LCC Worker Benefit Services Inc.

ANNUAL REPORT

Lutheran Church–Canada Pension Plan

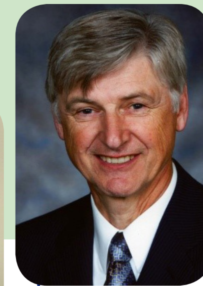
Worker Benefit Plans

2018

3074 Portage Avenue, Winnipeg Manitoba, R3K 0Y2
1-844-440-1045 (TOLL FREE);
www.lccbenefits@ellement.ca

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 2018. In the event of any inconsistency between this document and the official plan or policy, the plan or policy texts will govern.

TRANSFORMING FOR THE FUTURE – FROM STRATEGY TO IMPLEMENTATION



Dieter E. Kays

Dwayne Cleave

INTRODUCTION

While 2017 was a year where we reviewed the governance structure of the Worker Benefit Plans to maximize their long-term sustainability, 2018 was the year to begin implementing the strategies coming out of the 2017 review.

One of the objectives was to strengthen the governance of the plans which led to the establishment of LCC Worker Benefit Services (WBS), a separately incorporated entity that came into being effective January 1, 2018. During the first half of 2018 the newly created WBS hosted a series of 16 regional presentations with over 450 church leaders attending. The presentations moved us forward on a couple of our objectives, which were to enhance communication with employers and explain the new governance structure.The presentations also introduced the new agreements that had to be signed by participating employers. Employers provided us with a great deal of feedback on the Worker Benefit Plans and expressed a desire to engage more directly with the WBS Board around issues facing employers. As a result of the feedback from the regional presentations, the Board decided to hold a Strategic Planning session in January 2019 with employer and member representatives attending from across the Synod. The Strategic Planning session included a review of the current WBS strategic plan and solicited feedback on some critical issues on the Worker Benefit Plans.

Movement was also seen on our objective to fill vacancies on the board, which was accomplished with the addition of Stan Lee as a WBS director.

Other 2018 items of note included the completion during the second quarter of 2018 of the tri-annual actuarial valuation as at December 31, 2017 and in the last half of the year a review of the asset mix of the plan's portfolio. This later review led to a decision to increase the fund's allocation to real estate and private debt in order to generate greater returns in meeting the plan's obligations. Further information is provided below.

From good to better governance

As noted above, the separately incorporated LCC Worker Benefits Services Inc. (WBS) was established January 1, 2018. WBS now has its own Board of Directors appointed by the LCC Board of Directors. The WBS Board oversees the strategy, policies, administration and communication of the defined benefit and defined contribution pension plans. The LCC Board of Directors will still be involved in major decisions involving the Defined Benefit Pension plan until the solvency deficit is fully funded. Once the deficit is gone the plan will be entirely managed by the new WBS Board.

As a result of governance changes, WBS conducted 16 regional presentations throughout the synod to explain the changes to employers including the history of the plans, rationale for creating WBS and the benefits for employers, the responsibilities of both WBS and employers and the two new agreements that employers need to sign for the pension and group insurance plans. Much of the discussion was on how employers collectively fund the pension for the church workers who serve or served them. This included discussions on the various funding measurements and what they meant. The solvency liability or the amount of money needed to fund the retirement benefits of workers if the plan was wound up and every worker given the money needed to fund their retirement benefits was explained. The plan is about 80% funded on a solvency basis. This only becomes a factor for an employer if they withdraw from the plan. At that point their share of the solvency deficit is crystalized and they would need to make arrangements to pay it. On an ongoing basis the plan is measured on a "Going concern basis or the ability of the plan to continue operating and pay its member benefits until the last member dies. On this basis the plan is 100% funded. This is an important measurement since there is no intent to wind up the plan.

Each employer received copies of the agreements either at the meeting or by mail. The agreements do not change the current existing responsibilities of employers but serve to clearly articulate the responsibilities of both WBS and employers.

Building stronger relationships with employers

As a result of the many questions and feedback received at the regional presentations from employers, especially the desire expressed by many employers to discuss the issues facing them, the WBS Board held a Strategic Planning Session. The session held at the beginning of 2019 included both employer and member representatives, who were asked for their input on the WBS Strategic Plan as well as some critical issues facing the Worker Benefit Plans. The session provided attendees with statistical information on the state of the church and details on the current benefits church workers receive. Some changes were suggested to the strategic plan and directions and were mainly reflective of the decline in church membership and the capacity of employers to pay for programs. A number of recommendations came out of the discussions including eliminating the flex benefits program and going to a traditional benefits plan since the majority of members only participate in one flex benefits option, and reducing the life insurance from five times annual salary to three times annual salary with the provision that members at their own expense, could buy back up to five times annual salary based on group rates. No changes to the pension plan were agreed upon because it was felt that the impact to church workers' retirement benefits would be too severe. It was agreed, however, that this issue needs to be monitored closely and further action might be needed in the future. Overall participants evaluated the sessions as highly effective and worthwhile.

Funding status

The results of the tri-annual actuarial valuation done as of December 31, 2017 showed that the plan was fully funded on a going concern basis, despite the fact that, as required, the valuation was done using a lower discount (interest) rate then the last valuation. This funded ratio was 100% and was up from a going-concern ratio of 92% from the last completed valuation done at December 31, 2014. A rough estimate done at the end of 2018 showed that the funded ratio had improved further so that it now sits at about 104%. The solvency status of the plan also improved considerably (80% - up from 73% from the December 31, 2014 valuation and based on a rough estimate it was up slightly to 81% at the end of 2018).

Investment return and asset mix

While investment return on the DB plan has been solid over the last several years, helping to improve the plan's funded status, 2018 was a very challenging year. A slowing global economy, along with trade tensions and other issues contributed to some major market swings especially as the year closed. The plan finished the year in positive territory with a return of 0.2%. Much of the decline that happened in the markets at the end of 2018 rebounded in the first part of 2019.

As investment returns are an important component of the plan's funding, accounting for 70%-75% of pension funding, the Board periodically conducts a review of the fund's asset allocation to ensure the asset allocation is the most appropriate one for meeting the plan's obligations and the long term growth of the fund. A review of the asset mix in the latter half of 2018 resulted in a number of changes designed to provide greater diversification in the portfolio and better long term expected returns. A decision was made to reduce the fund's exposure to Canadian equities to 20% and increase the real estate component from 5% to 10% and the private debt allocation from 10% to 15%. Both real estate and private debt have had high single digit returns over the past few years.

New member on the board

Stan Lee, previously on the Board of Managers for a number of years rejoined the Board for its September, 2018 meeting. Stan has his own accounting practice in Vancouver and is a member of Killarney Community Lutheran Church, Vancouver where he has held numerous congregational leadership positions.

THE YEAR AHEAD

Signing of new agreements

While most of the agreements between employers and WBS and LCC have now been signed, completing the remaining agreements continues to be a priority so that the worker benefit plans continue without complications for all of our church workers. WBS is available to answer questions and to assist individual employers as required.

Investments

We are confident that changes in the fund's asset mix will generate greater long term returns and provide appropriate diversification. While short term volatility and geopolitical issues grab the headlines we remain focused on long-term performance. We recognize that returns of the portfolio will vary from year to year but are confident the portfolio is appropriately diversified across different asset classes and geographies to generate the best return possible without exposing the plan to undue risk.

Refining governance

We will continue to focus on evaluating and enhancing our governance practices in the coming year including peer review of Board members and developing succession and continuity plans for both WBS staff and Board members.

Challenges ahead

We continue to focus on providing competitive and valued programs to our employers and church workers delivered cost-effectively. When needed and with consultation with employers and members we will make changes to programs to meet their changing needs.

CONCLUSION

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 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

Defined Benefit Plan	7
Defined Contribution Plan	14
Governance and Administration	19
WBS Board of Directors	20
Strategic Plan 2019	24

DEFINED BENEFIT PLAN

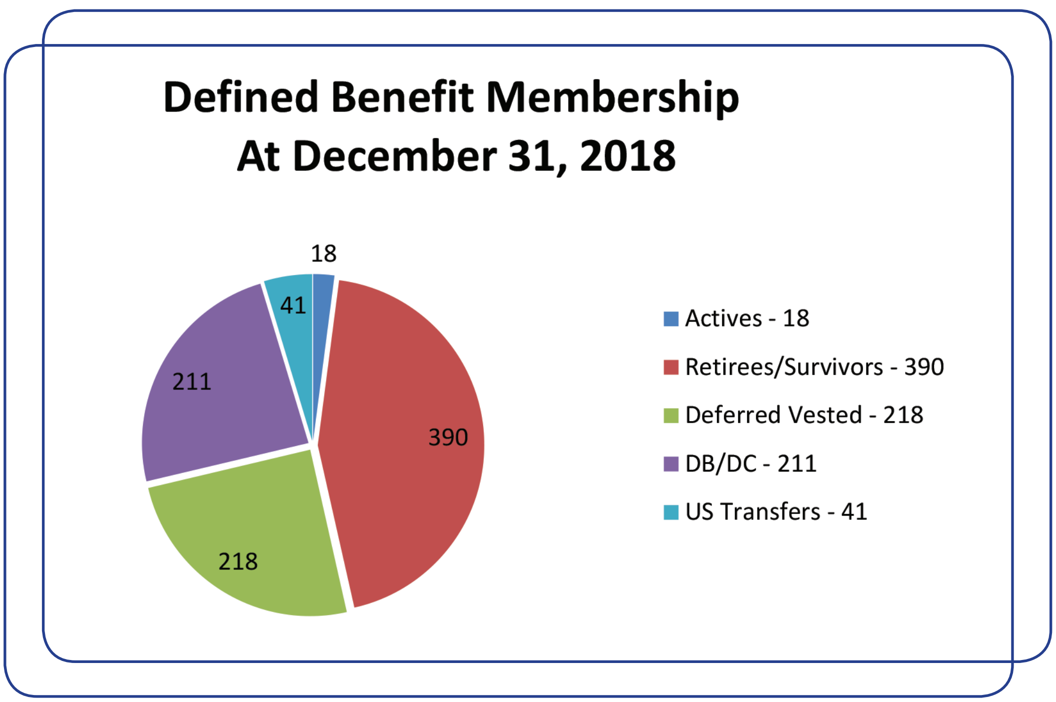
Introduction

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.

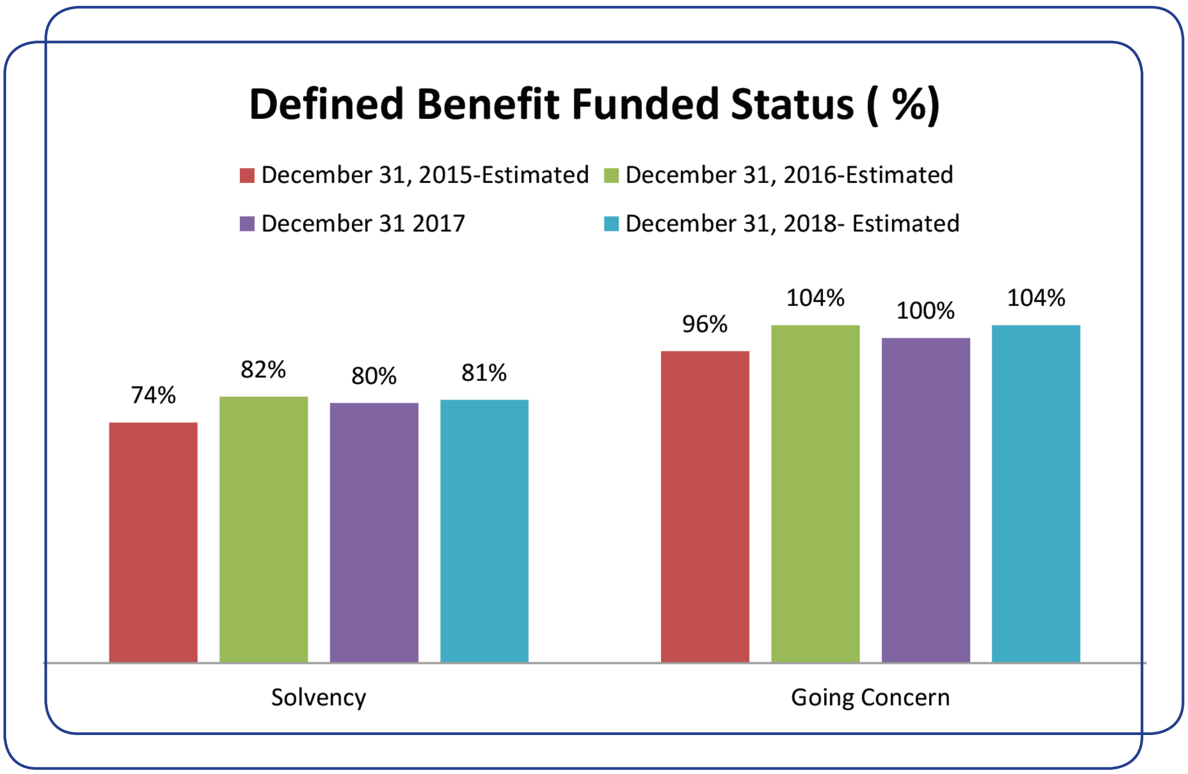
Membership



DB Active Membership Changes

Active Members January 1, 2018*	25
US Transfers	0
Retirements	(6)
Death	0
Deferred	(1)
Members at December 31, 2018	18

Funded Status

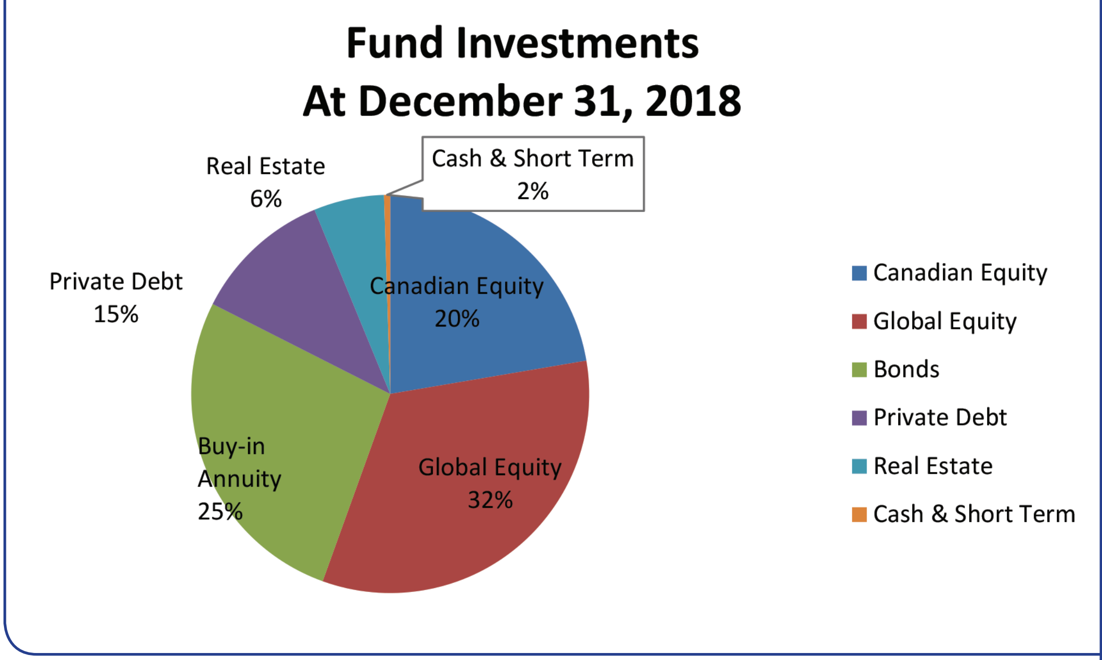


Funding Terminology – What Does it Mean?

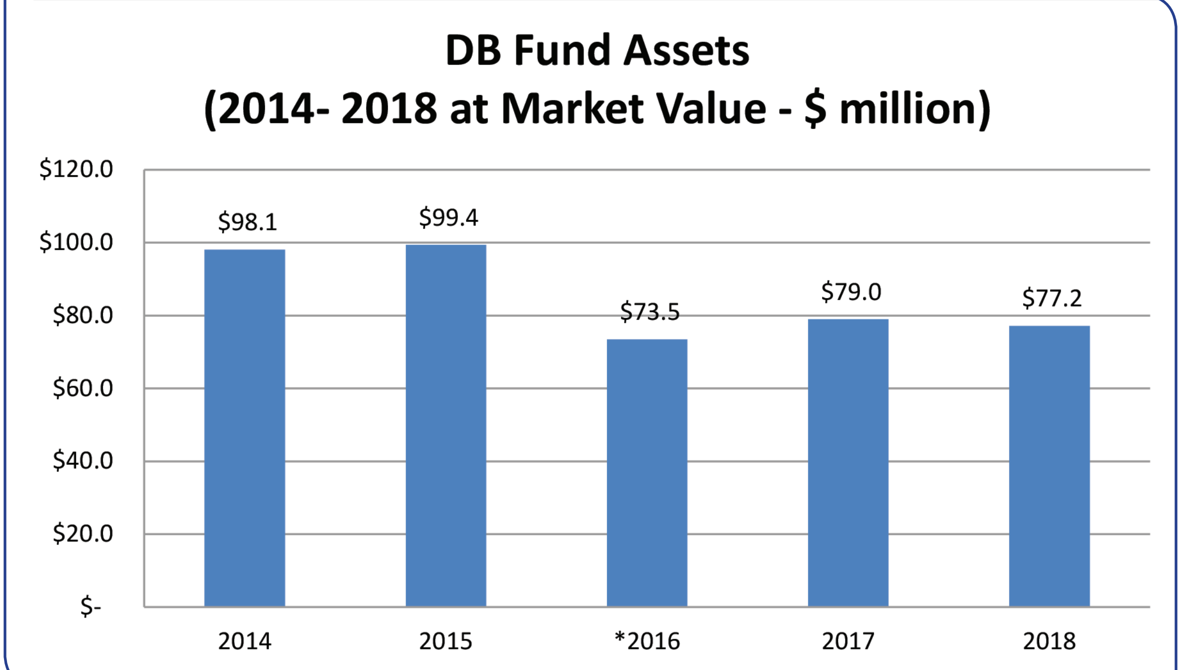
Going-Concern Basis: The going concern valuation values the present value of member's future benefits for credited service up to the date of the valuation and is based on assumptions that the pension plan will continue in operation indefinitely. Economic assumptions such as future salary increases, investment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

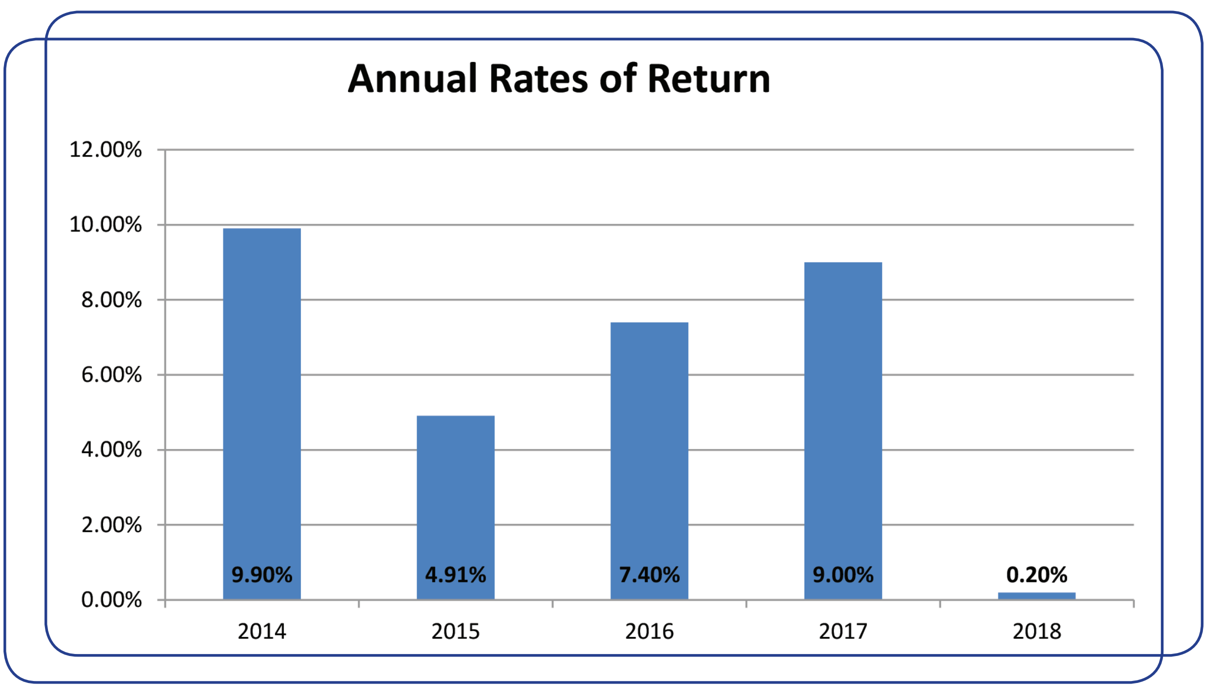
DB Financial Position (000's)

	December 31, 2018 Estimated ($)	December 31, 2017 ($)
Going Concern Basis		
Actuarial Value of Assets	$ 78,994,196	$ 76,568,802
Actuarial Liability	75,666,857	76,405,948
Actuarial Surplus (unfunded actuarial liability)	$ 3,327,339	$ 162,854
Going-concern funded ratio	104%	100%
Solvency Basis		
Solvency value of assets	$ 76,952,727	$ 79,031,782
Solvency liability	95,407,207	98,740,841
Solvency surplus (deficit)	$ (18,454,480)	$ (19,709,059)
Solvency funded ratio	81%	80%

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. As a result of this review the Board approved a number of changes to the fund's asset mix at their September 2018 board meeting. In order to provide greater diversification in the portfolio and better long term expected returns, a decision was made to reduce the target allocation of Canadian Equity from 30% of the portfolio to 20%. The funds available from this change would then be directed to increasing the real estate component of the fund from 5% to 10% and the private debt allocation from 10% to 15%. These changes were made utilizing the current investment managers. In other words, there were no changes to the investment managers in 2018.

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

	2018	2017
Net assets available for benefits, beginning of year	**$ 79,281,782**	**$ 73,648,239**
Increase in assets:		
Contributions - employer	3,402,503	3,089,661
Contributions - employee	62,760	74,470
Investment income	1,924,583	1,840,465
Realized investment gains net of realized losses	1,367,829	2,818,037
Unrealized investment gains, net of unrealized losses	-	1,818,830
Change in fair market value of annuity	122,500	218,945
Decrease in assets:		
Unrealized investment losses, net of unrealized gains	(2,796,991)	-
Realized investment losses, net of realized gains	-	-
Pension benefits paid	3,537,114	3,351,711
Lump-sum transfers	1,990,405	358,372
Consulting fees	135,929	66,967
Investment and custodial fees	261,155	243,394
Administration expenses	246,895	206,421
Net assets available for benefits, end of year	**$ 77,193,468**	**$ 79,281,782**

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, 2017. 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, 2018 showed a funded ratio of 104% on a going-concern basis, up from the prior year's funded ratio of 100%. This is primarily due to a change in liability with the withdrawal of Cloverdale School in 2018. The valuation also showed that the estimated solvency funding ratio of the plan had increased slightly from 80% to 81% as a result of a small change in interest rates 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. 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 three-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.

2018 Summary Financial Statement

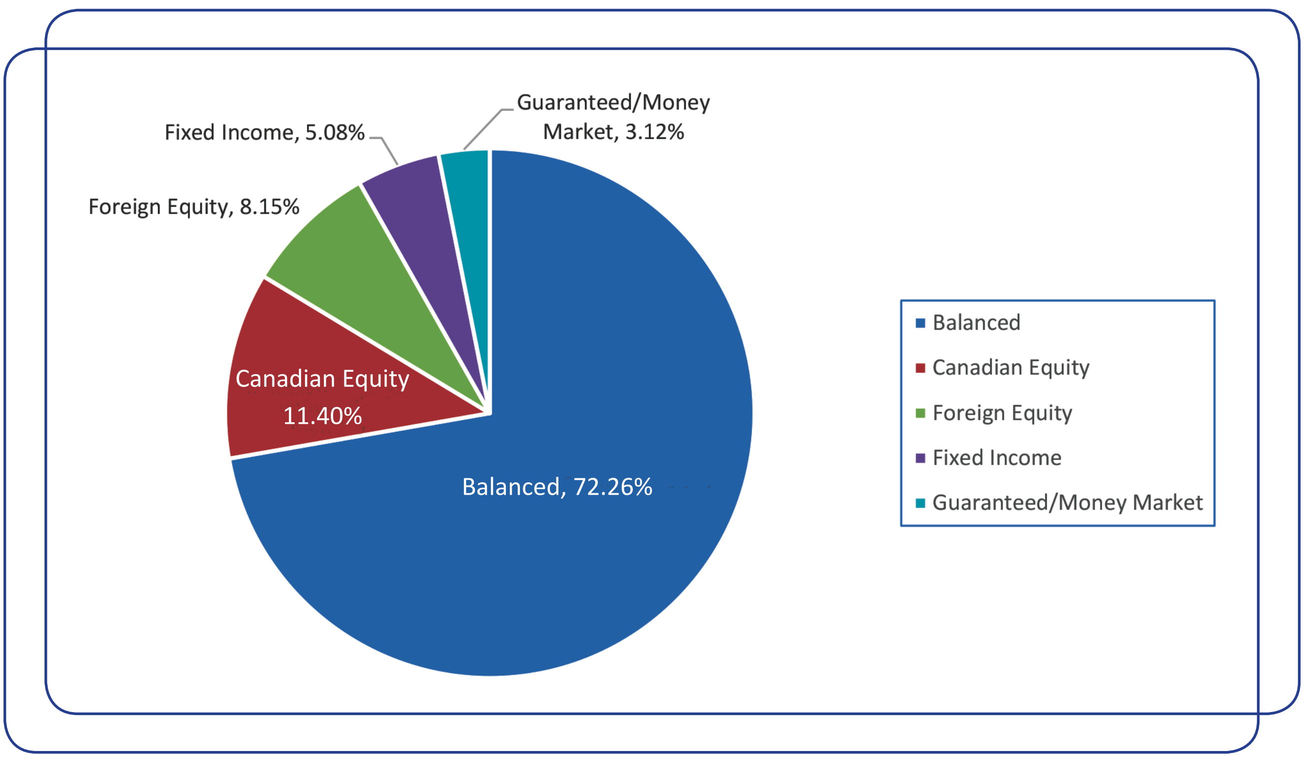
	2018	2017
Change in Assets	**$**	**$**
Assets beginning of the year	**$ 17,772,922**	**$ 15,382,304**
Employee contributions	990,320	1,051,480
Employer contributions	1,174,766	1,239,417
Investment income (loss)	(337,343)	1,198,894
Transfers to Financial Institutions	(1,254,136)	(1,099,173)
Transfers In from other plans	61,692	-
Increase (decrease in assets)	635,299	2,390,618
Assets, end of year	**$ 18,408,221**	**$ 17,772,922**

Fund Asset Mix

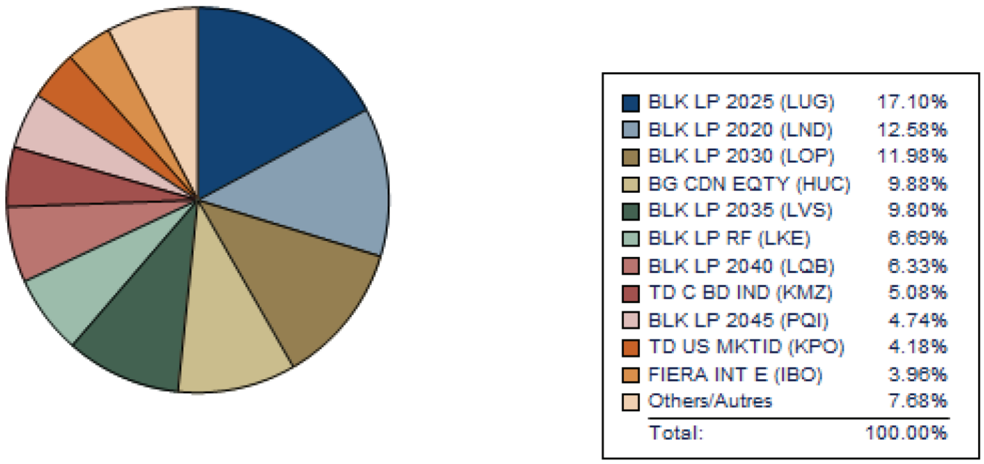
The following charts illustrate the DC Plan asset mix at December 31, 2018 both by asset category and by funds in which members allocated their assets.

Asset Category	Month-end Closing Balances $	% of Investment
Balanced	$ 13,301,024	72.26
Canadian Equity	2,098,579	11.40
Fixed Income	935,047	5.08
Foreign Equity	1,499,753	8.15
Guaranteed/Money Market	573,818	3.12
Total	**$ 18,408,221**	**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 2018.

	2018 (%)	2017 (%)
Target Date Funds (72.26%)		
• BlackRock Life Path Retirement Index	-0.34	5.7
• BlackRock Life Path Index 2020	-0.27	6.6
• BlackRock Life Path Index 2025	-0.58	7.6
• BlackRock Life Path Index 2030	-0.92	8.4
• BlackRock Life Path Index 2035	-1.17	9.2
• BlackRock Life Path Index 2040	-1.40	10.02
• BlackRock Life Path Index 2045	-1.57	10.71
• BlackRock Life Path Index 2050	-1.59	11.03
• BlackRock Life Path Index 2055	-1.62	11.06
Canadian Equity (11.40%)		
• Beutel Goodman Canadian Equity	-5.14	10.5
• CC&L Canadian Q Growth	-8.97	11.2
Fixed Income (5.08%)		
• TDAM Canadian Bond Index	1.37	2.4
Foreign Equity (8.15%)		
• TDAM US Market Index	3.83	13.4
• Fierra International Equity	0.40	23.6
Money Market (3.12%)		
• Sun Life Money Market	1.53	.78

*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, 2018	494
New members in 2018	20
Terminations	(42)
Death Claims	0
Members at December 31, 2018	472

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 have a further opportunity to enhance their retirement savings by directing excess flex credits from the Flex Plan to the DC Plan.

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 new independently incorporated board called LCC Worker Benefit Services Inc. (WBS) was established effective January 1, 2018. LCCWBS has its own Board of Directors appointed by the Board of Directors of LCC and 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 new WBS Board's legal status may enhance the opportunity to recruit prospective directors with expertise in pension funding, administration and investments. The new structure should also permit better responsiveness to members and employers in resolving their concerns.

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 2018. 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.

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 3-year terms. There are currently five individuals who have been appointed to the WBS BOD.

The WBS BOD meets regularly at least three times per year and more often, if required. During 2018 the former Board of Managers (BOM) met six times. All members attended all the meetings with the exception of Stan Lee who did not join the board until the September, 2018 meeting.

2018 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 St. Mary's Hospital in Kitchener where he is a past chair. A past president of the Kitchener Conestoga Rotary Club, he was recently 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 church affiliated 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 4 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.

Ken Griffin, CPA, CA
Kitchener, Ontario

Ken is a Chartered Professional Accountant and a Partner in the Private Company Services group of PricewaterhouseCoopers LLP. As a member of the PwC Tax practice, Ken has been providing income tax consulting services to private companies and their shareholders for more than 25 years. Ken has significant real estate experience, serving also public REITs, pension funds, and domestic and foreign investment funds. Ken graduated from the University of Waterloo in 1992 with a Bachelor of Mathematics (Co-op Chartered Accountancy) and obtained his CPA, CA designation in 1993.

Ken is currently Co-Chair of the Joint Committee on Taxation of the Canadian Bar Association and CPA Canada. Ken is also a member of the board of directors of The Concordia Seminary Foundation – St. Catharines.

Ken and his wife, Kim, live in Kitchener, Ontario and have three children. They are members of Holy Cross Lutheran Church in Kitchener.

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.

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.

Advisors and Service Providers

Aikins, MacAulay and Thorvaldson	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 2019

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
2. Nurture the development of an educated and knowledgeable member and employer base
3. Cultivate a meaningful involvement of stakeholders and maintain a climate of shared responsibility
4. Promote health and wellness
5. Strengthen and enhance governance