



Policy on Overdue Pension and Benefit Account Payments

Effective: January 1, 2016

Purpose: To outline the process that will be followed when a participating employer in the Worker Benefit Plans fails to fully pay their pension and benefit account payments within the allowable time-frames. Payment is due by the 15th of a month for coverage for that month. i.e. January's payment is due January 15th.

Policy: Each participating employer is expected to fully pay their monthly Pension and Benefit Account that is due each month. Employers who fail to do this essentially transfer the burden of responsibility for these payments to other employers participating in the plan. Those employers who anticipate failing to meet this requirement should contact the Executive Director, Worker Benefit Plans - Dwayne Cleave (1-800-588-4226 ext. 219) ahead of time to discuss payment options.

Process:

- **Payment is one month in arrears** – a phone call or e-mail is made/sent by the Accounts Receivable Administrator to the treasurer of the congregation/organization reminding them that payments are due immediately in order to maintain pension and benefits coverage for their employees.
- **Payment is two months in arrears** – a letter is sent by the Accounting Manager to the treasurer of the congregation/ organization that payments are due immediately or coverage under the pension and benefit plans may be suspended. Employers are encouraged to contact the Accounting Manager to discuss their situation and payment options available.
- **Payment is three months in arrears** – the Executive Director, Worker Benefit Plans will contact the employer to discuss their situation and to determine if this is a temporary issue or if it symptomatic of a larger financial issue and whether the congregation can afford to participate in the Worker Benefits Program. The Executive Director will work with the congregation to come up with a repayment plan for the months not paid. On a go forward basis the employer must pay the current month's payment and at least one months of arrears payment until the

arrears are paid in full. The employer will also be encouraged to sign up for Electronic Funds Transfer. Employers will be advised that under Section 61 of the Employment Pension Plans Act the administrator of a Pension Plan may file a claim on behalf of any person entitled to a benefit under the pension plan for contributions owing to the plan in a land titles office. The registration of the claim is in favour of the Pension Administrator against all estates and land held by the employer. This has the same priority as a mortgage registered against the estates and interests in the land. On payment of the pension amounts owing, the Pension Administrator would have the registration of the claim discharged.

- **Payment is four months in arrears** – a letter will be sent from the Executive Director, Worker Benefit Plans advising the employer that pension and benefits are being terminated as of (a certain date). A copy of the letter will also be sent to the affected employee(s). The Executive Director will commence negotiating a Withdrawal Agreement with the employer. A claim will be registered against property of the employer for unpaid pension contributions as per Section 61, explained above.

Questions: Questions on this policy may be directed to:

- Dwayne Cleave, Executive Director, Worker Benefit Plans at administratorlcc@lutheranchurch.ca or 1-1800-588-4226,ext.219
- Christine Bradley, Accounting Manager, Lutheran Church – Canada at accounting@lutheranchurch.ca or 1-800-588-4226.ext 218

Approved by the WBS Board of Directors:

Dated: January 1, 2016