LCC Worker Benefit Services Inc.

Caring for those who serve

WORKER BENEFIT PLANS 2021

ANNUAL REPORT

LUTHERAN CHURCH–CANADA
PENSION PLAN AND GROUP BENEFITS
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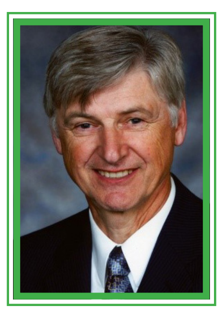
This annual report is for informational purposes only and does not constitute an agreement, nor does it create or confer any contractual rights or obligations. This is only a summary of the pension and benefit activities of 2021. In the event of any inconsistency between this document and the official plan or policy, the plan or policy texts will govern.

A JOURNEY OF FAITH – FROM SACRIFICE TO BEING BLESSED

INTRODUCTION

There are periods of time in the life of individuals and organizations where difficult decisions need to be made—decisions resulting in hardship and sacrifice that impact on the lives of individuals and families. While these decisions are painful, they are necessary for the long-term well-being of the individuals involved. The journey that WBS, our employers, and members have been over the last 10 years, has been such a time. In 2021 and into the first part 2022 we have finally seen the benefit of the actions we have taken over these years and we are now on the cusp of returning to a predictable period after which employer pension contributions will be reduced and members will again have a Defined Benefit Pension plan. This was a result that few, if any, could have predicted but has come about because of prudent decision-making and strong leadership on the part of the WBS and LCC boards and strong support from employers and members of the plan. All this came together at our Edmonton convention when delegates overwhelmingly approved the merger with the CAAT pension plan. We give thanks and praise to our God for teaching us patience and perseverance, and for blessing our efforts. God has richly blessed us so that our church workers can continue to be a blessing to others.

Dieter E. Kays



Dwayne Cleave

Despite the lingering impact of the second year of the pandemic, 2021 proved to be a year that came with strong results. Those results were not only because of strong investment returns but were the result of making headway on our strategic priorities of securing the retirement benefits for our plan members and de-risking the plan.

STRONG FUND PERFORMANCE IN 2021

The availability of vaccines combined with government stimulus provided stability to the economy resulting in strong equity market performance in 2021, especially in the Canadian and US markets. All asset classes contributed positively to the plan's performance with the portfolio having a 16.9% return for 2021 and beating the benchmark by 2.1%. As a result of the previously completed annuity buy-in purchases our portfolio held no fixed income; this helped boost returns, as bonds dropped in value with the rise in interest rates.

PLAN FUNDED STATUS

The last actuarial valuation of the pension plan that was filed with the government regulator was at December 31, 2019. In between the valuations required every three years, estimates are done in order for the Board to track the plan's funded situation. A going-concern valuation assumes the plan is ongoing and uses long-term assumptions including smoothing asset gains and losses over a five-year period. The plan's estimated going-concern position at December 31, 2021, was 101.2%, down from 106.8% at December 31, 2020. A solvency valuation is an assessment of the funding and liabilities of the Plan assuming it is wound up on the date of valuation and uses the market value of assets at the date of valuation. The estimated solvency ratio on the plan at December 31, 2021, was 94% with an estimated deficit of approximately $6 million. This was an improvement from the solvency ratio of 82% at December 31, 2020.

FURTHER DE-RISKING— SECOND ANNUITY BUY-IN

With solvency funding over 90% during the first quarter of 2021, the Board decided it was a good time to consider a further de-risking of the pension plan by testing whether it would be a benefit to further annuitize a portion of our liabilities. This resulted in another annuity "buy-in" with RBC Life. An annuity buy-in with Canada Life had previously been completed in 2017 based on 20% of the DB pension liabilities. This second buy-in with RBC means that 50% of the plan liabilities are locked-in and protected from future volatility due to longevity risk (members living longer than expected), interest rate risk (pension liabilities can increase as a result of small movements in interest rates, which in turn can impact contribution requirements) and asset risk (markets suddenly dropping). Transferring risk to an insurer can help stabilize cash flows and contribution requirements. The process involves going to market for the best quote. Essentially an annuity buy-in involves providing the insurer with some of the pension assets in exchange for a single annuity contract issued to the pension fund. Plan members continue to receive pension payments from the pension fund. In exchange the insurer takes on the longevity, interest rate and volatility risk.

FURTHER DE-RISKING— EXPLORING A PLAN MERGER

One de-risking strategy that was explored and gained further traction in 2021 was the potential of merging with another pension plan that is not subject to solvency funding (public service plans and certain types of multi-employer plans are not subject to solvency funding). A merger or partnership with another plan allows us to leverage expertise and economies of scale. An advantage to members of this type of plan is that they would earn a Defined Benefit and not be exposed to market risk and not have the burden of understanding and managing investments. Advantages to employers are cost and risk certainty, including when the pension funding shortfall will be eliminated, when pension contributions will decrease and eliminating exposure to market, interest rate and longevity risks which can have the effect of increasing the liabilities in the plan and the required funding. During 2021 we reviewed various options for joining or merging with another plan. The College of Applied Arts and Technology (CAAT) Plan was the plan that seemed the best fit for our members and employers. A number of meetings with CAAT were held throughout 2021 to gain understanding of how the CAAT plan worked, the benefits provided and an idea of the preliminary cost to LCC employers and members. This culminated in a non-binding agreement being signed allowing us to exchange further information and have additional discussions.

In spring 2022 we announced to members and employers our intent to pursue a merger with CAAT including the advantages to members and employers, how the merger would work and the process for approving and implementing the merger. In May a series of webinars were held for both members and employers to outline the CAAT Plan, expected costs and the merger process. In June a resolution was passed at the LCC convention in favour of merging the LCC Pension Plan with CAAT. Following the convention Agency Agreements were sent out to all employers to sign authorizing LCC to act on the employer's behalf in negotiating an agreement with CAAT. Signed agreements have been received by about 99% of employers with employees.

Our next steps include finalizing a Memorandum of Agreement with CAAT, having members vote and approve the merger and finalizing regulatory approval.

The Board strongly supports the merger with CAAT and believes it to be the best course of action for both employers and members. While significant progress has been made in recent years in improving both our going-concern and solvency funded ratios, government mandated "solvency" funding requirements exposed the plan to significant volatility risks over short periods of time and are a major driver of pension funding that is not within our control. Our ability to effectively manage the risks and volatility of a defined benefit pension plan also declines as the LCC organization itself reduces in size, while predictable costs and cash flows become a necessity to the organization. In summary, the merger will limit our exposure to volatility, reduce costs over time, provide a lifetime pension to members without transferring risk to them and provide a set period of time to employers to pay off the deficit without it increasing due to changes in interest rates, investment and longevity risks.

MEMBERS ON THE BOARD

We would like to recognize and thank Stan Lee for his service on the Board as he stepped down in 2021. Stan spent many years on the Board and his contributions were invaluable. The WBS Board welcomed Paul Hambrock in September 2021. Paul has a background in Enterprise Risk Management and currently works with Alberta Investment Management Corporation as a Senior Operation Risk Manager. He also holds a Masters of Business Administration.

CONCLUSION

Over the last year we have continued our mission to provide sustainable pension and benefit programs to church workers while working to reduce risks in our plans for both members and employers. With the blessing of our Lord, we feel we are on a solid path to achieve these goals through our annuity purchase strategies and the merger with the CAAT plan. We know that there are other challenges on the horizon as higher interest rates and high inflation create concerns for governments, consumers and investors; nevertheless we feel we are on a path that will allow us to handle those headwinds.

The WBS Board does its utmost to deliver programs cost effectively and endeavours to make fair and balanced decisions when deciding on the funding of the programs. On occasion we receive insurance refunds on certain plans. These refunds may be used to fund other plans which are in deficit or to establish reserves which may then be used to offset future premium increases with the intention of protecting employers and members from wide swings in costs from year-to-year.

We would like to thank all the employers for their continued support of the Worker Benefit Plans and all members for their understanding as we continue to implement our strategic directions. The worker benefit plans are an essential part of ensuring that our church workers have health and retirement benefits that enable them to concentrate on doing the ministry the Lord has called them to do. Their leadership is an important component that God uses to facilitate ministry throughout our church and proclaim the good news of Jesus to the communities in which we live. It is a privilege for WBS to be a part of supporting this mission!

In His Service,

Dieter E. Kays

Dwayne Cleave

INSIDE

Introduction

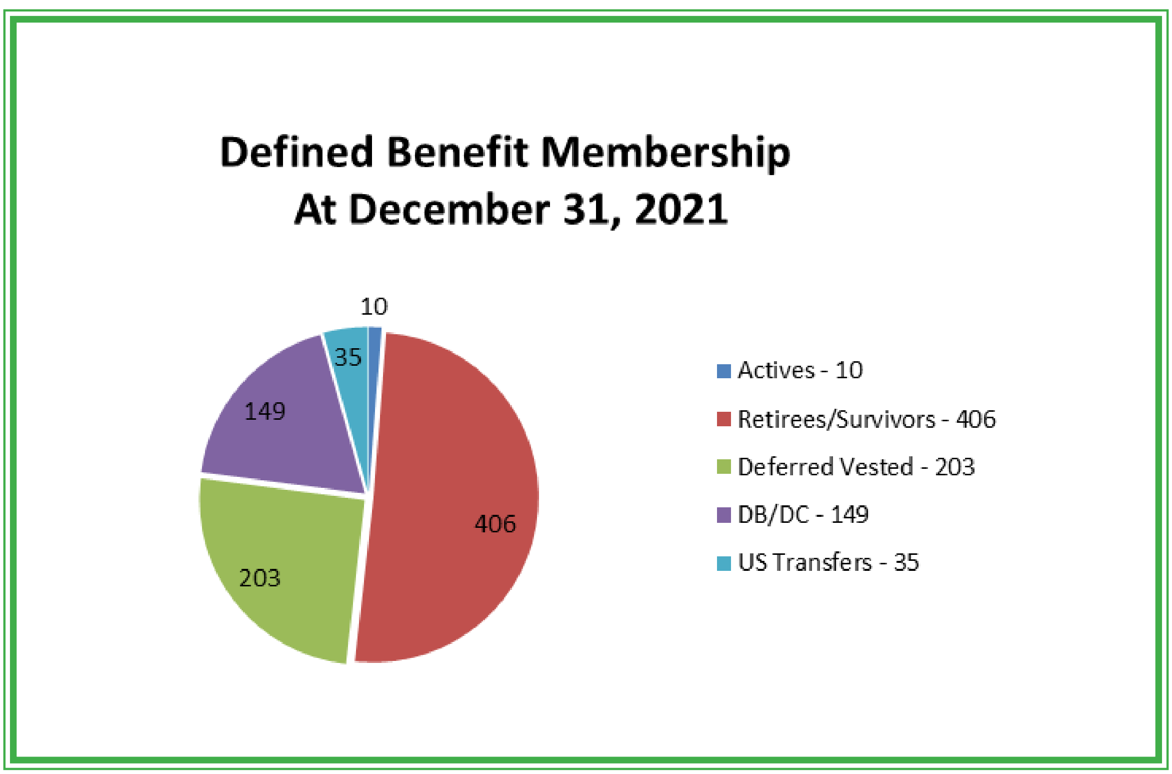
The membership in the Defined Benefit Plan (DB) is made up of a small group of active members who met the age and service requirements at the time the decision was made to move to a Defined Contribution Pension Plan (Active DB). The membership also includes those members who were moved into the DC plan for their future retirement benefit (the DB/DC members). While the DB/DC members no longer accrue benefits under the DB plan after December 31, 2012, they will receive a benefit for their service prior to this date. Membership information noted below reflects the member's plan and where they currently earn benefits. A DB/DC member currently earns benefits in the DC plan. (Members hired in 2012 and later are only enrolled in the defined contribution pension plan.)

The Lutheran Church-Canada Pension Plan is available to employees of participating congregations, schools and other employers whose participation has been approved by Lutheran Church–Canada.

The Plan is registered in the Province of Alberta and with Canada Revenue Agency as No.0356610.

DEFINED BENEFIT PLAN

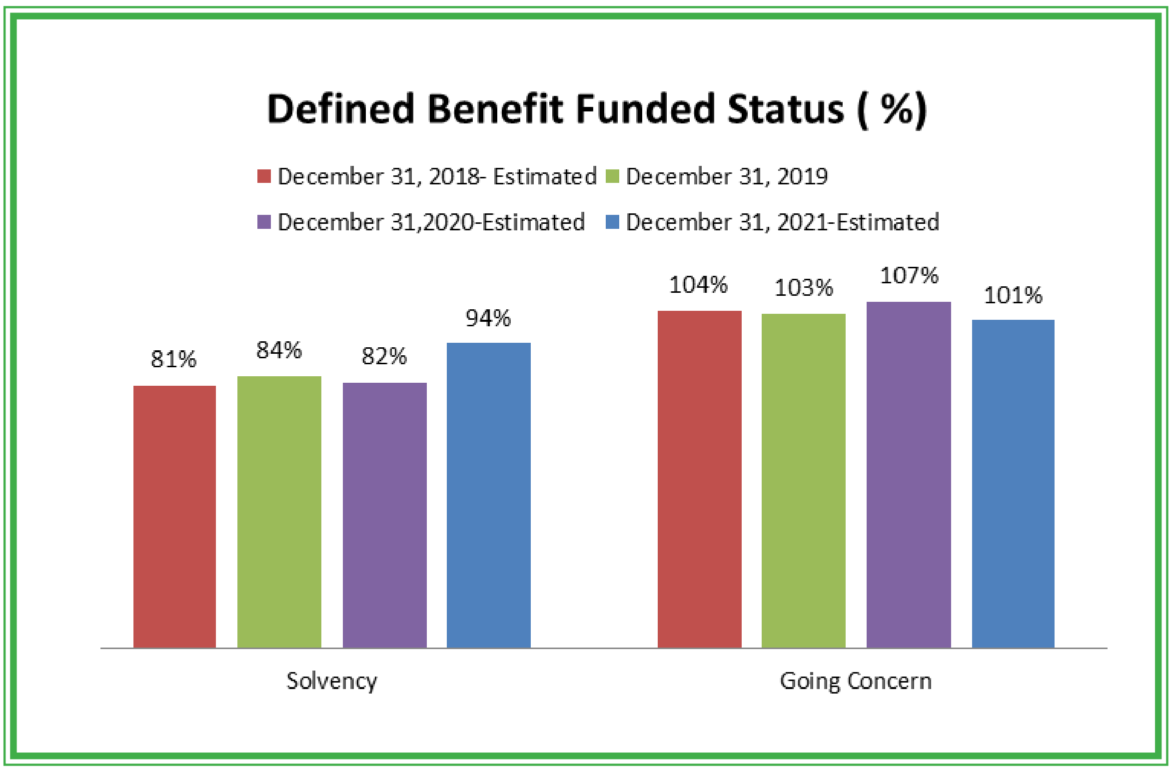
Membership



DB Active Membership Changes

Active Members January 1, 2021	13
US Transfers	0
Retirements	(3)
Death	0
Deferred	0
Members at December 31, 2021	10

Funded Status

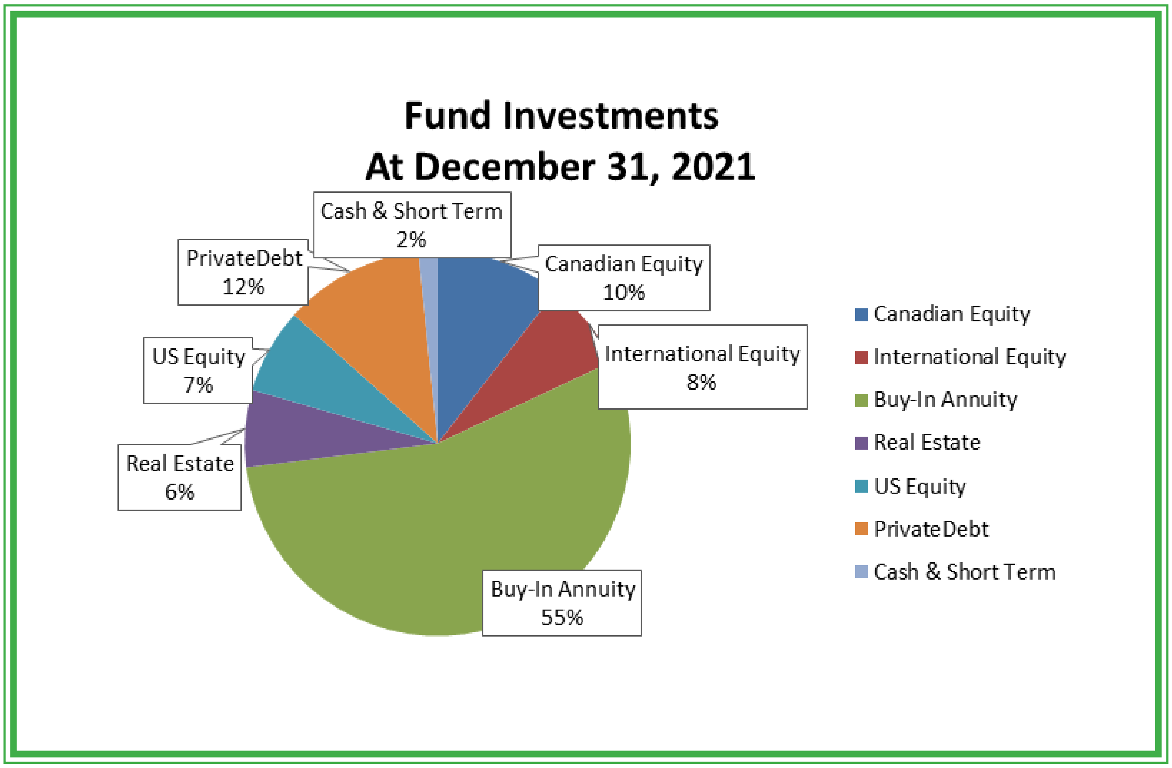


Funding Terminology – What Does it Mean?

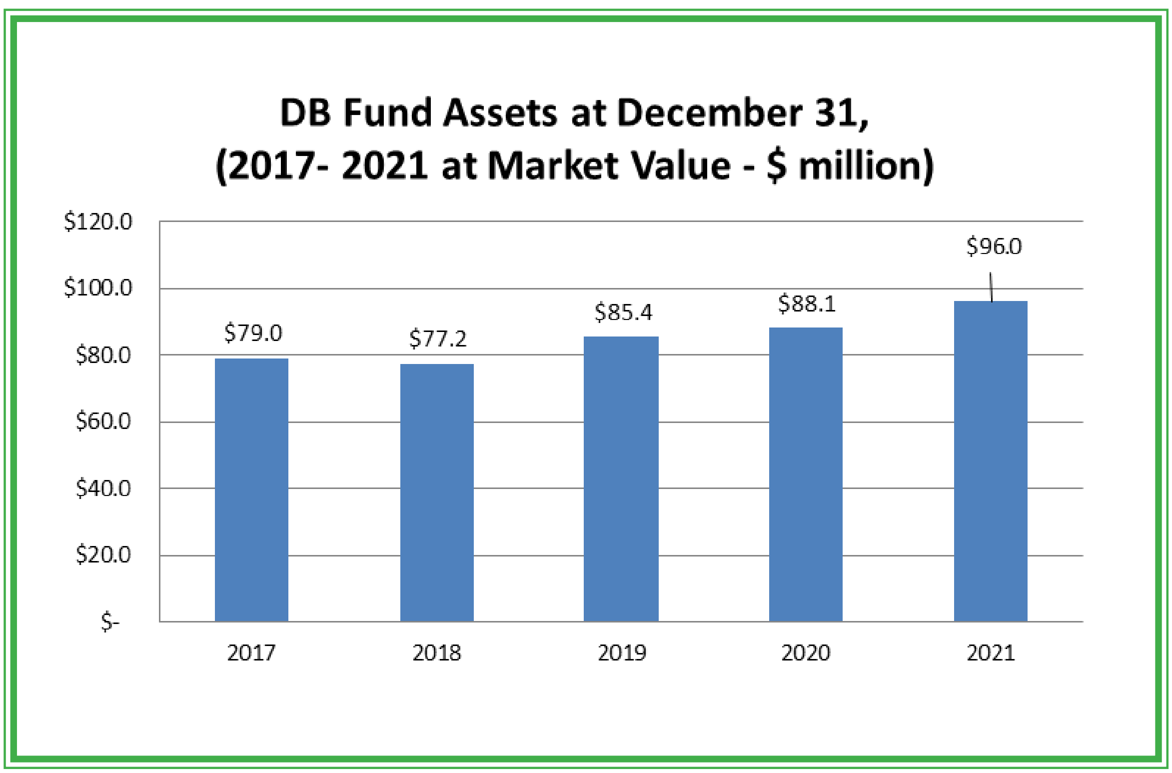
Going-Concern Basis: The going-concern valuation values the present value of member's future benefits for credited service up to the date of the valuation and is based on assumptions that the pension plan will continue in operation indefinitely. Economic assumptions such as future salary increases, investment return and probablilities of retirement and death are set with a long-term view.

Solvency Basis: The solvency valuation assumes that the plan is terminated and wound up as of the valuation date. The solvency liabilities are those that need to be paid out immediately both to retired members and to those currently employed. The value of these liabilities is directly affected by the level of bond yields as of the valuation date. Decreases in bond yields have the effect of increasing the liability and conversely increases in yields decrease liabilities.

Fund Investments



Fund Assets



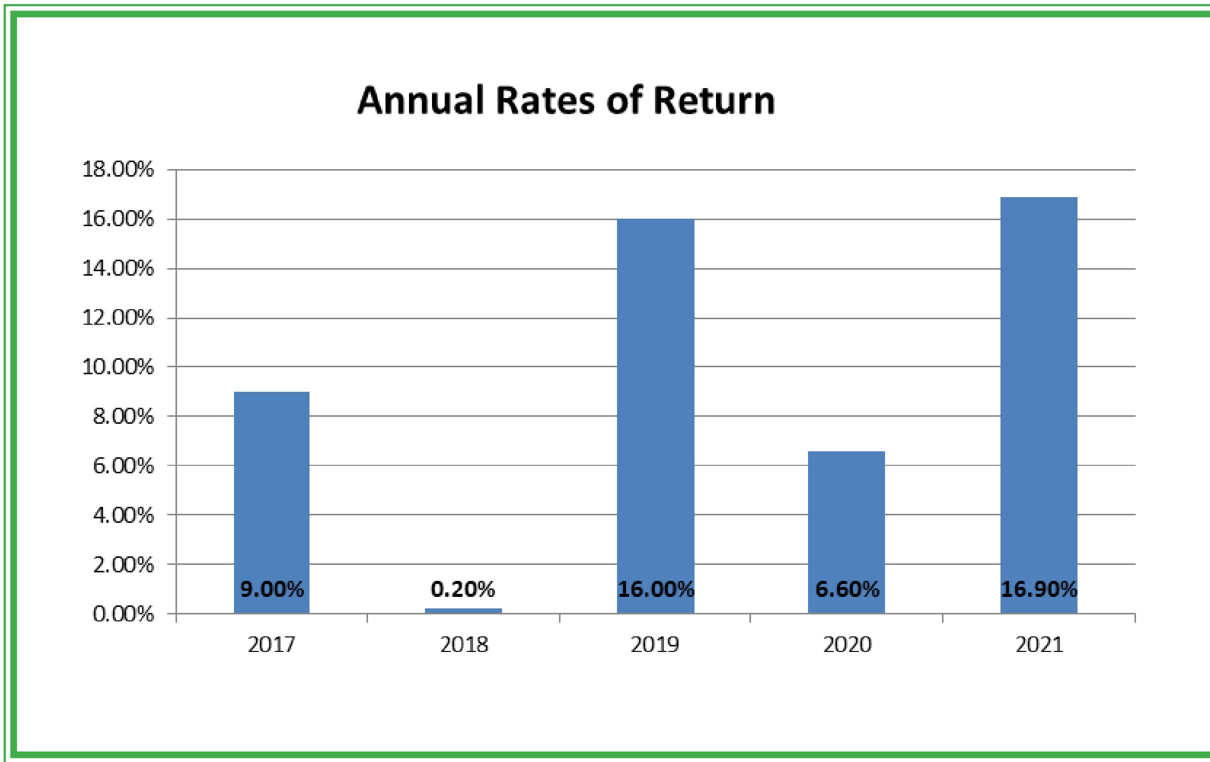
DB Financial Position (000's)

	December 31, 2021 Estimated ($)	December 31, 2020 Estimated ($)
Going Concern Basis		
Actuarial Value of Assets	$ 88,778,877	$ 85,085,236
Actuarial Liability	87,726,568	79,703,950
Actuarial Surplus (unfunded actuarial liability)	$ 1,052,309	$ 5,381.286
Going-concern funded ratio	101%	107%
Solvency Basis		
Solvency value of assets	$ 93,988,604	$ 87,613,318
Solvency liability	99,971,018	106,824,376
Solvency surplus (deficit)	$ (5,982,414)	$ (19,211,058)
Solvency funded ratio	94%	82%

DB Annual Rate of Return

The WBS Board of Directors regularly monitors and reviews the performance of each investment manager with comparisons to benchmark returns, and the fund objectives. In addition, the WBS Board periodically conducts a review of the fund's asset allocation to ensure the asset allocation is the most appropriate one for meeting the obligations of the DB plan and the long-term growth of the fund. There were no changes to the asset allocation in 2021 and there were no changes to the investment managers.

Annual rates of return for the fund over the last five years are shown in the graph below:



Lutheran Church–Canada Defined Benefit Pension Plan Statement of Changes in Net Assets Available for Benefits

	2021	2020
Net assets available for benefits, beginning of year	**$ 87,863,316**	**$ 85,383,592**
Increase in assets:		
Contributions - employer	1,995,606	1,936,086
Contributions - employee	35,372	43,375
Investment income	1,837,825	1,771,034
Realized investment gains net of realized losses	9,398,698	839,825
Unrealized investment gains, net of unrealized losses	-	1,608,678
Change in fair market value of annuity	1,1,018,656	1,409,474
Decrease in assets:		
Unrealized investment losses, net of unrealized gains	2,444,858	-
Realized investment losses, net of realized gains	-	-
Pension benefits paid	3,935,765	3,774,502
Lump-sum transfers	876,592	691,588
Consulting fees	112,770	12,671
Investment and custodial fees	278,843	282,687
Administration expenses	262,043	267,300
Net assets available for benefits, end of year	**$ 94,238,602**	**$ 87,863,316**

The full DB financial statements are available on the WBP website: www.lccbenefits.ca.

Description of the DB Plan

The following provides a general description of the DB Plan. Further details on the Plan are provided on the WBP website at www.lccbenefits.ca.

General

The plan was established on January 1, 1989. Effective January 1 2013, most active members, with the exception of a small group of older, longer service members were transferred into the Defined Contribution Pension plan (DC). While the members who were transferred (the DB/DC members) will no longer accrue benefits under the DB Plan after December 31, 2012, they will receive a benefit for their service prior to this date. New hires after December 31, 2011, participate in the DC plan. The older, longer service employees that were left accruing benefits in the DB plan are required to make contributions of 4% of earnings to the DB plan. The pension funds are held in trust with CIBC Mellon.

Funding Policy

Lutheran Church–Canada and other Participating Employers in the Plan make contributions to the trust fund based on an actuarial valuation of the Plan that is conducted at least every three years. An actuarial valuation provides information on both the going-concern and solvency positions of the Plan. The last actuarial valuation was done at December 31, 2019. The WBS Board also has the actuary do an annual valuation estimate in the years between actuarial valuations to ensure they have an up-to-date understanding of the financial position of the plan. These estimates are not filed with the pension regulator. The plan's funded status at December 31, 2021, showed a funded ratio of 101% on a going-concern basis, down from 107% from the actuarial estimate done at December 31, 2020. The valuation also showed that the solvency funding ratio of the plan had decreased from 82% at the December 31, 2020 valuation to 94% at the December 31, 2021, estimate as a result of a small change in interest rates. Normally, we would need to make special solvency contributions, however, the government has extended a great deal of understanding to us and has not required us to make full solvency deficiency payments. The solvency deficiency is being funded on a best efforts basis. While the government is not committed to anything specific, their aim is the same as ours: to ensure members receive their full defined benefit pension.

The going-concern valuation values the present value of member's future benefits for credited service up to the date of the valuation. Measurement of the funded status on a going-concern basis is based on assumptions that the pension plan will continue in operation indefinitely. As a result, the economic assumptions used to measure the pension obligations are set with a long-term view and include margins for adverse deviations. Assumptions are made for future salary increases and probabilities of retirement, termination and death. This valuation uses an asset smoothing method to value the plan assets. This has the effect of averaging periods of underperformance with periods of outperformance over a five-year period.

The solvency position of a pension plan represents the funded status of the pension plan assuming the plan was to be terminated or be wound-up at that date and all members' benefits settled. The market value of the plan assets, less an allowance for expected plan wind-up expenses, is compared to the actuarial present value of members' accrued benefits at the valuation date. The members' accrued benefits are determined in accordance with the plan formulae, based upon years of service and actual pensionable earnings up to the valuation date (i.e., no allowance is made for future earnings escalation or future service accruals). To determine the actuarial present value of these accrued benefits, members not yet eligible to retire are assumed to receive a commuted value (the lump-sum value of future payments), whereas annuities are assumed to be purchased from an insurance company for members who are retired or eligible to retire. Economic assumptions used in the solvency valuation reflect interest rates in effect for settling members' benefits at the valuation date and are directly correlated to Government of Canada bond rates.

Plan Formula

Members accrue benefits based on 1.25% of Final Average Earnings (average of the highest 60 consecutive months during the last 240 months of credited service) up to the Average Year's Maximum Pensionable Earnings (AMPE) (for the year of retirement and the two previous years) as set by Canada Pension Plan, plus 1.6% of Final Average Earnings in excess of the AMPE, multiplied by credited years of service.

Normal, Early Retirement and Postponed Retirement

Normal Retirement is the first of the month coincident with or immediately following the attainment of age 65.

A member can retire as early as age 55. Members who are at least age 62 and whose age plus years of credited service equals 85 points or more at the time of their termination of employment, can retire without reduction in their pension. For employees transferred to the DC plan effective January 1, 2013, credited service includes time in both the DB and DC plan, only for purposes of calculating eligibility for an unreduced pension. Members who retire at or after age 60 will have their pension reduced by .55% for each month that their early retirement date precedes age 65. A member who retires between age 55 and 60 will have their pension benefit reduced by 33% plus an additional .27% for each month that their early retirement precedes the first of the month following their 60th birthday.

Members may continue to accrue benefits up to the end of the year in which they turn 71 years of age, at which time they must commence receiving their pension.

Vesting and Termination

All active members in the DB Plan including current DB/DC members are vested; meaning they own the benefit provided by the plan sponsors' contributions. Upon termination, members under age 55 may transfer the value of their benefits to an eligible retirement vehicle; however, such transfers are subject to locking-in provisions (i.e. an amount that cannot be received in cash). Alternatively, benefits may remain in the Pension Plan and the former member may commence a monthly pension as early as age 55.

Death Benefits

If a member dies before retirement, a benefit is paid to the surviving spouse or beneficiary if there is no surviving spouse. If a member's death occurs after retirement, the benefit paid to the surviving spouse is paid according to the form of pension chosen at the time of retirement.

DEFINED CONTRIBUTION PLAN

Introduction

The Defined Contribution Plan (DC Plan) has gone through a number of changes since its inception to become the primary retirement savings plan for most Plan members following the pension changes that became effective in 2012 and 2013. As its name implies, what is known under the Defined Contribution Plan is the amount of money that goes into each member's account. This is defined as a percentage of payroll. What is unknown is the amount of pension that the contributions will produce when the member retires. That will depend on when the member retires, the member's investment returns, the amount of any optional contributions the member makes and the interest rates in effect if an annuity (an ongoing pension income) is purchased at retirement. Members have access to a number of options for drawing a pension income when they retire and are not required to purchase an annuity. Members decide how to invest both the employer and member contributions from a number of investment options, with a range of risk and return potentials.

2021 Summary Financial Statement

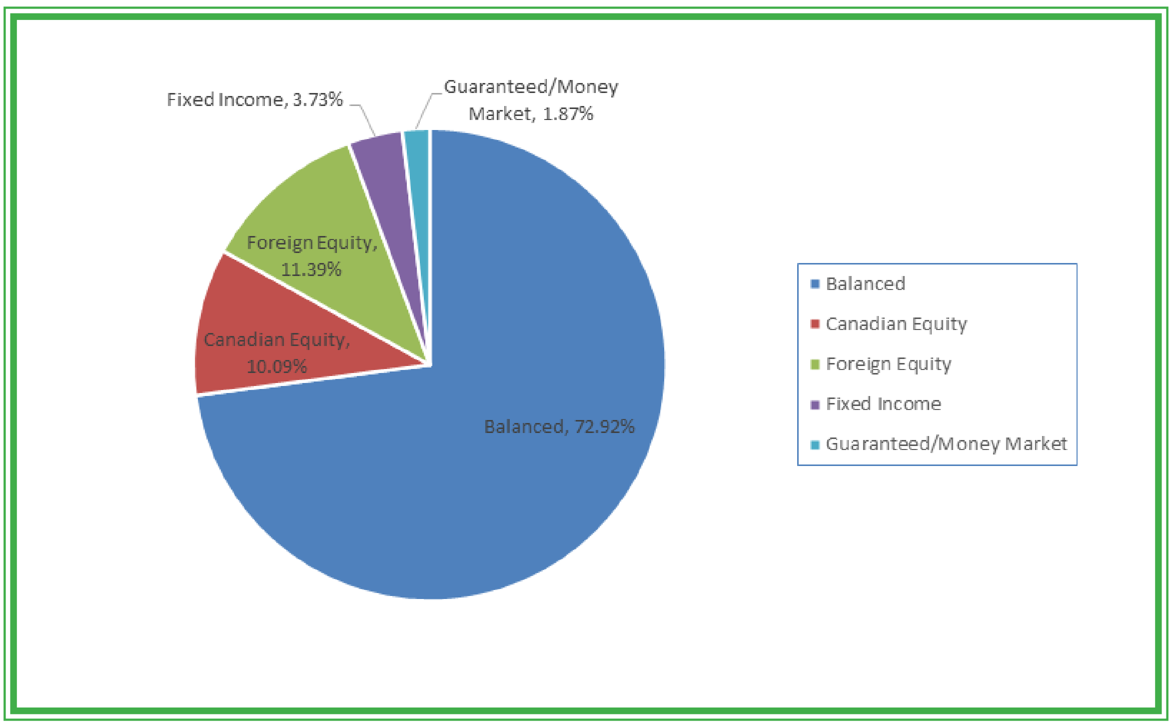
	2021	2020
Change in Assets	**$**	**$**
Assets beginning of the year	**$ 24,105,949**	**$ 21,398,775**
Employee contributions	923,506	925,282
Employer contributions	1,090,093	1,062,345
Investment income (loss)	3,041,852	1,802,675
Transfers to Financial Institutions	(1,322,074)	(1,083,128)
Transfers In from other plans	0	0
Increase (decrease in assets)	3,733,377	2,707,174
Assets, end of year	**$ 27,839,326**	**$ 24,105,949**

Fund Asset Mix

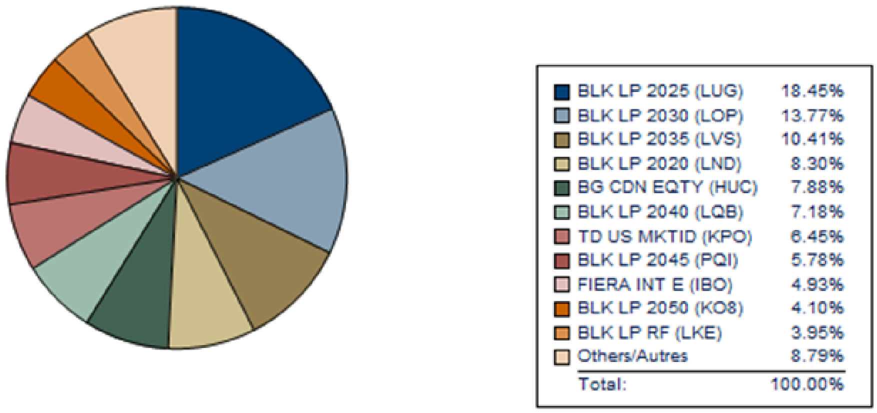
The following charts illustrate the DC Plan asset mix at December 31, 2021, both by asset category and by funds in which members allocated their assets.

Asset Category	Month-end Closing Balances $	% of Investment
Balanced	$ 20,300,186	72.92
Canadian Equity	2,810,371	10.09
Fixed Income	1,038,390	3.73
Foreign Equity	3,169,984	11.39
Guaranteed/Money Market	520,395	1.87
Total	**$ 27,839,316**	**100.00 %**

By Asset Category



By Fund



The top 11 items are represented in the graph. All other items are grouped under 'Others/Autres,' if applicable.

Rates of Return*

The WBS Board of Directors monitors the performance of the DC Investment Option on a regular basis. There were no fund or investment manager changes in 2021.

(%)	2021 (%)	2020
Target Date Funds (72.92%)		
• BlackRock Life Path Retirement Index	6.17	9.00
• BlackRock Life Path Index 2020	6.16	9.02
• BlackRock Life Path Index 2025	8.30	8.78
• BlackRock Life Path Index 2030	10.92	8.81
• BlackRock Life Path Index 2035	13.50	8.89
• BlackRock Life Path Index 2040	16.02	8.85
• BlackRock Life Path Index 2045	18.20	8.88
• BlackRock Life Path Index 2050	19.50	9.04
• BlackRock Life Path Index 2055	19.72	9.09
• Black Rock Life Path Index 2060	19.69	9.16
Canadian Equity (10.09%)		
• Beutel Goodman Canadian Equity	26.15	3.01
• CC&L Canadian Q Growth	26.63	8.00
Fixed Income (3.73%)		
• TDAM Canadian Bond Index	-2.69	8.43
Foreign Equity (11.39%)		
• TDAM US Market Index	27.22	15.95
• Fierra International Equity	16.47	17.90
Money Market (1.87%)		
• Sun Life Money Market	.17	.79

*Returns stated are before investment management fees and include the reinvestment of all distributions. They do not take into account any administration charges or taxes payable. Past returns may not be repeated.

DC Membership Changes

Members January 1, 2021	459
New members in 2021	13
Terminations	(22)
Death Claims	(1)
Members at December 31, 2021	449

Description of the DC Plan

The following provides a general description of the DC Plan. Further details on the Plan are provided on the WBP website at www.lccbenefits.ca.

General

Effective January 1, 2013 DB members who were under age 55 or who were over age 55 and whose age plus service was less than 80 points were transferred to the DC plan. Effective from January 1, 2012 onwards newly hired members became members of the Defined Contribution Plan (DC). The DC Plan provides for a 4% required contribution from members and a 6% employer contribution. In addition, members including members of the Defined Benefit (DB) plan may make optional contributions of up to 4% of pay.

All pension assets are held in trust with Sun Life Financial.

Funding

The DC plan provides an opportunity for employees to build their retirement income in a tax effective plan. Employers contribute 6% of pay into the DC plan for DC or DC/DB plan members. DC or DC/DB plan members make required contribution of 4% of pay. In addition, members including members of the Defined Benefit (DB) plan may make optional contributions of up to 4% of pay. Employers contribute 6% of pay into the DC plan for DC or DC/DB plan members. DC or DC/DB plan members make required contribution of 4% of pay. In addition, members including members of the Defined Benefit (DB) plan may make optional contributions of up to 4% of pay.

Members choose how to invest contributions made to the DC Plan from a suite of investment options with varying risk and return potential. The investment options are managed by professional fund managers selected by the WBS Board of Directors. Fund managers are selected from the investment funds available from the record keeper, Sun Life Financial, based on a number of criteria, including investment approach, organizational strengths, historical performance and service capabilities. The DC Plan currently provides seven investment options managed by six fund managers. Sun Life is responsible for the day-to-day management and administration of member accounts. Members may change the investment directions of current contributions or move past contributions into different funds, at any time.

Vesting and Termination/ Retirement

Beginning in 2015, active plan members are vested immediately, meaning they own any employer contributions immediately. Employer and employee contributions are also locked-in (required to be ultimately used to provide a retirement income). Withdrawals prior to termination are not permitted. At termination or retirement members may transfer their funds from the Plan to a financial institution of their choosing.

Death Benefits

If a member dies before retirement, the member's account balance is transferred to an eligible retirement vehicle of the surviving spouse. Such transfers are subject to locking–in provisions (i.e. an amount that cannot be received in cash). If there is no surviving spouse, the member's account is paid in a lump sum to the member's beneficiary or, if not named, to the estate of the member.

GOVERNANCE AND ADMINISTRATION

The LCC Worker Benefit Services Inc. (WBS) was established effective January 1, 2018 and has its own Board of Directors appointed by the Board of Directors of LCC. It is responsible for the strategy, funding, policies, administration and communication of the defined benefit and defined contribution plans. Once the deficit for the Defined Benefit Plan is paid, the WBS Board of Directors will have complete autonomy in managing the plan. Until then the LCC Board of Directors will need to ratify major decisions made by the WBS, such as plan design changes, until the solvency deficit is fully funded. Since there is no deficit in the Group Benefits Plan the WBS Board also has autonomy in managing this area.

The governance objectives of the Plans are to be in compliance with all applicable laws, to ensure risks under the plan are properly managed, to be able to demonstrate prudent oversight of the Plans to stakeholders and to ensure the Plans are funded and administered so as to meet its obligations to members and beneficiaries. To this end, the WBS Board conducted a comprehensive review of its governance policy in 2021. The purpose of this policy is to guide the various participants in the governance framework of the Plans. This framework is a control mechanism for good decision making, proper and timely execution of responsibilities, clear accountability and regular review and assessment of all participants.

Under the terms of the Lutheran Church–Canada Pension Plan Administrative Services and Agency Agreement, the WBS Board of Directors provides a written report to the LCC Board of Directors annually outlining the work of the WBS Board in accordance with terms of the agreement including the completion of an annual Pension Plan Compliance checklist.

In accordance with Employment Pension Plans Act of Alberta the WBS Board also completes an annual assessment of its operations. This report is not filed with the Regulator but must be provided to the Regulator on request.

WBS BOARD OF DIRECTORS (WBS BOD)

The WBS BOD has general oversight responsibilities for the Plans and in that capacity oversees all aspects of the Plans' operations including the selection or termination of investment manager(s), trustee(s), custodian(s), third party administrator(s), actuary and other advisors; sets pension related policies; determines funding, contribution and actuarial strategy; and ensures the plans are in compliance with all legislation. The WBS BOD considers the best interests of all present and future plan members, pensioners and beneficiaries. Day-to-day management of the Plans is delegated to the Executive Director, Worker Benefit Plans (WBP).

The WBS BOD consists of up to seven individuals who are appointed by the LCC Board of Directors to serve a three-year term with a maximum of three successive three-year terms. After many years of service on the WBS Board, Stan Lee left the Board in June 2021. Paul Hambrock joined the Board in September 2021, bringing the total WBS Board members to six.

The WBS BOD meets regularly at least three times per year, and more often if required. During 2021 the WBS Board met five times. All members attended all the meetings.

2021 Board Members

Dieter E. Kays, ICD.D, PhD.
Chairperson, WBS Board of Directors
Kitchener, Ontario

Dr. Kays is a certified corporate director serving on several boards including the Ombudservice for the Canadian Life and Health Insurance, (OLHI) and most recently being appointed to the Grand River Hospital board in Kitchener. Dr. Kays is past chair of St. Mary's Hospital in Kitchener and a past president of the Kitchener Conestoga Rotary Club, where he was awarded a Paul Harris Fellow. He is the retired President and Chief Executive Officer of Faith Life Financial, an organization providing insurance and investment programs to Canadian families. Prior to accepting this role, Dieter was Chief Executive Officer of Lutherwood, a Canadian social service agency serving more than 10,000 clients annually. He was also the President of the Lutherwood Foundation and has served as a Director of Lutheran Life Insurance Society of Canada and its investment committee, the Canadian Life and Health Insurance Association (CLHIA) and FI Capital. He also served two terms as a municipal councillor.

Dr. Kays has a Master of Divinity degree from Concordia Seminary, St. Louis, Missouri, and a Master of Social Work. In 1993, he earned his doctorate, specializing in organizational leadership at Waterloo's Wilfrid Laurier University. He has done post graduate work at Stanford University, the Wharton School of Business, and most recently the Rotman Business School – U of T.

Dr. Kays and his wife, Rosalind, have three children and nine grandchildren. They are members of Holy Cross Lutheran Church (LCC) in Kitchener.

Dwayne Cleave, CIM* [1]
Executive Director, WBP
Winnipeg, Manitoba

Dwayne has served in the office of treasurer of Lutheran Church–Canada since May 2002. In March 2010 he was also appointed as the Executive Director of the LCC Worker Benefit Plans. Prior to his employment with the Church, Dwayne's 25-year business career included positions as an Investment Consultant with CIBC Wood Gundy and as a Regional Manager for the Brick Warehouse Corporation.

In addition to his business experience, Dwayne has received formal training through the Certified General Accountant Program (CGA), Certified Employee Benefit Specialist Program (CEBS) and the Canadian Securities Institute (CSI). Dwayne completed a four-year certificate course in Management through the University Of Manitoba continuing education program in 1994.

Dwayne, his wife Bonita and their two (now adult) children have been members of Saint James Lutheran Church in Winnipeg since 1989.

** Canadian Institute of Management*

Ron Walter
Saskatoon, Saskatchewan

Ron has a background as a senior administrator, primarily in the education sector including a role as the Director of Provincial Services, Saskatchewan Abilities Council and the Business Manager for the Prairie Spirit School Division. He currently provides consulting services to a number of Saskatchewan school divisions. He is a Board Director for Faith Life Financial in Waterloo, Ontario and sits on the Saskatchewan Municipal Board to hear property assessment and planning development appeals. Ron is very active in his home church, St. Paul's Lutheran in Saskatoon, holding numerous leadership positions. He also has been active in community service work including being a Director for Easter Seals Canada and the Board Chair for the Saskatchewan Prevention Institute. He holds a Bachelor of Commerce (accounting major) from the University of Saskatchewan (Saskatoon).

Ron is married to Elaine and they have two adult children and three grandchildren. He enjoys music, photography, reading, racquetball, squash, travelling, golf and spending time with family.

Ellen Nygaard
Edmonton, Alberta

Ellen Nygaard was born in Drumheller, Alberta, raised on a farm, and has spent most of her life in the province. She has a BA in English and an MBA from the University of Alberta and worked across Canada in her first career as a journalist. She worked as a manager for the Government of Alberta for 26 years, occupying increasingly responsible regulatory and policy positions, including the Deputy Superintendent of Pensions and most recently as Executive Director of Pension Policy for Alberta Finance.

Ellen retired in 2014, and since then has become a member of a number of pension boards. She has been involved as a volunteer and board member of several community organizations over the years, including the United Way and recreational and cultural organizations. She currently volunteers as an English tutor for new Canadians. She and her husband live in Edmonton, where they raised their two children.

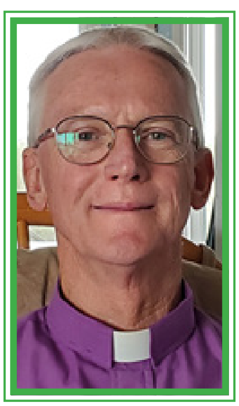
Stan Lee
Vancouver, British Columbia

Stan is a Chartered Professional Accountant; he owns and operates an accountancy business in Vancouver, which serves over 1000 individual and 360 corporate clients. Before opening his own practice, he worked for nine years for a major accounting firm in Burnaby. He also sits on the Board of Directors for ten private enterprise companies. He received his Bachelor of Commerce degree in 1983 from the University of British Columbia in Vancouver, and his Chartered Accountant designation in 1986 from the Institute of Chartered Accountants of B.C.

Stan served on the Department of Stewardship and Finance for the ABC District, as well as serving as the Board Chair for the Audit Committee. Stan also served on the Board of Directors for Faith Life Financial from 1994 to 2012. In that capacity he held a number of roles including Board Vice-Chair, Chair of the Audit, Risk, Compliance and Finance Committee and Chair of the Products and Services Committee, and was a member of the Executive Committee and Human Resources Committee.

Active in his church community, Mr. Lee is currently Chairman of his home congregation, Killarney Community Lutheran Church in Vancouver. In addition he is Chairman of the Redevelopment Committee for his church, which is redeveloping the church's site to build 100 affordable housing units. He also provides occasional simultaneous translation (into English from Cantonese) during his congregation's Sunday services.

Mr. Lee and his wife, Lisa, are members of top-rated Faith Life Financial Chapter 0244, which Mr. Lee helped establish in 1995. He previously served as chapter president. The Lees have two daughters.



Rev. Dr. John Kreutzwieser[1]
Moose Jaw, Saskatchewan

John has served Lutheran Church Canada as a parish pastor for 40 years. He started ministry at Zion in Plumas, MB, then at Christ in Sarnia, ON, and finally at Emmanuel in Moose Jaw, SK. John has served on District Boards of Directors and on the Synodical Board of Directors. He achieved a Doctorate in Worship Studies from The Robert E. Webber Institute for Worship Studies, Florida in 2006.

John is retired and lives in Moose Jaw, SK with his wife Patricia. They have 3 1/2 year old and a 1 1/2 year old granddaughters in Weyburn, SK. Their son Joel and new wife, Ayako, live in Osaka, Japan. John and Patti are members of Emmanuel Lutheran Church in Moose Jaw. You will usually find John on the golf course most mornings in the spring, summer, and fall, and at the swimming pool in the winter.

Paul Hambrock
Edmonton, Alberta

Paul is an experienced Risk Management professional with over a decade of experience in various roles across the public sector and Canadian pension industry.

Paul holds a Bachelor of Commerce and Master of Business Administration from the University of Alberta as well as certifications in operational risk management, crisis and incident response, and business continuity. Prior to working within Canadian pensions, he worked in the field of public sector emergency management supporting the planning and response efforts during emergencies and disasters across the province of Alberta, including the 2016 Fort McMurray wildfires.

Paul is currently employed as a Senior Operational Risk Manager at one of Canada's largest global investment managers within the Canadian pension industry. He currently lives and worships in Edmonton Alberta with his wife Alyssa and their three young children Eva, Abigail, and Noah. In his spare time, Paul enjoys finding new and exciting ways to experience the outdoors while spending time with his children.

[1]Dwayne Cleave and John Kreutzwieser are members of the LCC Pension Plan. Their membership does not constitute a conflict of interest for purposes of participating on the WBS Board.

Advisors and Service Providers

Blakes, Cassels & Graydon LLP	Legal Counsel
CIBC Mellon GSS	DB Trustee, Custodian and Pension Payments
KPMG	Auditor
Sun Life Financial	DC Record Keeper/Custodian
Ellement	Actuary, Pension and Investment Consultants, Administrator
Romspen Mortgages	DB Investment Manager
Mawer	DB Investment Manager
Beutel Goodman	DC Investment Manager
BlackRock	DC Investment Manager
Connor, Clark & Lunn	DC Investment Manager
Fiera	DC Investment Manager
Sun Life Financial	DC Investment Manager
TDAM	DB & DC Investment Manager

Lutheran Church–Canada Worker Benefit Plans
STRATEGIC PLAN 2019-21

Our Mission

The mission of Worker Benefit Services is to serve members and employers by ensuring the provision of sustainable benefits.

"Caring for those who serve."

Our Vision

We will provide an efficient, meaningful, and sustainable benefit plan with shared responsibility by stakeholders for the health and well-being of members.

Our Values

We value:

1. Our Church Workers
2. Integrity
3. Transparency
4. Stewardship
5. Consultation
6. Shared Responsibility
7. Excellence

Our Strategic Directions

1. Ensure sustainability and stability of benefits
   - 1.1 Develop strategies for eliminating the Solvency Deficit
   - 1.2 Conduct ongoing reviews of our benefits programs (post-retirement benefits, pension plan, and group insurance benefits) and redesign these in a timely fashion, taking into account costs, benefits, and alternate options

1.3 Ensure ongoing relevance of benefits for the member and affordability for employers, maintaining a consultation process with all stakeholders

2. Nurture the development of an educated and knowledgeable member and employer base

   2.1 Regularly orient and train congregational leaders and members on the benefit programs (i.e., YouTube, seminars, webinars, newsletters, updates)

   2.2 Develop an annual comprehensive communications plan for stakeholders

   2.3 Continue providing an annual report that provides full information on the operation and status of the pension fund and group benefits

3. Cultivate a meaningful involvement of stakeholders and maintain a climate of shared responsibility

   3.1 Establish an ad-hoc advisory council of representative stakeholders

   3.2 Gather information from stakeholders that will enable the board to gauge their satisfaction with benefit programs

4. Promote health and wellness

   4.1 Enlist a healthy lifestyle champion within the wider church to promote health and wellness and leverage current resources

   4.2 Develop programs that promote personal responsibility for a healthy lifestyle (e.g., physical, mental and spiritual)

5. Strengthen and enhance governance

   5.1 Maintain and update a fiduciary handbook for board members

   5.2 Ensure good communication between Worker Benefits Services and the Plan Sponsor – LCC board of directors

   5.3 Develop a risk assessment process

   5.4 Implement regular governance and peer review processes

   5.5 Establish annual KPIs and monitor performance

Our Key Performance Indicators

Target Date: June 2021

1. Achieve Multi-Employer Pension Registration Status
2. Achieve 90% Solvency Funding
3. Achieve 95% Signed Participation Agreements
4. Achieve 80% Post-Retirement Benefit Payments Paid by Retirees
5. Establish a $300,000 Special Reserve Fund
6. Achieve an Administration Expense Ratio of .75 of the Benchmark (Based on Fraser Group "Review of Plans")