Canadian Christian School Pension Plan
Plan Highlights

- **Pension Formula**:
  1.90% x Five Year Final Average Earnings x Years of Eligible Service x either 1.00 (8.05% plan); *or* x 0.87 (7.00% plan) *or* x 0.69 (5.55% plan) = *annual pension benefit*.

  By law, the highest benefit payout factor is capped at 2.0%. The Canadian Christian School Pension Plan payout factor is **1.90%.**

  For example: If you have 30 years of service in the Plan and your five year final average earnings is $58,000, depending on which plan your school participated in, your annual pension benefit at age 65 would be:

8.05% Plan	1.9% x $58,000 x 30 =	**$33,060 annually for life**
7.00% Plan	1.9% x $58,000 x 26.10 =	$28,762 annually for life
5.55% Plan	1.9% x $58,000 x 20.70 =	$22,811 annually for life

  Therefore, assuming the 8.05% Plan, CPP (Canada Pension Plan) and OAS:

CSI Pension Plan	$33,060 annually	
CPP*	$10,905 annually	
OAS*	$ 6,204 annually	
Total Income	**$50,169 per year**	(*approximately 86% of your final year earnings*)

- **Pension Continues to Accrue during Disability**
  Effective September 1, 2014, pension benefits continue to accrue for a disabled participant, with no cost to the school nor to the disabled participant, as long as the participant is receiving disability benefits via the Christian Schools International long-term disability plan. This provision helps to guarantee that the disabled participant has a retirement benefit at age 65, when most LTD policies stop paying. **That's Community** – taking care of each other.

- **Early Retirement Benefit Subsidy**
  As of September 1, 2018, the unreduced retirement age will align with the normal retirement age of 65, regardless of years of service.

  Employees who retire before September 1, 2014 will be unaffected by this transition, and employees who retire on or after September 1, 2018 will have an unreduced retirement age of 65. For employees who retire during the transition period, the unreduced retirement age will change every year until 2018 as follows:

  - September 1, 2014 – age 61 with 10 years of service
  - September 1, 2015 – age 62 with 10 years of service
  - September 1, 2016 – age 63 with 10 years of service
  - September 1, 2017 – age 64 with 10 years of service
  - September 1, 2018 – age 65 (unreduced retirement age will equal normal retirement age)

For Example: Employees who have reached age 61 as of September 1, 2014, and who have ten years of service at retirement, will be able to receive an unreduced pension.

- **Eligibility**
  All full-time employees must participate in the Plan. Part-time employees must participate after completing one-year of employment in which they earned 35% of the Year's Maximum Pensionable Earnings (YMPE) in the prior year. (Manitoba does not have the one-year of employment requirement and requires 25% of YMPE for the current year.) Also, part-time employees with prior credits in the Plan must participate.

- **Vesting**
  Active participants are immediately 100% vested.

- **Contribution Rates**
  Chosen by the employer: 5.55%, 7% or 8.05% of wages. Both the employer and the employee contribute the chosen plan amount. For example: if the school chose the 7% plan, then the school would contribute 7% of the employees' salaries and the employees would also contribute 7% of their wages.

- **Surviving Spouse Benefits**:
  Numerous payout options for Retiree and spouse.

- **Minimizing Risk with a Defined Benefit Pension Plan**
  - Minimize Investment Risk **–** (1) the investment risk is shared amongst all of the participants; (2) pension participants don't have to worry about or attempt to manage the investments as they do in a RRSP type plan; and (3) all of the pension investments are overseen by a Board of Trustees (see below) and professional money managers.
  - Minimize Retirement Risk **–** when it comes time to retire, participants don't have to worry about the volatile investment markets and whether they can retire or not (recent example: 2008).
  - Minimize Longevity Risk **–** Retirees can be confident they won't out-live their retirement account!

- **Lower investment costs, higher returns with a Defined Benefit Pension**
  Studies continue to show that professionally managed Pension Plans have (1) significantly lower investment costs (economies of scale) and (2) corresponding higher returns than individual RRSP type plans.

- **Canadian Christian School Pension Plan Statistics**:
  - Started in 1943 - 70 years strong!
  - Over $260 million in plan assets
  - 3,600 active/inactive participants
  - 725 Retirees receiving benefits
  - A group of eight Trustees oversee the Plan (Four Trustees are **vested participants** in the Plan, i.e. principal, administrator, head of school, finance manager, or teacher. Four Trustees have been a Board Member at a member school.)

*CPP and OAS are estimates.

The above information is meant as brief highlights of the Plan. The Canadian Christian School Pension Plan Document and Summary Booklet (Summary Plan Description) are the documents that provide the official detail on the Canadian Christian School Pension Plan**. If questions of interpretation arise, *the Plan Document* is the final authority and governs the provisions of the Canadian Christian School Pension Plan & Trust Fund.** If you are interested in hearing more, please feel free to contact **Claire Larson** at 1-877-274-8796 ext 251; direct 616-284-3251; or CLarson@CSIonline.org.