

## LCC Pension Plan Stable Despite CEF Troubles

**WINNIPEG**—LCC President Dr. Robert Bugbee wants Synod’s professional workers and employers to know that pensions are stable despite ongoing problems reported with the Church Extension Fund (CEF) in the Alberta-British Columbia District.

“I’ve asked leaders of the LCC Worker Benefit Plans (WBP), to summarize just where we stand on this matter,” Pastor Bugbee commented. “The insolvency of the ABC District and its CEF has caused confusion among some folks in the Synod who may fear for their pensions or for the pensions of pastors and deacons they’ve come to love. Questions have been raised, and I want to reassure people across the church in this important area.”

The following observations were provided by Dwayne Cleave, WBP Executive Director, and Dr. Dieter Kays, Chairman of the WBP Board of Managers:

- No LCC pension plan assets are invested in any Church Extension Fund; instead, defined benefit (DB) pension plan assets are invested according to a detailed policy statement. To be clear, a loan the Worker Benefit Plans once had from the ABC District CEF during the widespread solvency problem among pension plans in order to avoid sharp increases in employer contributions has been fully repaid; in other words, the WBP owes nothing to the ABC District;
- DB pension plan assets are allocated among four investment firms (TD Asset Management, 40%; Foyston, Gordon & Payne, 40%; Mawer Investments, 15%; Wellington Financial Fund IV, 5%);
- Monthly pension plan contributions collected by the LCC Worker Benefit Plans from employers and employees are promptly deposited with pension plan “custodians.” (Pension plan custodian for the DB Plan is CIBC Mellon; for the DC Plan it is SunLife Financial);
- Pension plan custodians monitor the frequency and level of contributions to ensure they meet all regulatory funding requirements;
- LCC as the overall plan sponsor maintains regular contact with the pension plan regulators; the regulators continue to express confidence in the administration and transparency of our plan;
- Worker Benefit Plans administration was transferred on January 1, 2015, to Ellement & Ellement Consulting of Winnipeg. This is expected to reduce operating costs without weakening customer service. Janice Otto, longtime co-worker in our WBP department, now works at Ellement & Ellement and continues as the primary contact on our accounts for workers and employers across LCC.

Dr. Kays noted, “Although we expect to send the comprehensive *2014 Worker Benefit Plan Annual Report* to employers and employees on schedule in early spring, we wanted to provide these assurances now to our people throughout the Synod.” Dwayne Cleave concluded by observing, “In fact, our Worker Benefit Plans – as a financial entity of LCC – are in a corporate structure separate from the ABC District, and are not affected by the CEF difficulties there in any way. I want to stress this particularly for our pastors, deacons and congregations in the provinces of Alberta and British Columbia.”

Further information on the Lutheran Church-Canada Worker Benefit Plans (WBP) for employers, workers and retirees can be found at [www.lccbenefts.ca](http://www.lccbenefts.ca).