WORKER BENEFIT PLANS

ANNUAL REPORT 2019

LUTHERAN CHURCH–CANADA PENSION PLAN AND GROUP BENEFITS
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LCC Worker Benefit Services Inc.
Caring for those who serve

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 2019. In the event of any inconsistency between this document and the official plan or policy, the plan or policy texts will govern.

INCREASING STABILITY IN UNCERTAIN TIMES

INTRODUCTION

In 2019 we continued to make progress towards increasing the sustainability and strength of our Worker Benefit Plans following the creation of Worker Benefit Services (WBS) in 2017 and the introduction of new agreements between WBS and employers in 2018. The agreements provided greater clarity in respect to the mutual responsibilities of employers, the LCC Board and Worker Benefits Services. As a result of feedback from employers we began 2019 with a Strategic Planning session made up of employer and member representatives from across the Synod. The Strategic Planning session included a review of the current WBS strategic plan and solicited feedback on a number of issues regarding the Worker Benefit Plans. Feedback from participants indicated they felt the session to be highly effective and worthwhile.

As a result of the strategic planning session and the structural changes made over the last couple of years, the workplan for 2019 included continuing to monitor our investments to balance strong returns with a minimum of risk; focusing on a review of the group benefits including a market survey of providers; having all employers in the plan sign new agreements clarifying responsibilities; succession planning both at a board and senior staff level; and pursuing official multi-employer status with the Alberta Regulator which included completion of an actuarial valuation.

Focus on Group Benefit Plans

In considering design changes the WBS Board tried to balance the need to ensure the plans were cost efficient and sustainable for employers while trying to minimize the impact to plan member's retirement benefits. No changes were made to the pension plan as the strategic planning participants were concerned about the impact to members. It was agreed, however, that this issue needs to be monitored closely and further action might be needed in the future. The group benefit plan changes included moving away from the Flex plan to a traditional benefits plan where everyone is in the same option for health, dental and long-term-disability and Flex Dollars and Price Tags are eliminated. Employer paid basic life insurance for all members was set at three times annual salary, whereas previously members hired prior to 2008 had coverage based on five times annual salary. Members impacted were able to buy Optional Life coverage to replace any Basic Life coverage lost as a result of Basic Life being reduced from five times.

Dieter E. Kays

Dwayne Cleave

Also as a result of the January 2019 Strategic Planning session, a market survey of benefit providers was undertaken to determine which one could provide the best premium rates and service. Six insurers were sent a Request for Proposal with five of the insurers submitting proposals. Manulife and one other carrier submitted the most competitive bids with Manulife's bid providing slightly lower rates.

Manulife was selected because of their competitive rates and existing reserves, which would have had to be established at the other insurer. We believe Manulife has provided us with good service, with few complaints from members. As well, they guaranteed the rates for life, accident and disability for 24 months. The market survey was important to undertake as it confirmed that we are providing a cost-effective program for the dollars spent for both employers and members.

Signing of new agreements

While the vast majority of agreements between employers and WBS and LCC are signed at the end of 2019 there were still a few employers who have not returned their signed agreements. It is important these be signed, so that the worker benefit plans continue without complications for all of our church workers. The Pension Regulator requires Employers to have signed agreements with WBS by the end of 2021 otherwise they will no longer be able to participate in the Plan, and will be required to pay off their proportional share of the deficit, within the time parameters permitted under pension legislation.

Investment return

In 2019, markets emerged strongly from much of the trade tensions and geo-political disruptions that dampened markets in 2018. The fund return for the year was 16.6% and over the four-year period the fund returned 8.8%. Although 2019 was a good year for the plan's portfolio of investments, the 2020 pandemic has changed the near-term outlook for Canadian and global economies. Pension Plans are long-term entities and while fluctuations in the investment markets occur periodically and sometimes drastically, we continue to remain focused on long-term returns.

Pursuing change to our registration status

While it has been ongoing for some time we have continued to work with the Alberta Regulator to change our registration status to a Non-Collectively Bargained Multi Employer Pension Plan (NCBMEPP). A NCBMEPP is how our plan administratively and functionally operates and we along with the regulator believe our registration status should reflect this. The WBS Board believes clarifying our status as a NCBMEPP will ensure all stakeholders clearly understand their rights and obligations. We anticipate that sometime in 2020 the registration status of the plan will be amended. The biggest implication under the NCNMEPP status would occur if a participating employers withdraws from the plan and is unable to pay their portion of any funding shortfalls for the members they employed. Members will have their benefits based proportionally on the assets that are available. While we don't want to see members' benefits reduced, we need to ensure that the withdrawing employer's obligation is not passed on to the remaining employers in the plan, which over time would make the plan unsustainable and put into jeopardy the retirement benefits for all members of the plan.

In consideration of our application for NCBMEPP registration, as well as, the current uncertain environment, the WBS Board decided in early 2020 that it was in the best interests of all stakeholders to complete an actuarial valuation of the plan at December 31, 2019. Normally valuations are conducted every three years but the Board decided to do a valuation one year earlier than required because of our application for NCBMEPP status. The Board wanted to provide the regulator with an up-to-date valuation. As well, given the uncertainty of the Covid-19 pandemic and the resulting market volatility, the Board wanted to be able to be able to put into place some certainty on the funding of the plan and the contributions that employer's will have to make over the next three years, rather than risk waiting till the end of 2020, the next scheduled valuation date, given the rapidly evolving and unknown pandemic environment. The results of the tri-annual actuarial valuation done as of December 31, 2019 showed that the plan was fully funded on a going concern basis with a funded ratio of 103%, up from a going-concern ratio of 100% from the last completed valuation done at December 31, 2017. The solvency status of the plan also improved to 84% from 80% at the December 31, 2017 valuation.

COVID-19 – Pandemic – Investments

The health pandemic that started in first quarter of 2020 has impacted people's lives around the world with significant impacts on the global economy as countries wrestle with controlling the spread of the virus. The impact of lockdowns initially sent the markets into a downward spiral but much of the loss was regained by early June with the reopening of economies and the hopes of a vaccine fuelling investors' enthusiasm that the worst is over. Whether this continues remains to be seen as the economic outlook remains uncertain. If a second wave of the virus hits, it may result in the rebound retrenching with extreme volatility in the markets continuing for some time. Nevertheless we are prepared to ride it out focused on our long-term objectives. We remain confident that our portfolio is appropriately diversified across asset classes and geographies to generate the best possible return without undue risk. It is also important to be aware that 20% of our pension investment portfolio is annuitized and therefore not impacted by stock market gains and losses.

Help for employers and members during the pandemic

In 2019 the WBS Board set up a small reserve fund that was funded from a rebate from Manulife based on good benefit plan experience during 2018. The timing could not have been better, as the pandemic hit we were able to offer employers in financial difficulties a deferral of their pension and benefits premiums in May and June and for those in serious difficulty a waiver of their health, dental and EAP programs premiums for those months. As well, for employees temporarily laid off we were able to cover the employee costs of health, dental and EAP. With dental offices largely shut down in April and May we approached Manulife for a 50% temporary reduction in dental premiums and were successful in getting them to waive premiums in June.

Challenges ahead

No one can say for certain that the worst of the virus's effects are behind us despite investors seeming to think so. We expect the second half of 2020 to continue to bring a lot of uncertainty. While there is a lot of improving economic activity we remain guarded and as such will be keeping a close eye on our Plan's portfolio, along with all the programs we offer and their funding. Longer term we are expecting some changes to the world's economies as governments re-think the global supply chain and focus on policies aimed to encourage reshoring of critical goods such as health care equipment. The larger impact of these changes is unknown.

We will continue to focus on providing competitive and valued programs to our employers and church workers delivered cost-effectively. While no changes are expected in the near-term, if needed and with consultation with employers and members we will make changes to programs to meet their changing needs.

CONCLUSION

In conclusion we would like to thank Ken Griffin for contributing his time and expertise while serving on the WBS Board and wish him all the best with his future endeavours. We would also 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 navigate through a very turbulent economic environment. We firmly believe the worker benefit plans are an important 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. Together the Holy Spirit empowers church workers and laity to proclaim the good news of Jesus to the communities in which we live.

In His Service,

Dr. Dieter E. Kays, Chair
LCC Worker Benefit Services Inc.

Dwayne Cleave.

Dwayne Cleave, Executive Director,
LCC Worker Benefit Services Inc.

INSIDE

Introduction

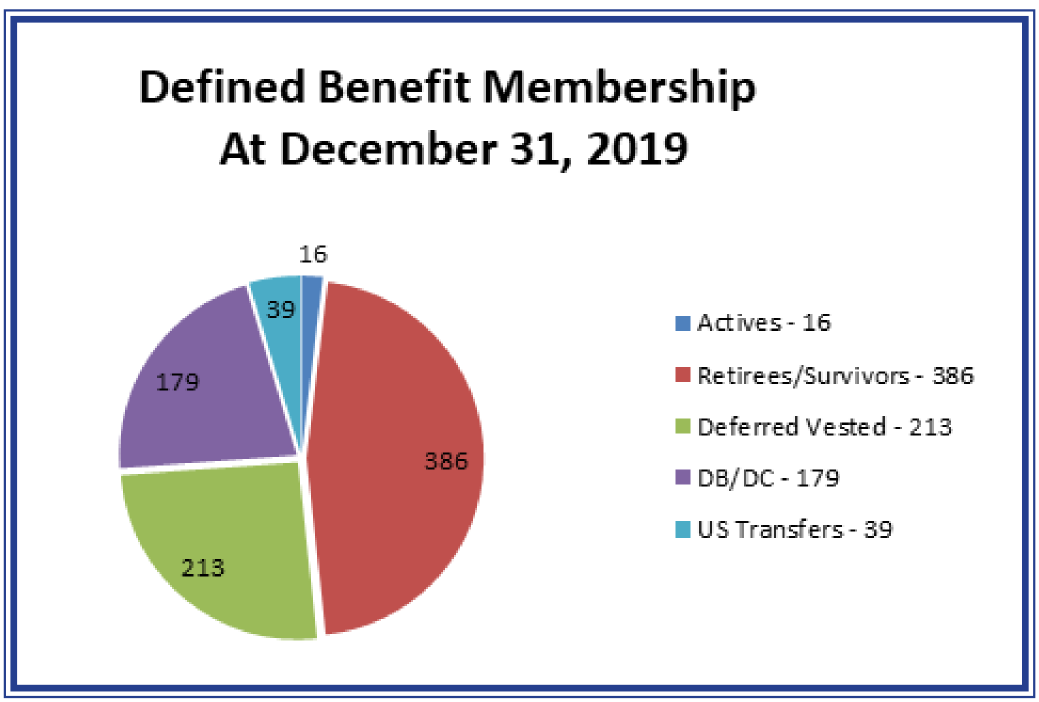
The membership in the Defined Benefit Plan (DB) is made up of a small group of active members who met the age and service requirements at the time the decision was made to move to a Defined Contribution Pension Plan (Active DB). The membership also includes those members who were moved into the DC plan 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. (Those hired in 2012 and later are 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

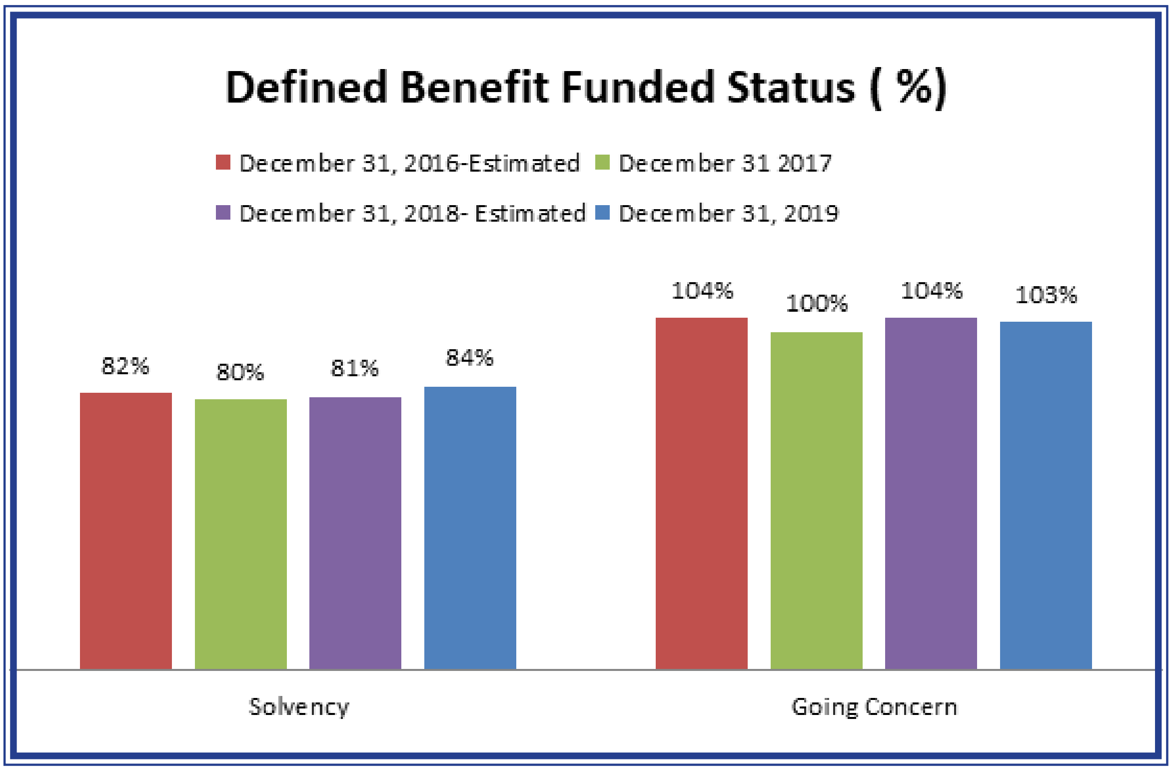
Membership



DB Active Membership Changes

Active Members January 1, 2018*	18
US Transfers	0
Retirements	(1)
Death	0
Deferred	(1)
Members at December 31, 2019	16

Funded Status

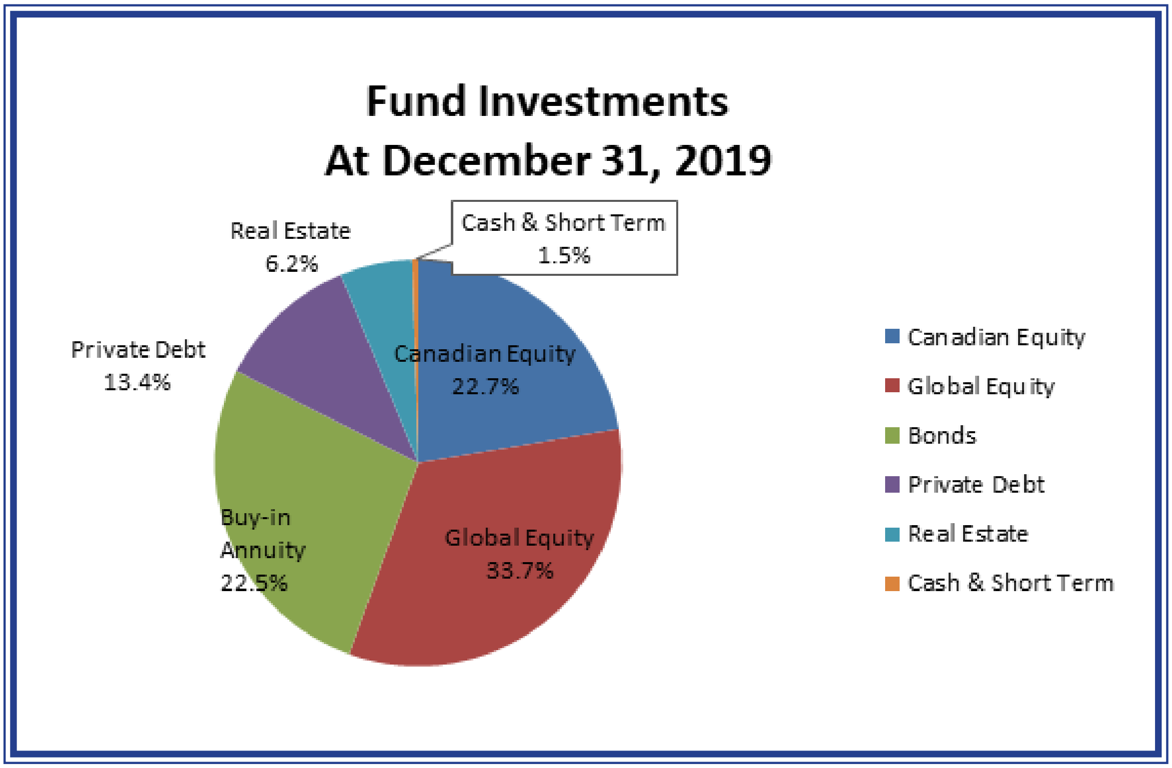


Funding Terminology – What Does it Mean?

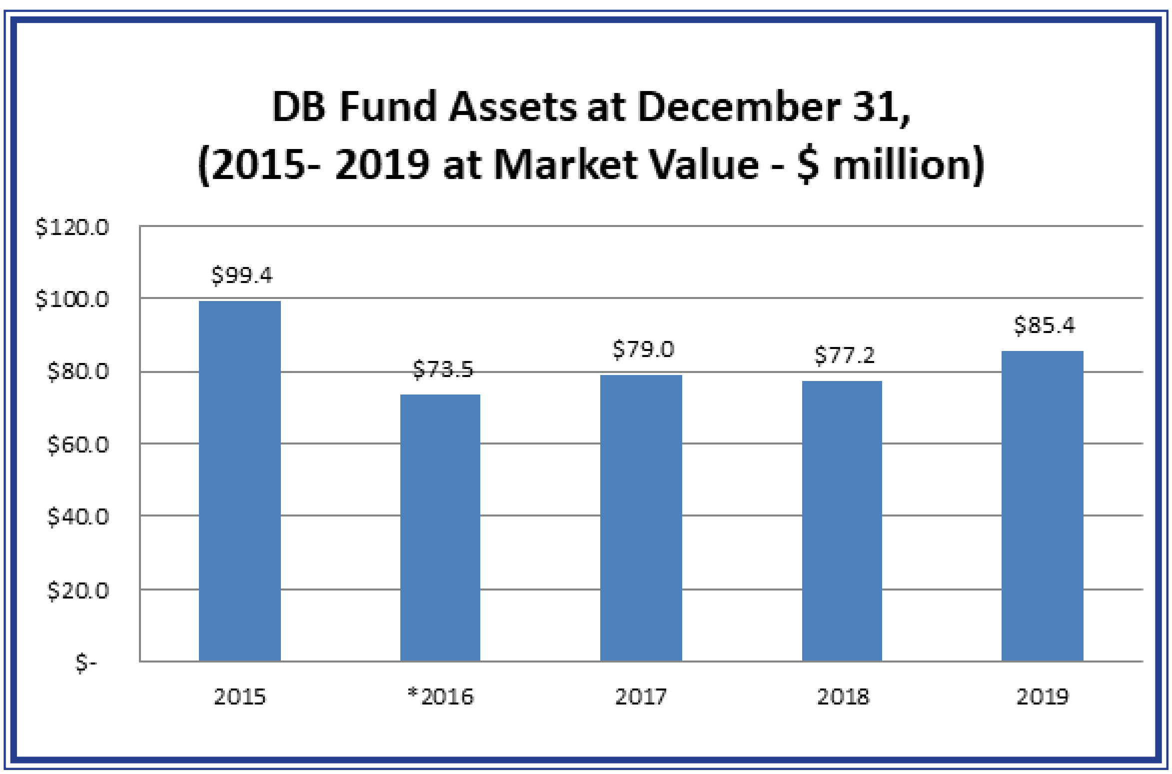
Going-Concern Basis: The going concern valuation values the present value of member's future benefits for credited service up to the date of the valuation and is based on assumptions that the pension plan will continue in operation indefinitely. Economic assumptions such as future salary increases, investment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



*The assets declined in 2016 as a result of the asset transfer to the Concordia University of Edmonton (CUE) Pension Plan.

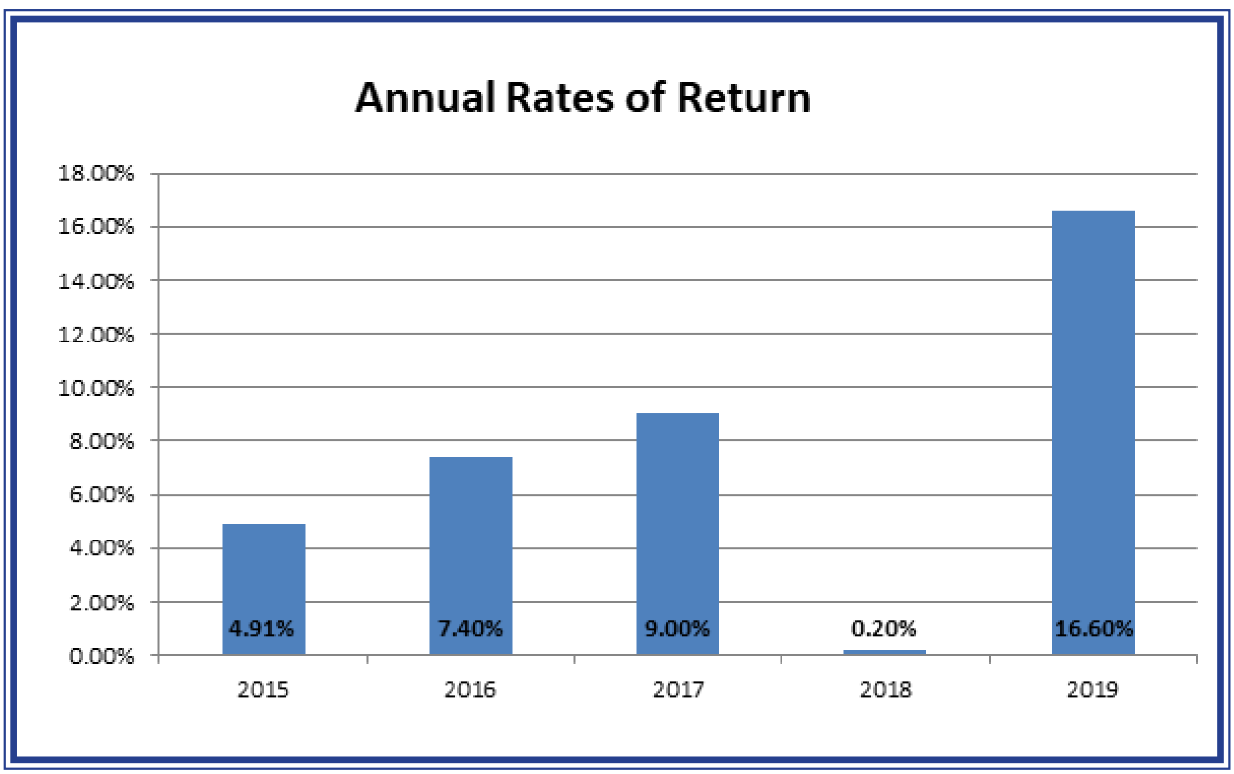
DB Financial Position (000's)

	December 31, 2019 ($)	December 31, 2018 Estimated ($)
Going Concern Basis		
Actuarial Value of Assets	$ 81,853,654	$ 78,994,196
Actuarial Liability	79,330,233	75,666,857
Actuarial Surplus (unfunded actuarial liability)	$ 2,523,421	$ 3,327,339
Going-concern funded ratio	103%	104%
Solvency Basis		
Solvency value of assets	$ 85,133,592	$ 76,952,727
Solvency liability	100,943,354	95,407,207
Solvency surplus (deficit)	$ (15,809,762)	$ (18,454,480)
Solvency funded ratio	84%	81%

DB Annual Rate of Return

The WBS Board of Directors regularly monitors and reviews the performance of each 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 2019 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

	2019	2018
Net assets available for benefits, beginning of year	**$ 77,193,468**	**$ 79,281,782**
Increase in assets:		
Contributions - employer	2,344,520	3,402,503
Contributions - employee	50,525	62,760
Investment income	2,082,161	1,924,583
Realized investment gains net of realized losses	664,452	1,367,829
Unrealized investment gains, net of unrealized losses	6,768,645	-
Change in fair market value of annuity	1,448,494	122,500
Decrease in assets:		
Unrealized investment losses, net of unrealized gains	-	(2,796,991)
Realized investment losses, net of realized gains	-	-
Pension benefits paid	3,644,114	3,537,114
Lump-sum transfers	904,410	1,990,405
Consulting fees	94,928	135,929
Investment and custodial fees	269,921	261,155
Administration expenses	255,300	246,895
Net assets available for benefits, end of year	**$ 85,383,593**	**$ 77,193,468**

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, 2019 showed a funded ratio of 103% on a going-concern basis. The valuation also showed that the solvency funding ratio of the plan had increased slightly from 81% to 84% as a result of a small change in interest rates, return on assets and contributions going into the plan. 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 to receive 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.

2019 Summary Financial Statement

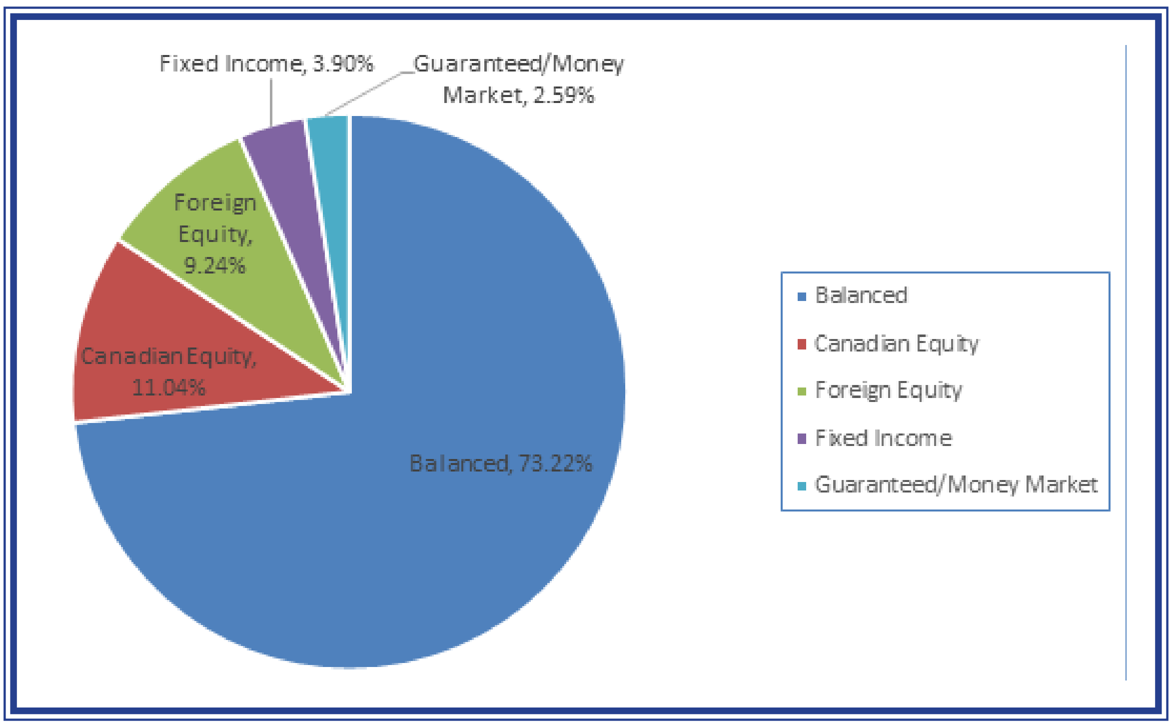
	2019	2018
Change in Assets	**$**	**$**
Assets beginning of the year	**$ 18,408,221**	**$ 17,772,922**
Employee contributions	959,154	990,320
Employer contributions	1,127,360	1,174,766
Investment income (loss)	2,806,356	(337,343)
Transfers to Financial Institutions	(1,929,286)	(1,254,136)
Transfers In from other plans	26,972	61,692
Increase (decrease in assets)	2,990,554	635,299
Assets, end of year	**$ 21,398,775**	**$ 18,408,221**

Fund Asset Mix

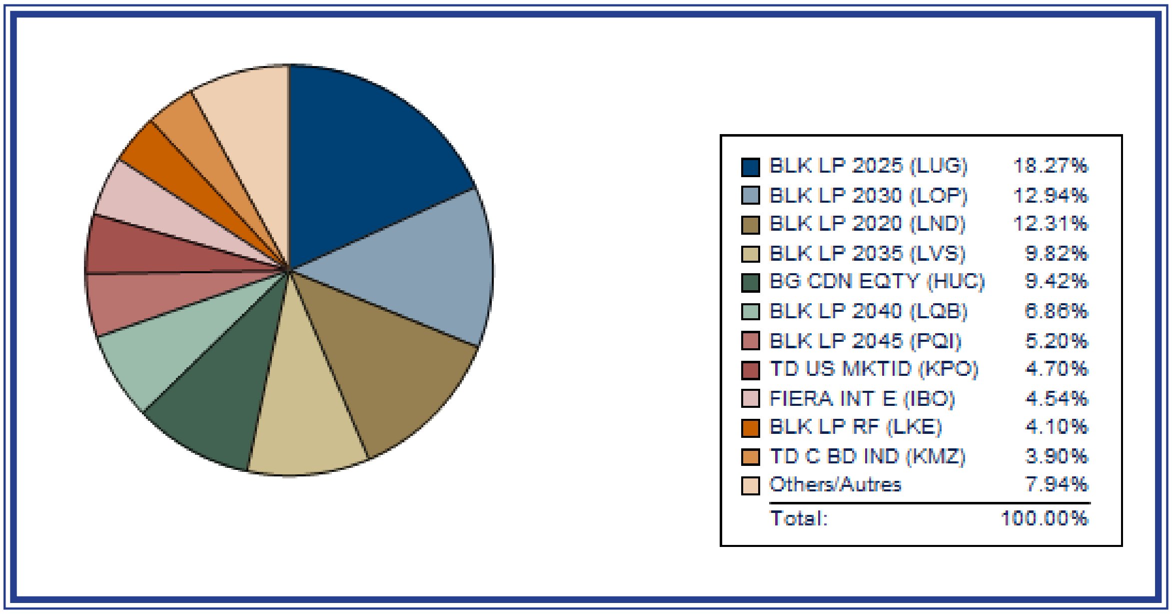
The following charts illustrate the DC Plan asset mix at December 31, 2019 both by asset category and by funds in which members allocated their assets.

Asset Category	Month-end Closing Balances $	% of Investment
Balanced	$ 15,668,781	73.22
Canadian Equity	2,362,388	11.04
Fixed Income	835,449	5.08
Foreign Equity	1,977,354	9.24
Guaranteed/Money Market	554,802	2.59
Total	**$ 21,398,776**	**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 2019.

	2019 (%)	2018 (%)
Target Date Funds (66.45%)		
• BlackRock Life Path Retirement Index	12.15	-0.34
• BlackRock Life Path Index 2020	12.41	-0.27
• BlackRock Life Path Index 2025	14.22	-0.58
• BlackRock Life Path Index 2030	15.84	-0.92
• BlackRock Life Path Index 2035	17.38	-1.17
• BlackRock Life Path Index 2040	18.84	-1.40
• BlackRock Life Path Index 2045	20.08	-1.57
• BlackRock Life Path Index 2050	20.63	-1.59
• BlackRock Life Path Index 2055	20.69	-1.62
• Black Rock Life Path Index 2060	20.69	
Canadian Equity (12.39%)		
• Beutel Goodman Canadian Equity	14.60	-5.14
• CC&L Canadian Q Growth	24.32	-8.97
Fixed Income (5.73%)		
• TDAM Canadian Bond Index	6.68	1.37
Foreign Equity (10.63%)		
• TDAM US Market Index	24.37	3.83
• Fierra International Equity	25.58	0.40
Money Market (4.81%)		
• Sun Life Money Market	1.81	1.53

*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, 2019	472
New members in 2019	24
Terminations	(35)
Death Claims	(1)
Members at December 31, 2018	460

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 tax effectively build their retirement income. 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 be involved in major decisions, such as plan design changes, until the solvency deficit is fully funded. The WBS Board also has autonomy in managing the Group Benefits Plan.

The governance objectives of the Plan 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 Plan to stakeholders and to ensure the Plan is funded and administered so as to meet its obligations to members and beneficiaries. To this end, the WBS Board of conducted a comprehensive review of its governance policy in 2019. The purpose of this policy is to guide the various participants in the governance framework of the Plan. 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 if asked for it.

WBS BOARD OF DIRECTORS (WBS BOD)

The WBS BOD has general oversight responsibilities for the Plan and in that capacity oversees all aspects of the Plan's 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 plan is 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 Plan 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. Ron Walter joined the Board in September 2019 replacing Ken Griffin whose term ended with the September 2019 meeting. Pastor John Kreutzwieser joined the Board in June 2020, 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 2019 The WBS Board met five times. All members attended all the meetings with the exception of Dieter Kays and Ken Griffin who each missed one meeting.

2019 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). Dr. Kays is past chair of St. Mary's Hospital in Kitchener and 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 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*

[1] Dwayne Cleave is a member of the LCC Pension Plan. His membership does not constitute a conflict of interest for purposes of participating on the WBS Board.

Stan Lee
Vancouver, British Columbia

Stan is a Chartered Professional Accountant; he owns and operates an accountancy business in Vancouver, which serves over 900 individual and 300 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 six 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. 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.

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 at the Edmonton Mennonite Centre for Newcomers. She and her husband live in Edmonton, where they raised their two children.

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). He enjoys music, photography, reading, racquetball, squash, travelling, golf and spending time with family.

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
Greystone Real Estate	DB Investment Manager
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 2020

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