



CHRISTIAN SCHOOLS
INTERNATIONAL

Christian School Pension Plan & Trust Fund

UPDATE

Date: November 2004

To: Active and Inactive Plan Participants
on August 31, 2004

From: Howard Van Mersbergen
Executive Secretary-Treasurer

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Status Report

The enclosed report contains important information about your status with the Plan as of August 31, 2004. Be sure to check the information carefully and contact us promptly if it is incorrect or incomplete, or if your records do not agree with ours. We find that there are times when incorrect birthdates are reported to us. If your birthdate or your spouse's birthdate is incorrect, please let us know. Also, be sure that your designated beneficiary is current. If you need to change your beneficiary, you can get a Change of Beneficiary form from the Employee Benefits section of the CSI Website (www.CSionline.org).

Retirement Benefit

The Status Report gives you the information you need to calculate your estimated annual retirement benefit, based on your present status. We will be more than happy, however, to do the calculations for you and project, using certain assumptions, your benefit to your retirement date. We can do these calculations for more than one retirement date. Just call us at 800-635-8288, ext. 227, e-mail us at jnorman@csionline.org or send us a letter including such information as your expected retirement date and an estimated percentage of future salary increases.

Retirement Checklist

The enclosed checklist suggests steps you can take regarding your participation in the CSI Pension Plan to prepare for retirement. Choose the checklist that is applicable and complete the steps to work towards your retirement goals.

No. 167

(More)

3350 East Paris Ave. SE, Grand Rapids, MI 49512-3054 p.800-635-8288 p.616-957-1070 f.616-301-2149 www.CSionline.org

Interest Rate

The Trustees confirmed 4.61% as the interest rate to be credited to the participant's contribution account for 2004/2005. (The rate was 4.12% for 2003/2004.) The rate is mandated by government regulations as 120% of the Federal Mid-Term Rate as of September 2004.

Investments

The Trust Fund's net equity on August 31, 2004, consisted of investments having market values in excess of \$424 million. Presently, the asset composition is 5% cash or cash equivalents, 33% fixed-income securities, and 62% equities. For the past five years the total investment portfolio's time-weighted annual rate of return was 5.5%; the returns are less than the actuarially assumed interest rate of 7.5%. Despite the recent adverse investment climate, the Plan's diversified investment portfolio is producing returns that place it in the top 10% of a universe of pension funds tracked by Mercer Investment Consulting. The Plan's most recent actuarial valuation showed the Plan to be fully funded.

Updated Factors for the Optional Forms of Retirement Benefits

Effective September 1, 2004, the factors used to calculate the optional forms of retirement benefits have been updated. This update of the factors makes all the options (single life, 50% joint and survivor, 75% contingent annuity, etc.) substantially equivalent in value.

Deferred Retirement

The Plan has also been amended effective September 1, 2004, for those who will receive a deferred retirement benefit payment. This applies to individuals age 65 or older, who are no longer active participants and have not applied to begin receiving their pension payments. To account for the delayed receipt, their benefits will be actuarially increased at the time they elect to begin receiving them.