



CHRISTIAN SCHOOLS
INTERNATIONAL

Christian School Pension Plan & Trust Fund

UPDATE

To: School Boards
Active/Inactive Plan Participants
and Retirees

- New Retirement Option –
Two-Stage Retirement Payments
- What Happens to Your Pension if You
Die Before You Retire?

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New Retirement Option - Two-Stage Retirement Payments

Beginning September 1, 2006, a new retirement option is available. This option is referred to as Two-Stage Retirement Payments. With this option, a participant or surviving spouse whose benefit payments begin at or after age 62 may elect to have the initial monthly payments based only on the portion of that participant's benefit that is not subject to any early retirement reduction (benefits earned prior to September 1, 2005). When the participant reaches age 65, an additional amount is added to the monthly payment. The added benefit is based on that portion of the participant's benefit that would be subject to an early retirement reduction if paid between age 62 and 65 (benefits earned on or after September 1, 2005).

For example, a participant retires at age 62 and has an annual benefit of \$20,000 earned prior to September 1, 2005 and an annual benefit of \$2,000 earned on or after September 1, 2005. The \$20,000 benefit is unreduced at age 62. The \$2,000 benefit is unreduced beginning at age 65. The participant elects the two-stage benefit retirement payment option and at age 62 begins drawing the \$20,000 benefit. At age 65, the additional \$2,000 benefit begins automatically and is added to the regular benefit payments.

What Happens to Your Pension If You Die Before You Retire?

Based on our recent survey this is a topic that many of you would like to know more about.

If you are married, vested, and die before beginning to receive retirement benefits, your surviving spouse will receive the surviving spouse portion of the 50% Joint and Survivor Annuity. If you are vested, age 45 or older, employed with a Participating Employer, and if your surviving spouse is not more than ten years younger than you, the spouse's annual benefit is 50% of your Accrued Benefit.

(More)

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If you are an employee of a Participating Employer at the time of death, the annuity can begin the month in which the death occurs. If you are not an employee of a Participating Employer at the time of death, the annuity can begin the month that you would have reached age 55. If you had already reached age 55, the annuity can begin the month in which death occurs.

If there are no pension benefits payable to a survivor and 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 with interest.