



CHRISTIAN SCHOOLS  
INTERNATIONAL

Christian School Pension Plan & Trust Fund

UPDATE

Date: November 2004

To: Participating Schools and  
Participants

- Recap of Amendments
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- For Assistance

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Now is the time that many school communities are reviewing the amendments to the CSI Pension Plan (described in Update 166 dated September 22, 2004) and deciding what actions they wish to take. This brief guide is meant to provide a short recap of the changes and to help you think through the issues as you make your decision.

Recap of Amendments (effective September 1, 2005)

Provision	Current (applies to contributions made before September 1, 2005)	New (applies to contributions made on and after September 1, 2005)
Contribution Levels	2%, 3% and 5%	Current contribution levels plus new levels of 4%, 6% and 7%
Pension Formula	60% of total contributions	50% of total contributions
Early Retirement Reduction Factors	<ul style="list-style-type: none"> <li>▪ Age 62 or older – no reduction</li> <li>▪ Age 55 to 62 – 5% per year (or 4% per year age 55 to 65, in certain cases)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Age 60 to 65 – 8% per year</li> <li>▪ Age 55 to 59 – 4% per year before age 60 (plus 8% per year for age 60 to 65 reductions)</li> </ul>

Remember, the amendments will only affect benefit accruals earned on or after September 1, 2005, and will not affect benefits earned before September 1, 2005.

For an example, suppose a participant retires on September 1, 2006, at age 62 after 30 years of participation. The first 29 years will be based on the current provisions and be unreduced and only the last year will be based on the new provisions and be reduced for early retirement.

The number of contribution levels were expanded to meet the varying needs of the schools that participate in the CSI Pension Plan. For instance, the 7% level was added to meet the inquiries we have had from some schools wondering if they could have a higher benefit for staff than the one provided by the current 5% level.

**Considerations**

If your school *increases* the contribution level, benefit accruals will be *maintained or improved* when the amendments take effect on September 1, 2005.

If your school *maintains* the current contribution level, benefit accruals will *decrease* beginning September 1, 2005.

Here’s some “food for thought” as you consider your options. It is not intended to be an all-inclusive list of considerations, as each school has a unique situation. The considerations below show the action you could take to maintain current benefits or maintain current contributions. These considerations do not address the implications of increasing contributions with the goal of increasing retirement benefits.

Increase the current contribution level from 3% to 4% or 5% to 6%	Keep the current contribution level
<ul style="list-style-type: none"> <li>▪ Faculty and staff will maintain or increase the retirement dollars from the CSI Pension Plan.</li> <li>▪ The staff composition desired by the Board, as well as retirement plans for each individual on the staff, will not be affected.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Faculty and staff will have less retirement dollars from the CSI Pension Plan and will have to work longer or save more money to make up the difference or accept a lower pension.</li> <li>▪ The staff composition and individual retirement plans will most likely be affected.</li> </ul>

**For Assistance**

We are available to assist schools in this process. If you would like more information or have questions, you can contact me by phone at 1-800-635-8288, ext. 226, or by e-mail at [hvanmersbergen@CSIonline.org](mailto:hvanmersbergen@CSIonline.org).