

## Benefit Plans focus groups heard and heeded

After holding sixteen focus groups in seven cities in four weeks attended by almost 200 people, the Worker Benefit Plans’ “2010 Listening Tour” ended in Winnipeg, Tuesday, May 18 with two final meetings. Both Winnipeg groups included members and employers participating on line.

During the focus groups, Dwayne Cleave, executive director of Worker Benefit Plans (WBP) and Lutheran Church–Canada’s treasurer presented a report on the current state of the plans. Pension and benefits specialist Nancy Swerhun introduced proposals to make LCC’s pension plan, post-retirement benefits and permanent part-time benefits sustainable for both members and employers. LCC’s director of communications, Dr. Ian Adnams facilitated the discussions.

“This is the first full review of the pension plan since it began in 1989,” noted Mr. Cleave. “Based on what we have heard from members and employers, everyone is willing to work together to meet our current challenges.”

The financial meltdown in 2008 put the pension plan in a negative funding position which meant increased premiums for employers. During his presentation, Mr. Cleave reported that of 700 major pension plans surveyed by Mercer, a Calgary-based consulting group, 92 percent were in a similar under-funded position.

To help balance the funding of LCC’s pension plan, proposed plan designs presented to the focus groups included members making contributions in addition to those made by employers, as well as discontinuing the employer match on the Defined Contribution plan. The other alternative being considered is switching from a Defined Benefit to a Defined Contribution plan. Any change to the plan would not affect pensions earned-to-date by employees or those being paid to retirees.

Of more pressing concern was post-retirement benefits as the fund from which current retirees receive benefits is depleted and must receive support from all LCC employers. The focus group presentation noted that few churches or universities offer post-retirement medical and dental plans without contributions from the retirees. The proposals also suggested that current retirees and those who retire within the next two years continue receiving retiree benefits regardless of the changes that are made.

Prior to conducting the focus groups, the WBP Board of Managers conducted a survey of members and employers in November 2009 to gauge response to plan concepts such as cost sharing and premium levels. In January, the BOM brought together representatives of the plan to develop a strategy for future direction in plan design. On the basis of both the survey and the strategic planning session, Ms. Swerhun and WBP consultants Towers-Watson developed new pension and post-retirement benefit plan proposals.

“The goal of the focus groups was to present alternatives and listen to what members and employers had to say about them and contribute ideas,” explained Mr. Cleave. “We weren’t looking for consensus and we didn’t take any votes, but we heard some very helpful responses that will come into the discussion by the BOM when it has to make its recommendations to the Board of Directors.”

When the Board of Managers meets in June it will hear a report about the focus groups and consider what changes to the proposals best reflect a balance between the needs of members and the congregations, schools, institutions and organizations who employ them. The plan changes will come before LCC’s Board of Directors for final approval.