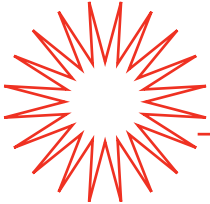




WBP News

WELLNESS • BENEFITS • PENSION

Information from Lutheran Church–Canada Worker Benefit Plans



WORKER BENEFIT PLANS' ADMINISTRATION TO BE OUTSOURCED

Special Edition Newsletters Will Assist Your Understanding

Effective January 1, 2015 administration of the Worker Benefit Plans will no longer be done within Lutheran Church–Canada. The administration of the Worker Benefit Plans which includes life, accident, health, and dental insurances along with the pension plan will be handled by Ellement Consulting out of Winnipeg, Manitoba.

This change has implications both for plan members and for employers; therefore we encourage you to familiarize yourself with the changes.

WHY THE CHANGE?

Over the last several years the



Worker Benefit Plans (WBP) have been focused on providing both affordable and valued pension and benefit plans that are sustainable over the long-term. Occurring at the same time but less visibly, the WBPs have undertaken many

administrative changes to deliver the plans competently in the most cost effective manner possible. We have had great success in reducing our costs as our operating budget has declined significantly over the last six years. We have, however, come to a point where we

see no further ability to reduce our administrative costs under our current structure. Employers, however, have continued to communicate to us the cost pressures they are under. To meet

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MANULIFE MAKES IMPROVEMENTS TO WEBSITE



Manulife has made a number of improvements to the Health eLinks part of the Manulife website that you may want to check out. The Health eLinks is Manulife's Health and Wellness resource centre. Health eLinks features a comprehensive

Health Risk Assessment (HRA), and provides self-service support for plan members wanting to improve their overall health. Manulife's website is at www.manulife.ca/planmember

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these challenges, we needed to consider alternative methods of delivering the pension and benefits programs.

As part of the Request for Proposal that was undertaken for a new Actuarial and Investment consultant the Board of Managers (BOM) of LCC's Worker Benefit Plans considered the possibility of outsourcing some of the internal

administration, if it could be done just as effectively at a lower price. Ellement Consulting presented a quote that demonstrated it would be more cost-effective and just as efficient to outsource the administration to them. We expect that overall we can lower our consulting and administration costs by more than \$200,000 per year by utilizing Ellement Consulting. While most of this is a saving on our consulting costs, we also will have some savings moving our administration.

HOW WAS ELLEMENT CONSULTING SELECTED?

As noted above, a Request for Proposal (RFP) was undertaken in order to reduce our operating costs. The RFP was sent to five potential service providers and all five responded to the RFP. Interviews were then conducted with four of the firms that responded. Selection criteria were based on cost, approach and fit (ability to provide all services/system capabilities), industry experience, depth of resources and transition plan. References were checked. Four recognized organizations that currently use Ellement Consulting unanimously provided positive references on their capabilities. Ultimately the BOM selected Ellement Consulting as they felt they were best able to meet our requirements at an affordable price.

PLEASE NOTE



The information on administrative outsourcing is being provided for information only and will not be effective until 2015.

Members and employers do not need to take any action on this change in 2014.



AS A MEMBER (OR RETIRED MEMBER) HOW WILL THIS CHANGE IMPACT ME?



Effective from January 1, 2015 you will contact Ellement Consulting for many of the things that you would have contacted Worker Benefit Plans for in the past. As well, Ellement Consulting may contact or send you material that would have, in the past, come from Worker Benefit Plans. **You should contact Ellement Consulting from January 1, 2015 forward for things such as the following:**

- Estimates of your Defined Benefit pension benefits on retirement.
- Information on your pension and other benefits in the event you terminate or retire from employment.
- Life events or changes in your personal circumstances (marriage, birth of children, address and e-mail changes, beneficiary changes, etc.) that affect your benefits or administration of your benefits.
- Information on your benefit deductions and costs/premiums including retiree benefits.
- Information on maternity leave, leaves of absences and disability and the treatment of benefits while on leave.
- Questions or issues arising out of the annual flexible benefits re-enrollment or annual pension statements.

WHO EXACTLY IS ELLEMENT CONSULTING?

Ellement Consulting is a Winnipeg based, employee-owned, actuarial consulting firm providing pension & insurance

actuarial, administration, and consulting services across Canada. The firm was founded in 1996.

AS AN EMPLOYER, HOW WILL THIS CHANGE IMPACT ME?



Just as members will receive material that would have in the past come from Worker Benefit Plans you will receive materials from Ellement Consulting. **You should contact Ellement Consulting from January 1, 2015 forward, for things such as the following:**

- Issues related to employer billings and payments.

- Informing them of new hires and members who terminate, retire, die or go on leave or disability.
- Providing information on members' salary changes.
- Updating employer contact information (e-mails, phone numbers etc.).
- Questions on tax reporting.

FURTHER COMMUNICATION

The question and answer sheet on page 4 answers some of the questions we anticipate we will get asked as a result of this change. As we get closer to January 1, 2015, when Ellement Consulting assumes responsibility for the day-to-day administration of the Worker Benefit Plans, we will provide you with further information on the changes. Included in this information will be a new toll free number that you can use to call Ellement Consulting. Stayed tuned for further information.

If you have questions or comments about this information, please e-mail one of the following contacts or call Worker Benefits Plan (WBP) at 1-800-588-4226 (toll free) at one of the extensions listed.

Dwayne Cleave	treasurer@lutheranchurch.ca	Extension 2219	Janice Otto	wbpinfojan@lutheranchurch.ca	Extension 2226
Cheryll Matthes	wbpbenefits@lutheranchurch.ca	Extension 2221	Nancy Swerhun	nswerhun@telus.net	1-403-278-7506

Contacting Sun Life

Phone: 1-866-733-8613 (toll free; 8:00 a.m. - 8:00 p.m. Eastern Time) Internet: www.sunlife.ca/member

WORKER BENEFIT PLANS OUTSOURCING – QUESTIONS AND ANSWERS

Q. What Worker Benefit Plans' work will remain with Lutheran Church–Canada and the Board of Managers?

A. The Board of Managers still maintains governance and oversight responsibilities for the Worker Benefit Plans including design and funding of the plans, oversight of the plans operations and the strategies employed. This includes the selection and termination of consultants and service providers that are used in carrying out the operation of the plans. The Director, Worker Benefit Plans will continue to manage the day-to-day operations and provide direction to Ellement Consulting. Communication to employers and members on plan funding, premiums and plan design will still be from or at the direction of the Director, Worker Benefit Plans. Design and maintenance of the Worker Benefit Plan website will also be retained by LCC.

Q. What will happen to the Worker Benefit Plans staff?

A. Cheryl Matthes will be retiring at the end of 2014 and Janice Otto has been offered a position with Ellement Consulting.

Q. As an employer I sometimes talk to Dwayne Cleave for advice on human resources matters

concerning the church. Do I now have to speak with Ellement Consulting?

A. That will depend. If it concerns administration of the pension and benefit plans then you should start first with discussing it with Ellement Consulting. If it is a particularly complex matter they will advise you to contact Dwayne. For other matters you can essentially call him for things that you would have called him on in the past.

Q. Do I call Ellement Consulting rather than Manulife if I have a health or dental question?

A. No, you should always call Manulife initially for any questions or issues you have on health and dental matters. If you cannot resolve the issue with Manulife you may call Ellement Consulting who, depending on the issue, may either assist in resolving the issue or advise you to contact Dwayne Cleave.

Q. Do I call Ellement Consulting rather than Sun Life on my DC pension plan?

A. No, you should always call Sun Life first on questions or issues you have concerning your DC plan. If Sun Life doesn't know the answer or cannot resolve the problem they will refer you to Ellement Consulting who, depending on the issue, may

either assist in resolving the issue or advise you to contact Dwayne Cleave.

Q. Besides who to contact for questions or issues will anything else change that will affect employers?

A. Yes, as Ellement Consulting takes over the administration they are analyzing what is being done to see if it can be done more effectively. As a result of this you may see some changes to the various reports you receive. For example, one item that is being reviewed is the Employer Billing Statement. Making changes with our current software provider is quite costly so some changes that we would have liked to have made were not done because of the cost. Ellement Consulting designs their own software programs using available systems such as Excel and Access. As a result, desired changes can more cost-effectively be implemented.

Q. Given that we will be saving some money, can we expect a decrease in service too, since these typically go hand-in-hand with outsourcings?

A. No, our expectation is that you will continue to receive the same good service that you currently receive but will have better reporting than you currently receive (see the prior question).