1/92 and 8/31/2010.

– OR –

**B. 1.84% of Final Three Year Average Earnings times Total Adjusted Credited Participating Service.**

**For Service after September 1, 2010 the pension benefit is equal to:**

1.90% of the Final Five Year Average Earnings times Adjusted Credited Participating Service times:

Pursuant to Canada Revenue Agency rules, the pension provided to you under the Plan is limited to 2% of your final average earnings times your years of credited service.

**2. Additional Benefit** — is equal to the difference, if any, between your Contribution Account and 50% of the present value of the Accrued Benefit at your retirement, death, or termination of employment. The benefit is payable in a lump sum.

**3. Adjusted Credited Participating Service**

The annual allocation of Adjusted Credited Participating Services is as follows:

For years of service prior to Sept. 1, 2010:

For years in the 4% plan; 1 year of service

For years in the 3% plan; 0.75 years of service

For years in the 2% plan; 0.5 years of service

For years of service on or after September 1, 2010:

For years in the 8.05% plan; 1 year of service

For years in the 7.00% plan; 0.87 years of service

For years in the 5.55% plan; 0.69 years of service

**4. Contribution Account** — contains all the money the Participant has contributed, and remains his or her property. If you leave the Plan before becoming Vested, the Contribution Account, plus any accrued interest, will be refunded. In the event of death or retirement, benefit payments will draw from the Contribution Account and will reduce or eliminate the total amount.

**5. Credited Participating Service** — equals Vesting Service prorated based on the percentage of full-time worked in a year. For example, if you worked 100% of full-time, you would receive credit for one year of service. If you worked 50% of fulltime, you would receive credit for one half of one year of service. In calculating your

entitlements under the Plan, your Credited Participating Service will be further adjusted based on your and your employer's chosen contribution rate. (See the definition of Adjusted Credited Participating Service in this section)

**6. Defined Benefit Plan** — retirement benefits are determined by a set formula. Contributions made by Participants and Participating Employers are managed and invested by an administrator (the Trustees) to provide a specific level of benefits to employees. The Plan is a special type of Defined Benefit Plan called a multi-employer pension plan that provides a “target” level of benefits. However, because employee and employer contributions are fixed, either contributions must be increased or benefits adjusted (or both) if the Plan's assets are insufficient to meet the target level of benefits.

**7. Eligibility to Participate** — all full-time employees of a participating school must, as a condition of employment, participate in the Plan. Eligible part-time employees of participating schools, must participate in the Plan after completing one year of employment.

**8. Normal Retirement Date** — the first day of the month coincident with or following a Participant's 65th birthday.

**9. Participating Employer** — Christian Schools International (CSI) and member Christian schools, societies, or related groups which choose to participate in the Plan.

**10. Participant (Employee) and Employer Contributions** — the Employee's Contribution (5.55%, 7%, or 8.05% of annual compensation) is collected through payroll deduction and the Participating Employer matches each contribution so that either 11.1%, 14%, or 16.1% of the employee's salary is sent to the Plan office.

**11. Vested** — describes a Participant who has contributed to the Plan for at least two years. A Vested Participant is entitled to a lifelong retirement benefit based on the Plan formula.

**12. Vesting Service** — total number of years of employment with one or more Participating Employers during which you were an active contributor to the Plan.

**13. 5.55% Plan, 7% Plan, and 8.05% Plan** — a Participating Employer must choose to participate in one of these three distinct components of the Plan. Either 5.55%, 7%, or 8.05% of the employee's salary, depending on which Plan option is selected, is contributed yearly to the Plan. Of course, larger retirement benefits accrue with the 8.05%, and 7% Plan's.



**CHOICE OF BENEFICIARY**

You may select the beneficiary who will receive any balance remaining in your account after your death, and after all pension benefits to your survivors (including your surviving spouse, if any) have stopped. Your selection of a beneficiary, other than your spouse, is not valid unless consented to, in writing, by your spouse. You make this choice when you complete and sign the form furnished by your employer. You must use this form. A provision in your will may not be sufficient for this purpose.

If you do not have a spouse at the time of your death, or if you and your spouse have filed a waiver to appoint a beneficiary other than your spouse, any lump sum benefits payable on your death will be made as follows: to your designated beneficiary; if your beneficiary is no longer living, to your spouse if you have one; if your beneficiary is no longer living and you are not survived by a spouse, in equal shares to your children. If no children exist, to your parents or, if no parents exist, to your brothers and sisters.

**APPEAL PROCEDURE**

The Trustees have the responsibility for interpreting and applying the rules of the Plan in individual cases, including decisions on eligibility to participate, right to receive benefits upon termination of employment or Plan membership, the type and amount of any benefit entitlements, and all other matters involving rights and duties in the Plan.

If you feel you are eligible to receive a larger benefit than that determined by the Trustees, you have a right to ask the Trustees for a redetermination of your benefit, provided you file a claim in writing with the Trustees no later than 120 days after such determination. Claims

should be submitted to the following address:

Canadian Christian School Pension Plan  
3350 East Paris Avenue SE  
Grand Rapids MI 49512 USA

Within 60 days, the Trustees will give you their written decision. Reasons for the decision will be explained, including the section of the Plan on which the decision is based, and a description of any regulations affecting the decision. You will also be told about any steps you must take for further review.

After you receive the written decision, you, or your representative, have 60 days to send a written application for redetermination to the CSI Board of Directors at the following address:

Canadian Christian School Pension Plan  
3350 East Paris Avenue SE  
Grand Rapids MI 49512 USA

You, or your representative, may also submit written statements in support of your claim. The CSI Board of Directors must give you its final decision, in writing, along with an explanation of the reasons for the decision, within 60 days of receiving your request, unless you and the Board agree upon a greater period of time.

**AMENDMENT**

CSI has the right to amend the Plan at any time. If the vesting schedule is changed, Participants in the Plan will always be covered by the vesting schedule most favorable to them.

**TERMINATION**

CSI may terminate the Plan at any time. Any Participating Employer may terminate its participation in the Plan at the end of any school year. If the Plan should be terminated, you will become fully Vested in your

Accrued Benefit. However, the funds may remain in trust to be distributed to you when you are eligible.

### **THE PLAN'S FUNDED STATUS**

While the Trustees intend to ensure that all Accrued Benefits under the Plan are satisfied, if the Plan develops a funding shortfall such that its assets are insufficient to cover all Accrued Benefits, and Participating Employers are unable or unwilling to make additional contributions to cover this shortfall, applicable laws may require the Trustees to reduce Accrued Benefits either on an ongoing basis or on termination of the Plan.



## **YOUR RIGHTS AND DUTIES**

### **Rights**

As a Participant of the Plan, you are entitled to the following information:

1. An annual personalized statement showing your position in the Plan.
2. A statement showing your benefits and options under the Plan at the date of retirement or termination.
3. A plan description like this one that summarizes your rights and duties with respect to the benefits available under the Plan.
4. Notice of any amendment that would reduce or adversely affect your benefits accruing after the date of the amendment.

### **Duties**

As a Participant of the Plan, you must comply with your obligations to:

1. Complete forms accurately and in a timely fashion.
2. Provide information about your spouse changes in a spousal status and changes in beneficiaries to CSI in a timely fashion.

Failure to provide information or complete forms may result in delays in payment of benefits.

In addition, you may request to see copies of the official Plan text and any other documents that are filed with the Financial Services Commission of Ontario. This excludes information about another Participant. This request must be made in writing to CSI, on behalf of the Trustees, and may not be made more than once annually. You may also request to have a copy made, but copies may be subject to a fee.

## PLAN DESCRIPTION

**Name:** Canadian Christian School  
Pension Plan

**Address:** 3350 East Paris Avenue SE  
Grand Rapids MI 49512 USA

**Phone Number:** (616) 224-1880, extension 231  
(877) 274-8796, extension 231

**Sponsor:** The Plan is sponsored by Christian Schools International (CSI) who maintains the Plan for itself and for its participating schools. The Plan is registered with the Financial Services Commission of Ontario and the Canada Revenue Agency under #0283812.

**Administrator:** The administration is handled by a Board of Trustees appointed by the Board of Directors of CSI. The Canadian Christian School Pension Trust Fund has been established in order to fund the benefits payable under the Plan.

**Plan Year:** Begins on September 1 and ends on August 31. All records of the Plan are based on the Plan Year.

**Duties of Trustees:** In strict accordance with the terms of the Plan and the Trust agreement, the Trustees determine eligibility for participation in the Plan, establish procedures for calculating and receiving benefits, and periodically review the schedule of benefits. The Trustees, with the help of qualified investment counselors, also carefully invest funds received. Investment strategy is to seek safety of principal while securing the best possible yield.

## QUESTIONS & ANSWERS

This section provides answers to frequently asked questions posed by boards and Participants. For a complete explanation of the features of your the Plan, consult the official Plan Document or contact the CSI Employee Benefits Department.

### **I am only working part-time. Can I be part of the Plan?**

Yes, but you need to meet three criteria:

1. You must work for a Participating Employer.  
This is a group Plan and individuals cannot join independently.
2. You must earn 35% of the Year's Maximum Pensionable Earnings (YMPE) (25% in Manitoba) at a Participating Employer in the preceding year. For 2011, 35% of YMPE is \$16,777 (and for Manitoba, 25% of YMPE is \$11,983).
3. Required contributions to the Plan must be made.

Once you are a Participant, you remain a Participant as long as you are employed by a Participating Employer.

### **In addition to some investments and savings, I am paying into a government pension. Why do I need an employment pension plan at all?**

Unless you have a substantial savings account, you need pension income because the Canada Pension Plan, (CPP) and the Old Age Security, (OAS) will provide less than what most people typically need. For most people to have a comfortable retirement, a disposable retirement income of approximately 75% to 90% of the after-tax income earned during the final working years is needed. To have that income, you need three sources: government pension(s), a good employment pension, and savings. Because your employment pension plan will provide a substantial amount of your income during retirement, it is

a very important part of your retirement planning.

### **Why a pension plan rather than a Group RRSP?**

A common misconception is that defined contribution plans, like RRSPs, cost less and are a better value than defined benefit (pension) plans. This is false. The only savings gained by employers who switch from a defined benefit to a defined contribution plan is through dramatic reduction in the retirement benefit provided to you the participant. When designed to achieve equivalent benefits in retirement, “target” multi-employer defined benefit plans like the CSI Pension Plan dramatically outperform Group RRSP plans. In fact, an in-depth study by the U.S. National Institute on Retirement Security shows that defined benefit plans can deliver equivalent retirement benefits at a cost 46% lower than defined contribution plans. For more information about the advantages of defined benefit plans like the Plan you can read more on our website here:

[http://www.csionline.org/csibenefits/CSI\\_ed\\_plan.pdf](http://www.csionline.org/csibenefits/CSI_ed_plan.pdf)

### **How does the Canadian Christian School Pension Plan and Trust Fund compare to the pension plans of public schools and businesses?**

This Plan, sponsored by Christian Schools International and administered by a separate Board of Trustees, is a first-rate program to secure a good retirement income. In fact, it is comparable to many of the retirement plans offered by public schools and businesses.

### **What if I leave this job before I am eligible for a pension? Do I lose the money I have contributed?**

No. Even if you have not worked long enough to become Vested, every dollar you put into the Plan as an employee is yours and can be refunded to you, with interest, if you leave employment. Your contributions are in a Contribution Account that belongs to you. The balance in that account is the amount you contribute plus interest.

### **What does Vested mean?**

Although the money you put into the Plan always belongs to you and can be returned with interest if you leave employment, you are not immediately entitled to the benefit of your employer’s contributions, or to a retirement pension. After you have made contributions to the Plan for a prescribed time, you can collect a lifelong pension benefit and are said to be Vested. Employees are Vested after two years of participation.

### **How can I know how much my pension will be?**

Your pension benefit is based on your years of service and your Final Average Earnings. Each year you receive a status report that gives important information about the Plan and your status in the Plan. Refer to your most recent status report for information about pension benefits. If you are nearing retirement, the CSI Employee Benefits Department will be pleased to prepare a more detailed estimate of your pension.

### **What is the difference in benefits between the 5.55%, 7%, and 8.05% Plans?**

Your school board will select either the 5.5%, 7%, or 8.05% Plan. If the Plan is 5.5% of your yearly compensation, you will have a smaller payroll deduction, but a retirement benefit that is only about 69% as large as it would be under the 8.05% Plan.

### **If I leave employment here for a while and then come back, do I have to start from zero to become Vested?**

If you leave employment with a Participating Employer before you have completed the two years required for vesting, and do not ask for a refund of your contributions, you can return and continue the vesting process where you left off. If you ask to have your contributions refunded when you leave employment, your vesting process starts from zero when you return. If you return to employment you may, unless you are prohibited from doing so under tax rules, repay your previously refunded contributions with interest and within

certain time limits, at which point your vesting is reinstated to the point at which you left your first employment.

**If I retire but then return to employment with a CSI employer, what happens to my benefit?**

If an individual who is receiving a pension from the CSI Pension Plan provides services for compensation to a school that participates in the CSI Pension Plan, he or she is considered a re-employed pensioner and could be subject to the Plan's eligibility provisions. This rule applies whether the person is employed by the school, self-employed or hired through a third party, such as a personal service corporation.

In such cases payment of pension will be suspended if an individual works more than 60 "full time equivalent" days -or- earns more than 35% of YMPE, whichever comes last.

For example: for the 2010/2011 plan year 35% of the YMPE equals \$16,777. (For Manitoba the threshold is 25% of the YMPE which equates to \$11,983 for the 2010/2011 plan year.)

This provision restarts at every September 1 for a new 60 day/35% of YMPE period.

Benefits will continue to accrue for the re-employed employee.

**The Trustees at CSI invest my money to build a retirement fund. How do I know they are smart enough to make good investments? How do I know my pension benefit will be here when I retire?**

The Plan has a strong economic foundation of millions of dollars in accumulated Plan assets. Professional investment managers, who are selected and monitored by the Plan's Trustees, invest the monthly contributions made by you and your employer. The investment strategy

is to maximize return while minimizing risk. Since its inception over fifty years ago, the investment portfolio has generated returns that are steady and have been well above average.

**Do I have to wait until I am 65 to collect my pension? What if I want to retire a little earlier?**

Presently, you can retire at age 65. However, you can retire as early as age 55. If you have ten years of service and retire early, your benefit is reduced 5% for each year you are younger than age 60. If you have less than ten years of service your benefit is reduced 4% for each year you are younger than age 65.

**If I die before I retire, will my spouse still receive my pension benefits?**

If you die before age 45, your spouse will receive a lump sum payment equal to the commuted value of your pension earned to the date of death. If you die after age 45, your spouse will receive a lifetime pension equal to 60% of the pension that you would have received on the day before your death or, if greater, the commuted value of your accrued pension.

**Suppose I retire and my spouse outlives me. Will my spouse have a lifelong pension after I die?**

If you are married at retirement, you automatically receive the 60% surviving spouse annuity retirement benefit. After you die, your spouse will receive 60% of your retirement benefit for life. You may waive this benefit option with your spouse's consent and choose another level of continuing benefits for your spouse. After this waiver you also have the option of choosing an increased benefit for yourself with no provision for your spouse after your death.

**I am concerned about the effects of inflation after I retire. Does the Plan address this?**

The Plan has a feature called pension indexing. Pension

indexing raises your monthly retirement pension benefits to help offset the impact of inflation. Such increases are considered when the financial status of the plan allows.

**If I am Vested, can I withdraw my money prior to retirement if I quit working?**

If you terminate employment with a Participating Employer and are Vested, among the options provided in the Plan, you may choose to leave your accrued benefit in the Plan. Alternatively, you may choose to have the commuted value of your pension benefit transferred to a locked-in RRSP. Your Additional Benefit, if any, may be transferred to an RRSP or paid to you in cash, subject to tax. However, if you transfer your benefits out of the Plan, you will cancel all your rights under the Plan.



**CANADIAN CHRISTIAN SCHOOL  
PENSION PLAN AND TRUST FUND**

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**THANK YOU!**

The Board of Trustees would like to take this opportunity to thank all schools and plan members who participate in this retirement program and have enabled us to take care of each other as a community. It is because of your interest and cooperative spirit that we have a plan design that will provide:

- A meaningful pension benefit to plan members,
- A healthy, sustainable plan for the long term,
- More flexibility to adapt to an unpredictable future.







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