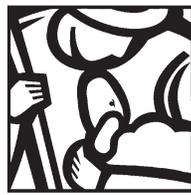
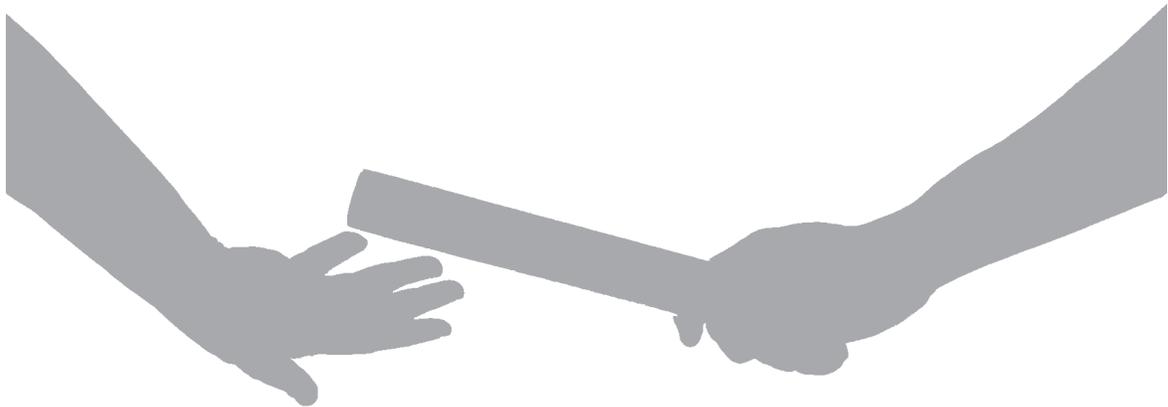


Closing Well— Continuing Strong

Walking with pastors during their transition
from ministry to retirement and beyond.



SUSTAINING
Pastoral
EXCELLENCE

Grand Rapids, Michigan

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We welcome your comments. Call us at 1-877-279-9994 X0805 or e-mail us at pastoralexcellence@crcna.org.

www.crcna.org/pastoralexcellence

A note to the reader

This training tool was published in 2006. At that time the information in it was current. However, as we all know, as soon as something is in print it can quickly become outdated. This is true for the information on the CRCNA Ministers' Pension Plan (pages 45 – 68) and the Consolidated Group Insurance – Retiree Dental, Life, & Medical Benefits (pages 69 – 74).

For current information on the Pension Plan, please contact the Ministers' Pension office at pension@crcna.org or 616-224-0722 (877-279-9994 X2722 toll free). You can also visit the website at www.crcna.org/pension .

For current information on Reformed Benefits—previously called Consolidated Group Insurance—please contact the Reformed Benefits Association office at benefits@crcna.org or 616-224-5881 (800-701-8992 toll free). You can also visit the website at <http://www.crcna.org/resources/church-resources/church-benefits-plan-cgi-consolidated-group-insurance/church-benefits>.

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How to Use This Training Tool

This booklet is a training tool for use by pastors and their spouses as they plan for and enter retirement. It can be used in a variety of ways:

- As a guide for a pastor and spouse
- As a guide for a peer group of pastors, including spouses at key junctures
- As a help for church councils (especially chapter 4) to explore ways in which the pastor, council, and congregation can be part of planning for the pastor's end of ministry and retirement.

At the end of each chapter there is a section of reflections and a list of possible next steps. These are designed to help those who use this book to make the process of retirement planning their own. Again, depending on the way this training tool is used, as a couple or a peer group, this format encourages different options for addressing retirement planning.

The final chapter, "So Your Pastor Will Retire", was written with the knowledge that a pastor's retirement not only affects the pastor and pastor's spouse but also the congregation where the pastor is serving. If pastor, spouse, and congregation are part of the retirement process, it can facilitate a time of celebrating the years together and planning for the future of all involved.

Collaborators

This training tool is a publication of the Sustaining Pastoral Excellence (SPE) initiative of the Christian Reformed Church in North America (CRCNA). The team responsible for putting together this booklet includes Henry Admiraal, pastor of Westend CRC in Grand Rapids; Ed Blankespoor, pastor of Beckwith Hills CRC in Grand Rapids; Ecko De Vries, pastor of Alger Park CRC in Grand Rapids; Carl Kammeraad, pastor of Seymour CRC in Grand Rapids; Ron Peterson, retired pastor in the CRC; John Steigenga, pastor of La Grave Avenue CRC in Grand Rapids; and Duane Visser, director of Pastor-Church Relations of the CRC. Rev. Louis Tamminga, a retired CRC pastor, graciously edited this material, and Rev. David Rich, a retired pastor in the Presbyterian Church-USA, served as a consultant.

Introduction

Everyone finds endings difficult, so your own style is not a sign that you have some “problem” that others don’t have . . .

However you have learned to deal with them, endings are the first phase of transition. The second phase is a time of lostness and emptiness before “life” resumes an intelligible pattern and direction, while the third phase is beginning anew.

(Transitions: Making Sense of Life’s Changes by William Bridges, p. 17)

In 2004, a group of Christian Reformed Church (CRC) pastors—the collaborators on this training tool—began meeting together to discuss the final years of ministry and retirement plans. Because the denomination did not have programs beyond pension board financial details for retirement planning, this group not only wanted to meet for their own benefit but also to develop a model for other CRC pastors and spouses to consider. This peer group met with the support of a grant from the Sustaining Pastoral Excellence project of the CRC. As part of this process, the group sought the assistance of Rev. David Rich, a retired Presbyterian (PCUSA) pastor, who had extensive experience in leading seminars on retirement for pastors and spouses. The pastors met at least monthly for one year, and at key times in the process their spouses joined them for more extensive meetings.

Throughout the time together, there were several significant discoveries that the peer group members describe in this training tool. On a more general level, there were some key issues with which they dealt:

First, planning for the final years of ministry and retirement happens best in some form of community. This definitely includes the pastor’s spouse whose concerns may or may not differ from the pastor’s. The process was an opportunity to reveal any concerns and work toward consensus. The group also discovered that planned conversations with other pastors and pastor couples were beneficial. Through such discussions, participants gained greater insight, compared their concerns, and encouraged one another.

Second, one of the key components of moving into retirement is being intentional about the final years of ministry. As William Bridges notes in the above quote, “endings are the first phase of transition.” It is important to take the time and effort to go through the process of ending well. This includes farewells, reminisces, and working with a council and/or congregation to have a clear trajectory for the final phase of ministry. This is often the most challenging and rewarding task of the transition from fulltime ministry to retirement.

Finally, the practical issues of government programs (such as Social Security and Medicare in the United States and the Canada Pension Plan and Old Age Security in Canada) and denominational pension and health insurance programs are often not understood and thus cause much anxiety.

This training tool attempts to provide various resources to deal with the broader retirement process, and we pray that it will help you.

Chapter 1

Concluding Full Time Ministry

....thinking of retirement

You may not remember when it happened, but there was that first time when it entered your mind: *I am moving closer to retirement*. You may have dismissed the thought, but the months moved on...another year. Then came the date when you and your spouse mentioned the word *retirement*, and you began to talk about it now and then.

This training tool is meant to accompany you through:

- the steps of thinking and planning for retirement from fulltime ministry
- the transition period that is concluded by your actual farewell
- life in retirement.

In addition, a chapter is added for the benefit of your council because its members need to be part of the process.

A note to those of you who are married: As you take these steps, be sure that you and your spouse function as partners. So many decisions need to be made that will affect your retirement years; making them together will assure a common ownership and will add to your happiness. Because it is so difficult, the first thing to discuss and decide is the date of retirement.

The need for planning

Planning does not just happen. You must make a conscience decision to do it. You and your spouse have to commit yourselves to give this your best attention and effort. You will never regret that you did. Planning has many benefits. It will help you to conclude the ministry well, which will not only benefit your congregation spiritually, but it will also add to the quality of the memories you have of your ministry. These good memories, in turn, contribute to good health.

Take enough time for the several steps that go into the important process of preparing for your retirement. How much time is enough? Several years; three is minimum, and five might even be better. You and your congregation will not regret that you took that much time.

An ample planning season has at least three important advantages:

- It will have a very beneficial effect on the quality of the last few years of your ministry.
- It will help you and your congregation set the right course for the future.
- It will enable you and your church to think of the remaining years of your ministry as a *term call*. A term call makes the length of your remaining time with the congregation clearly known and understood. You and your congregation are thus in a favorable position to renegotiate the various components of your actual ministry during that time. More about that will be given in the next sections.

Reflecting on your ministry

Your having made the decision to retire from active ministry begins a time in your life when you should sit back and do some thinking. You may consider matters such as:

- what your ministry has been like all these years
- what habits and patterns you have developed
- what places you have been
- what some of your earlier ideals were that perhaps were not fully realized
- what interests you had that perhaps were not fully pursued
- what ministry areas you had that you excelled in
- what studies you engaged in with good results for teaching and preaching
- what reading habits you developed
- what aspects of your ministry proved to be particularly rewarding
- what role you played as a spouse and/or parent (if applicable)

By all means, seek the input of your spouse and perhaps your children. You may even wish to seek the input of trusted colleagues who witnessed parts of your ministry. Write down what you find; discuss them together; do not let negative observations get you down. Reviewing one's life and career may lead to promising results. Some of your conclusions may still enrich the remaining years of your ministry, and they may help you in setting the direction for your retirement years.

The concluding years: Shaping your ministry

It is important that your current church council becomes a partner with you in considering the direction of the remaining years of your pastorate. The implications of a *term call* are very apropos here. How can this clearly delineated period of your ministry become maximized to the benefit of both you and your church? Together you may outline the needs of the church at this time in its history. How can your gifts, skills, and interests be put to the best possible use? You may agree to assume some new ministry obligations and discontinue others. Your council may then want to recruit qualified volunteers to round out the overall ministry program.

You and your council should appoint a small planning committee (see page 40), consisting of perhaps three or four persons, and together you can set goals for the remaining years and produce a blueprint that your council and the congregation may consider to be profitable.

Together you may review the entire program of the church, adding some parts, dropping others, and perhaps modifying still others. Sharing and discussing this with the congregation in a town-hall meeting may invigorate church life.

Your health

Even under the best of circumstances, this last stretch of your ministry will be a demanding one. This may be a good juncture in your life to strive for optimum health.

Is your *physical health* as good as it can be? You would do well to arrange with your physician to have a complete physical. Discuss your lifestyle with him or her and see where improvements can be made. A good diet and a regimen of physical exercises can be of great help in your feeling well, and that, in turn, will enable you to work with joy and energy.

Of great importance is your *spiritual health*. The ministry is not without its spiritual pitfalls. Your Bible reading has often been geared to finding material on which to preach. You have involuntarily set aside some of the finest passages of the Bible to read at sickbeds or to those who are sorrowing.

You may now intentionally embark on reading the Bible, or other devotional literature, for no other reason than to nurture your soul. You have said many prayers in your capacity as pastor. Now concentrate on personal prayers.

Closely linked to your physical and spiritual health is your *mental and emotional health*. Health that is not up to par will affect the ministry negatively, producing a feeling of listlessness and tiredness to the degree that problems remain unaddressed. You may even feel distant from the congregation. If negative emotions such as depression, sadness, fear, or anger frequently trouble you, you need to discover their causes. You may need to talk about such feelings and how they affect you and your work with a trained counselor. A lack of acceptable performance will probably create guilt feelings that in turn become their own obstacles to spiritual replenishment.

You would do well to register for a spiritual retreat exclusively for your own benefit. Let a spiritual director help you recapture what once were strong spiritual patterns in your life. Commit yourself to a prayer and Bible reading regimen that will replenish your spiritual reservoirs.

John and Mary, both in their early sixties, and thinking now and then of the reality of retirement, discussed one day what concrete steps they could take toward guarding their health. They agreed to engage in the following exercise:

- pinpoint their present health inadequacies
- explore ways of dealing with them
- outline steps toward health improvement such as diet and exercise
- read and rewrite personal comments and insights daily for one week
- exchange written reflection, read, and ponder
- sit down for a discussion and agree on a healthy lifestyle for themselves
- pledge to discuss health issues periodically and review lifestyle

Your finances

One great benefit of planning your retirement four or five years before your final farewell is that you increase the time to do additional financial planning and management. It is crucial that you have clear and accurate information about your current financial situation and your goals for retirement needs.

It might be helpful to consult a financial planner and allow him or her to see a clear overview of your situation. Here, too, your spouse should be involved as much as possible.

Though this is not the time to make definite arrangements with the denomination's *retirement office* (877-279-9994) it is not too early to find out approximately how much income you would derive from that source. (See the information regarding the Minister's Pension Plan in the appendices.) The same holds for *Social Security (US)*, *Canada Pension Plan* and *Old Age Security (Canada)*. You will find the officials in your nearest office to be helpful in giving you calculated estimates. All offices are in a position to quote approximate amounts of payment you may expect.

If your health insurance is with the denomination's Consolidated Group plan, the Personal Office (800-701-8992) is willing to answer any questions you may have about health insurance provisions for retired pastors. (See information regarding Consolidated Group Insurance, for Canada and the US, in the appendices.) If your health insurance is with another plan, you will need to contact that provider with your questions.

If you have not already made a decision regarding *housing*, please give it much thought. There may be some knowledgeable members, retired pastors, or financial planners in your congregation who can advise you. A number of possibilities may be considered. In the next chapter, we will return to that concern.

Where to live - some factors to consider

- **Place:** hominess
- **Continuity:** balancing the familiar and the novel
- **Comfort:** adequate facilities and services
- **Climate:** average temperatures, humidity
- **Affordability:** fits the budget
- **Proximity:** near enough to family and friends
- **Transportation:** proximity to public facilities
- **Relationships:** compatible people
- **Medical:** adequate for personal needs
- **Work after retirement:** outlets for your skills and interests
- **Church:** edifying worship and opportunities for participation
- **Culture:** artistic and intellectual needs
- **Variety:** choice; intergenerational needs
- **Keeping fit:** opportunities for sport and exercises
- **Staying put:** right fit of community and church

Exploring Retirement Issues

David C. Rich

Philadelphia, 2005

Basic steps of financial planning

1. Identifying retirement expenses

Which expenses will decrease in retirement?

- | | |
|----|----|
| 1. | 4. |
| 2. | 5. |
| 3. | 6. |

Which expenses will increase in retirement?

- | | |
|----|----|
| 1. | 4. |
| 2. | 5. |
| 3. | 6. |

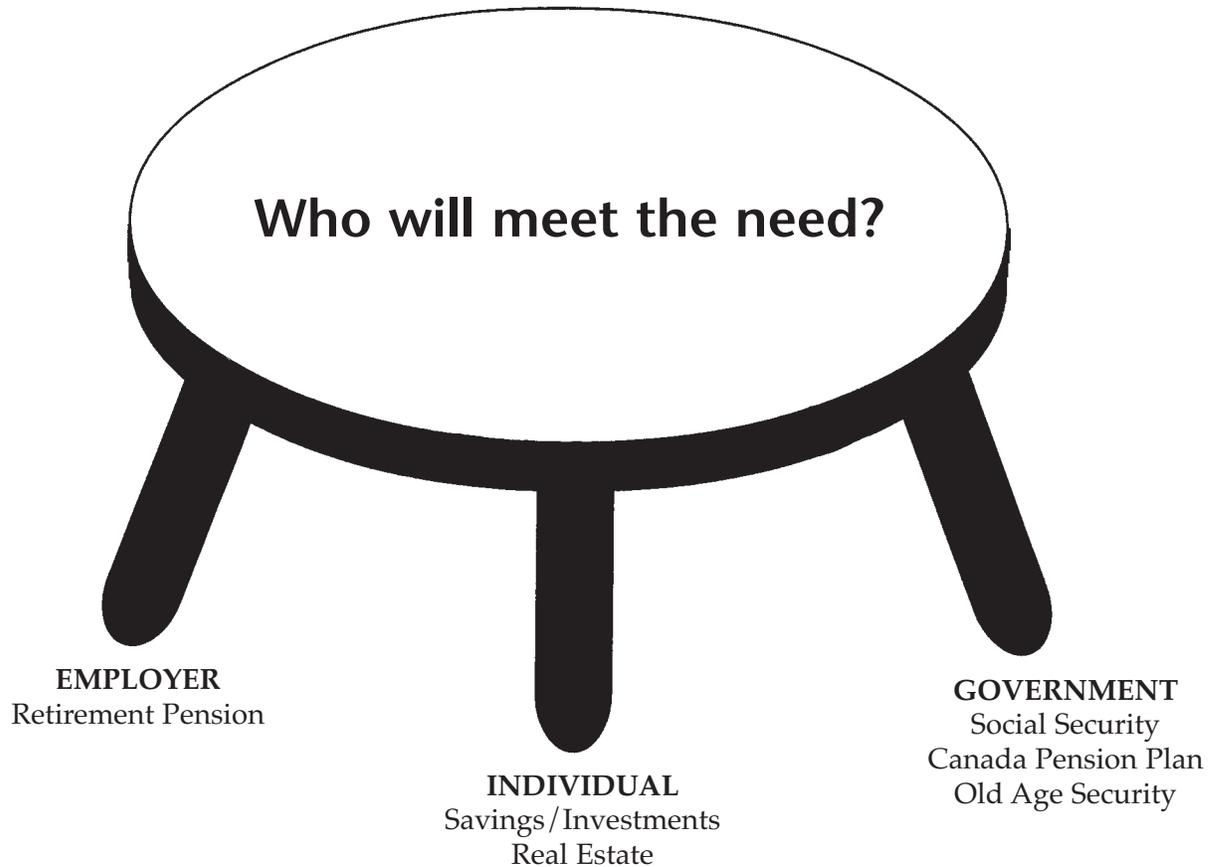
Closing Well—Continuing Strong

According to a traditional rule of thumb, you will likely need 80 percent of your former gross income to maintain your current lifestyle in retirement.

	Current Annual Expenses	Estimated Retirement Annual Expenses		Current Annual Expenses	Estimated Retirement Annual Expenses
Insurance			Contributions/Tithe	\$_____	\$_____
Automobile	\$_____	\$_____	Savings/Investments	_____	_____
Home	_____	_____	Housing		
Life	_____	_____	Mortgage	_____	_____
Disability	_____	_____	Rent	_____	_____
Medical	_____	_____	Common Charges	_____	_____
Long Term Care	_____	_____	Maintenance/Repairs	_____	_____
Other	_____	_____	Furnishings	_____	_____
Taxes			Utilities		
Real Estate	_____	_____	Water	_____	_____
State	_____	_____	Gas	_____	_____
Federal	_____	_____	Electric	_____	_____
Automobile	_____	_____	Telephone	_____	_____
Other	_____	_____	Cable	_____	_____
Social Security	_____	_____	Waste Removal	_____	_____
Medical	_____	_____	Food	_____	_____
Doctor	_____	_____	Automobile	_____	_____
Dental	_____	_____	Payments	_____	_____
Prescriptions	_____	_____	Repairs	_____	_____
Eye Care	_____	_____	Gas/Oil	_____	_____
Gifts	_____	_____	Maintenance	_____	_____
Vacation/Travel	_____	_____	Clothes	_____	_____
Education			Laundry/Cleaning	_____	_____
(Adult/Children)	_____	_____	Entertainment	_____	_____
Subscriptions	_____	_____	Debt Reduction		
Other	_____	_____	Credit Card	_____	_____
			Student Loan	_____	_____
			Total	\$_____	\$_____

2. Identifying retirement income

The Three-Legged Stool

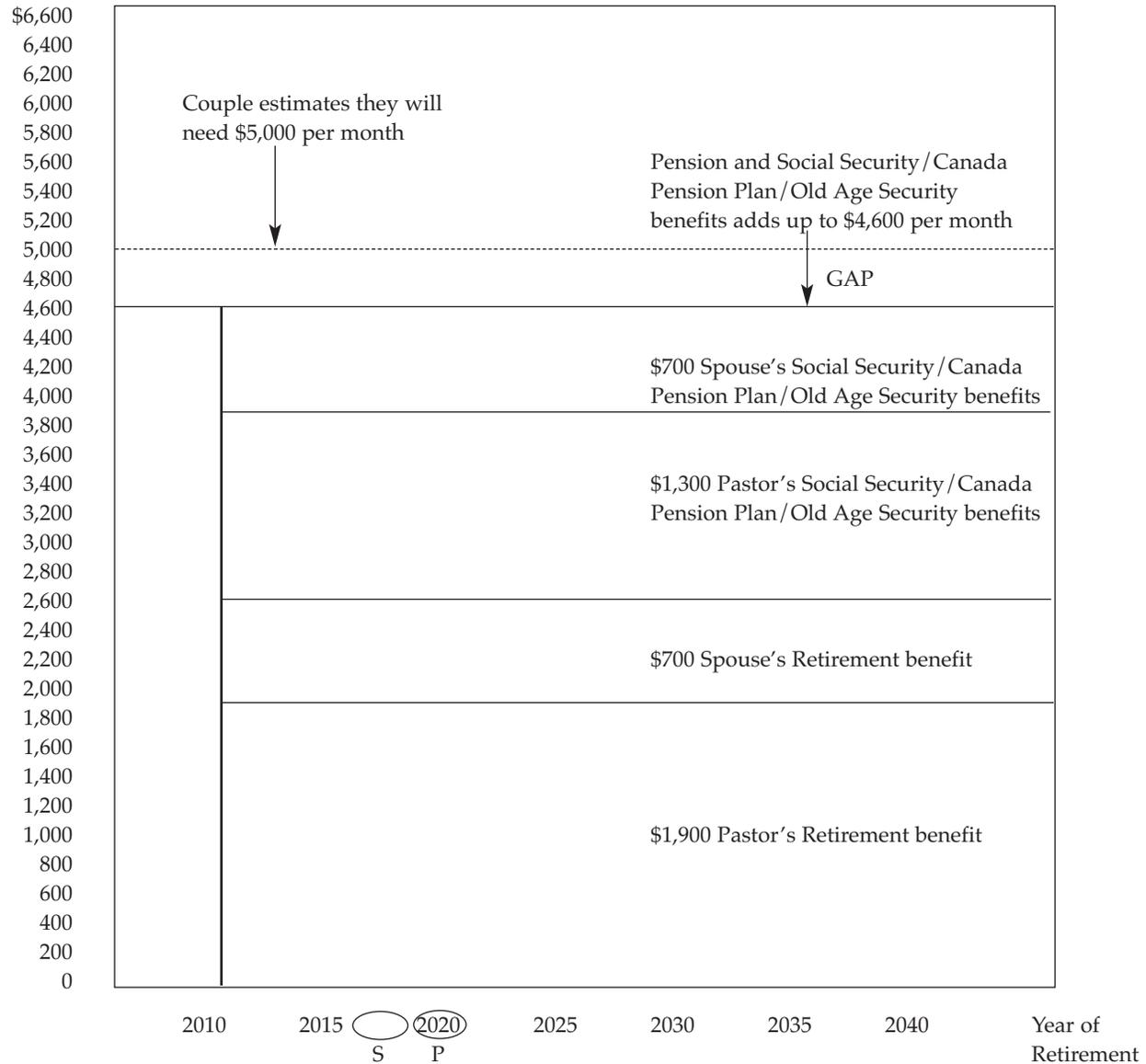


- A balance can be achieved only by using each leg of the stool.
- A loss of the support from any one of the three legs creates an imbalance.
- The individual's responsibility in utilizing his or her own resources is essential in making the stool balance.

3. Determining need for additional savings and investments

Example – Income Profile for a Couple

Monthly
Income



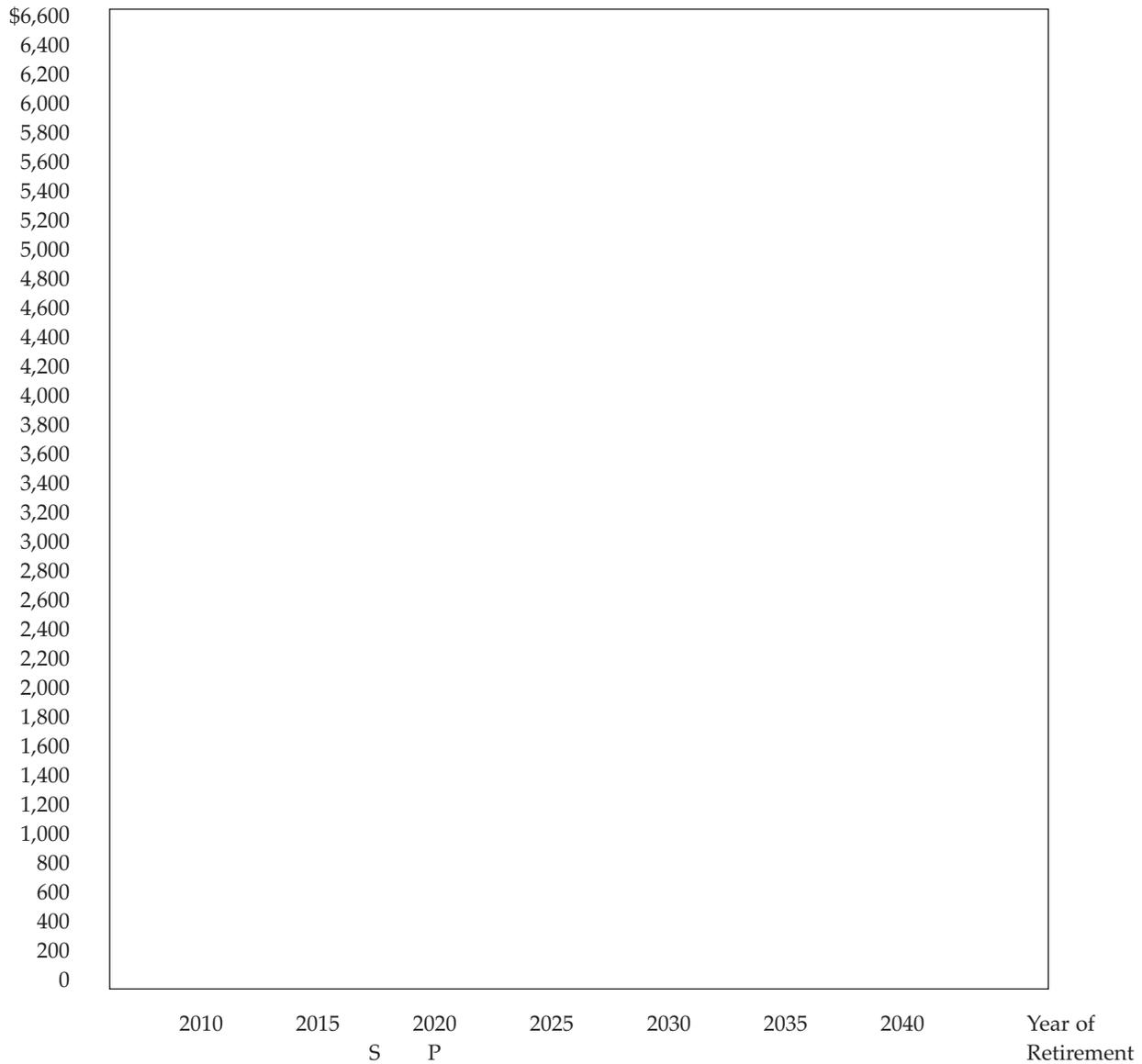
Circle year of retirement for both the pastor and the spouse.

Supplemental income needed as a couple: \$33.33 per month

Concluding Full Time Ministry

Worksheet – Income Profile for a Couple

Monthly
Income



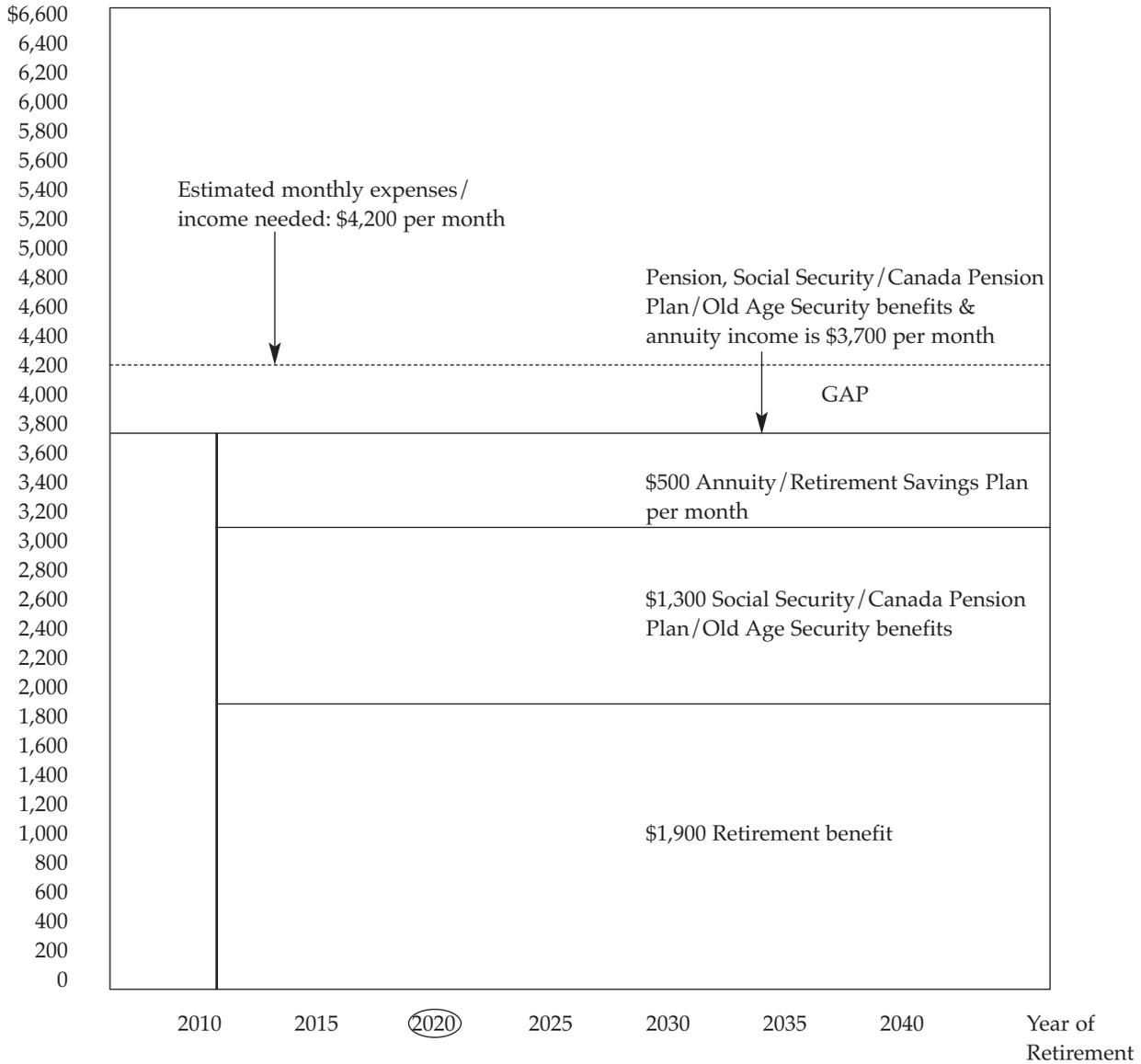
Circle year of retirement for both the pastor and the spouse.

Supplemental income needed (if any) as a couple: \$_____ per month

Budget _____ Fixed _____ Variable _____

Example – Income Profile for a Single Person

Monthly
Income



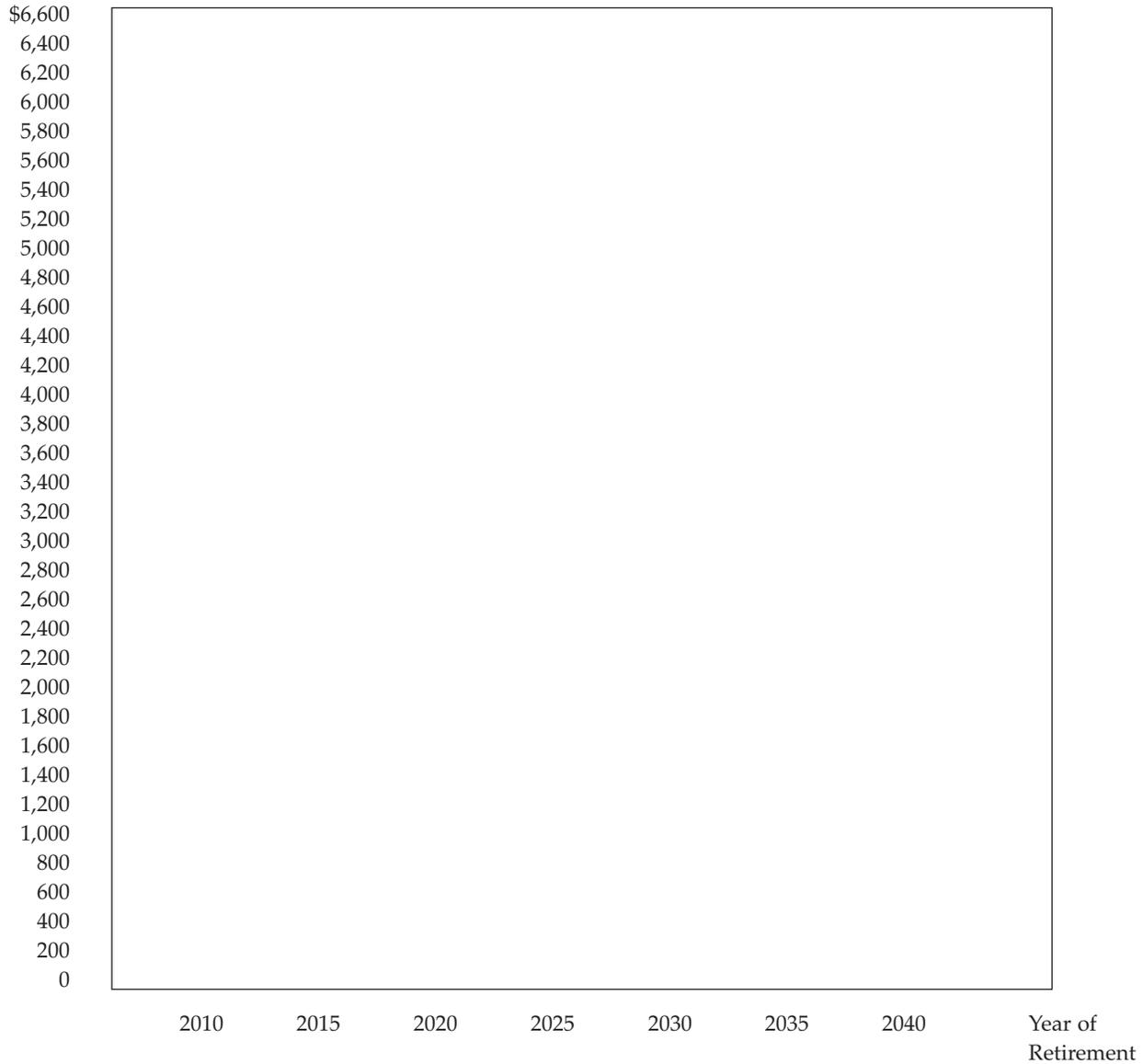
Circle year of retirement for the pastor.

Supplemental income needed: \$41.67 per month

Concluding Full Time Ministry

Worksheet – Income Profile for a Single Person

Monthly
Income



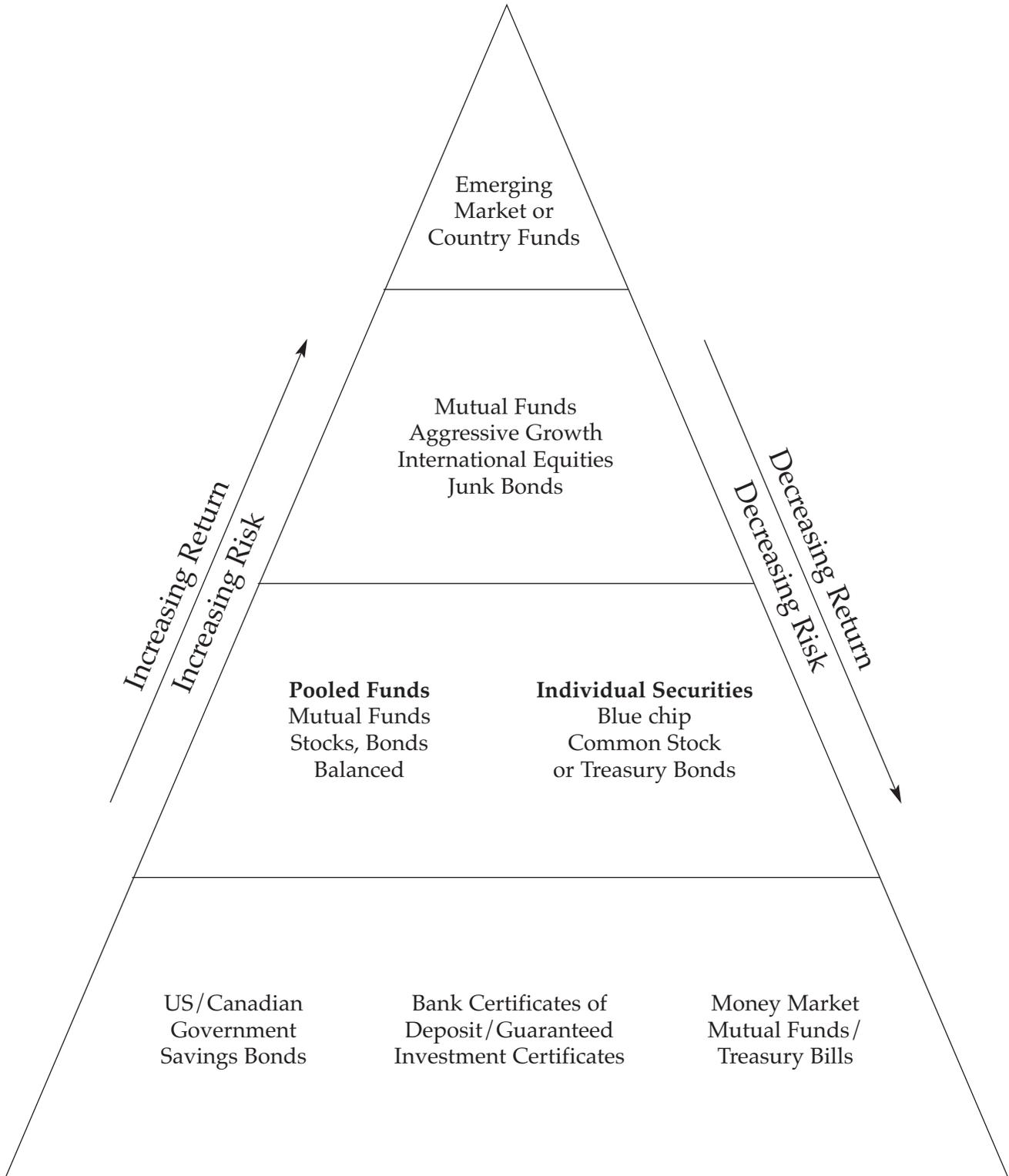
Circle year of retirement for the pastor.

Supplemental income needed (if any): \$ _____ per month

Budget _____ Fixed _____ Variable _____

The financial pyramid

Many people who are trying to achieve a financial goal are tempted to invest money in inappropriate investments for their situation. Priorities should be established in which you have completed the base of the pyramid before moving to the next level.



REFLECTIONS

- 1) Consider the length of service in your present church. Will that have a bearing on how long you will want the concluding chapter in this church to be?
- 2) How do you feel about your financial management during the years of ministry? Do you have regrets? How does your spouse feel?
- 3) What are your spouse's observations regarding your physical, emotional, and spiritual health?
- 4) Do you have ministry tasks that you would like other leaders in the church to take over from you? Do you have certain professional strengths that are presently not put to good use? Which facets of your ministry have you found most rewarding?

NEXT STEPS

- 1) Sketch a broad timetable of meetings you need to have with your council and planning committee (see page 40) to implement the suggestions in this chapter that you have found to be practical.
- 2) Make a list of things that you think need your attention before your retirement begins.
- 3) Describe significant changes in your life such as taking a call to another church, relocating to another city, family changes, sabbaticals, and so forth. Identify the three-step process: ending one stage, the actual transition period, and welcoming a new situation. How did those changes affect you? Write down how those experiences may help you in preparing for the upcoming changes connected with your retirement.
- 4) Visit with a retired couple and discuss the implications of retirement transitions. What procedures did they find helpful or difficult? You may also consult with other pastor couples whose retirement is close at hand.
- 5) Attend a conference that focuses on issues that are unique to the concluding years of active ministry. Check the conference offerings at the *Alban Institute* www.alban.org.
- 6) It is not too early to seek out a financial planner who will help you to clarify your financial picture for the future. Some offer fee-based services while others do not charge a fee but receive their compensation from companies whose products (i.e., long-term insurance policies or investments) they either sell to you or manage for you.

Chapter 2

Making the Transition

. . . finishing strong, ending well

You have gone through the important process of deciding to retire from the ministry. That was a huge step! It has taken much careful thought, serious discussion with your spouse and others, and heartfelt prayer before the Lord. You, together with others, are now ready to implement that decision. This chapter is meant to accompany you in imagining what your retirement may look like.

Most of the suggestions spelled out in chapter 1 hold also for this period. However, now they are a bit more pressing. The calendar does not lie. Your exit date will soon be here.

Here are some realities that you may come to face as you think of closing one chapter of life and anticipate opening another:

First, you will have moments of fear. Your working years sped by all too quickly. None of us comes to terms with our mortality without some struggle. You may find some of the retirement procedures scary. Tending to your spiritual health is now more important than ever. You will also profit from carefully planning the necessary steps toward retirement.

Second, it will occur to you now and then that you will probably not be present in your church to witness the fruits of your last chapter of ministry. You will be human enough to be tempted to take it a bit easier from now to the finish line. It takes intentional discipline to maintain high standards for the remaining season of ministry. You will not regret it. Only by finishing strong can you finish well.

Third, you may find that the concluding months in your church are more demanding than you would ever have imagined. Roy M. Oswald of the Alban Institute gave encouraging advice in his book, *Running Through the Thistles* (see the bibliography). Children on their way to school availed themselves to a great shortcut but at the price of traversing a swath of prickly thistles. The best way to do it was to be brave and run straight through it. You will have to go through stages of the retirement process that you may find painful. Face them head-on without undue delay. You may wish to consult the section on maintaining your physical, spiritual, and emotional health in chapter 1 once more. Careful planning will prove to be very profitable in this respect too.

The shape of your last year

In chapter 1, we discussed briefly how you might best shape the ministry during your concluding years. Now that actual retirement is only one year or less away, this concern causes more pressure. A few additional comments may be helpful. Typically, you will continue to do the regular ministerial tasks: preaching, teaching, pastoral work, weddings and funerals, and attending necessary meetings. This is a good time for you and the council to consider if there are certain areas they would like you to emphasize in your preaching. Examples of areas of emphasis are: greater congregational unity, stronger lay leadership, affirmation of what the church has accomplished, a vision for community ministry, and so forth.

The Reality of Diminishment

We ought to begin by acknowledging that physical diminishment in aging is real.

...With retirement there often comes a crisis of identity. We who have always been at the center of the life of the church, will no longer have the same kind of influence. A change in our role may look very appealing at times, but many of us will experience stepping back as a significant loss...

I am not saying that diminishment is all there is to aging. Nor am I saying that there are not many myths about the aging process that ought to be demolished. What I am saying is that for most of us there will be a gradual stripping away. We ought not to live in denial of the pain of these losses nor miss the chance to grieve them.

But more significantly, and I suppose paradoxically, we ought not to miss the chance to grow through them. The diminishments experienced in the process of aging can become the occasion for wonderful spiritual growth.

Here then is the wonderful principle: spiritual growth, our participation in the values and challenges and delights in the Kingdom, our relationship to God, are not circumstantial. These things of eternal significance are not negatively impacted by diminishment. In fact, paradoxically, these things of eternal significance actually may be aided by diminishment. When in the aging process things are stripped away in diminishment and loss, can't we find in that pain and grief a fresh focus on the treasure of Christ?

From: *The Paradoxes on the Autumn Journey*, Philip De Jonge

In addition to certain emphases in preaching, you may ask the council whether they can think of an area of church life in which you could give increased guidance. They may mention concerns such as ministry to young families, to single parents, and to youth; community outreach; and the administrative and organizational structure of the church, among others.

In chapter 1, it was also mentioned that you and your council may consider discontinuing certain activities and assuming others that are more in keeping with your interests and gifts. Is the climate suitable to pursue this? Now may also be the time for volunteers to be appointed to make this possible. Such a review might lead to your dropping and modifying certain program details, adding others, and modifying still others. Finally, consider the possibility of planning a series of sermons that are not only designed to prepare the congregation for change but also to meet personal spiritual needs that you feel still prevail.

Your goal should be to leave the church so that it will move forward after you retire rather than tread water or flounder. However, be careful that you do not fall into the trap of pushing your own agenda and that you do not *tie the hands* of your successor.

Closer to the date of your retirement, your council should schedule a series of exit interviews with you. For details see chapter 4.

Expressing gratitude, clearing the slate

Gratitude should be expressed sincerely. Remain true to yourself, your Lord, and your flock. You need to assess your relationship with the congregation. Do you have regrets for not having given the ministry your all or for not having availed yourself of promising opportunities? Ponder those regrets and then lay them before God in prayer and seek his forgiveness. Never let forgiven sins haunt you.

The farewell service is a suitable platform for thanking the congregation. Prepare these remarks carefully. Ask yourself:

- Deep down what have these people come to mean to me?
- What manner of loyalty did they show me?
- In what ways did they respond to my ministry?
- What acts of kindness did they show to me and my family?
- How did they support me with their resources—both spiritually and materially?
- What did they come to mean to me when I saw their uplifted faces week after week in the worship service?
- How did they help me grow and develop?

You may wish to reflect on all of these precious realities in your remarks of gratitude to the congregation.

Should you thank individual members to whom you owe much? Yes, but not in the worship service. See them privately, which will enable you to be specific. Do not hesitate to spell out

in the ways in which they blessed you. Express your appreciation. Assure them of your friendship. Trust them to be discreet with what you entrusted to them. Among them may be some who are not members of your congregation. Give this careful thought. Consult your spouse. You do not want to overlook anyone.

There may have been members in your congregation who, as far as you could see, opposed your ministry or who may have even wronged you. If you think that these offenses were serious, try to talk things over with them individually. Be honest, but also be charitable. Let it be apparent that you seek healing for broken relationships. Be quick to forgive even when confessions are not exuberant. Do not nurse your anger or old grudges. Give assurances of your goodwill. Be prepared to leave some imperfect situations and even unsolved problems in the hands of God. Remember, pastors who voice grudges in their farewell sermons invariably come to regret it.

Concluding financial arrangements

Now that the decision to retire has been made, there are some specific steps you need to take before the time actually comes when you go from receiving a regular paycheck to receiving Social Security and pension checks (for those pastors who have served all or part of their ministry in the United States). You will need to contact the *Social Security office* and the *CRC retirement office* in order to familiarize yourself with the application processes. These offices will gladly explain the details of your projected income and the documents they require, such as birth certificates, military service records, and proof of citizenship. They will also provide you with a booklet containing the information you need. If your spouse is also retiring, you may wish to make those contacts together. Some of the paperwork involved in all this may be more time consuming than you had expected. *You need to take all these steps at least four months before your retirement date.*

Pastors who have served all or part of their ministry years in Canada may follow similar patterns through local offices of *Human Resources and Social Development* (see their Web site for a local office: <http://www.hrsdc.gc.ca/en/home.shtml> or your local phone directory/blue pages) to arrange for their *Old Age Security (OAS)* and *Canada Pension Plan (CPP)* benefits.

In chapter 4, which addresses your council, some details are spelled out regarding the involvement of classis in these retirement proceedings. For example, it is necessary to receive approval of your planned retirement from your council *and* classis before your pension payments can begin.

By this time, you will probably have consulted a financial adviser. Do not underestimate the importance of this step. An adviser can probably also inform you about tax matters. Retirement has important implications for your tax obligations for the years ahead. Your financial adviser will also assist you in determining the best way to utilize your savings and/or investment and life insurance(s) income.

The personal office of the CRCNA will be happy to advise you in matters of *health insurance*. (See information regarding Consolidated Group Insurance, for Canada and the US, in the appendices.) This, too, requires some administrative provisions. Some pastor couples have acquired *long-term health-care insurance*. You may wish to research this. The rates are high, but benefits could be considerable.

Planning the farewell ceremonies

Two events loom prominently among those connected with your retirement: *the farewell church service* and the *congregational farewell event*.

Undoubtedly you will play a key role in arranging the *farewell church service*.

Plan it carefully. Arrange with the council to appoint a planning committee (see page 40) to assist you. You and the committee members will brainstorm as to which elements should be in the order of worship. You may consider alerting the classical committee to the occasion and ask them to delegate someone who will speak some fitting farewell words on behalf of classis. Do not postpone writ-

ing your sermon for that special service. Musical contributions and liturgical elements also need to be planned carefully and well ahead of time.

Thinking of your successor

Your council (and even your congregation) may have given the matter of a successor a bit more attention than you have. Deep down, this may make you feel a bit sad; however, the reality is that someone will succeed you, and council should take steps to set the process in motion. Churches are less in a hurry to fill vacancies today than they were a generation ago, which is for the better. Congregations may be well advised to do without a regular pastor for some time. That way, the congregation can take its time to adjust to your absence and to plan for its future.

You should not seek to become part of the succession process, but you need not be totally indifferent toward it either. If those in charge of the calling process ask you for information or advice, be modest in your answers because they are not accountable to you and they owe you no explanations. Avoid giving the impression that you are a leading participant in the process.

Your council may also use this time in your church's life to do some ministry planning and goal setting as a preparatory part of the calling process. Again, they may consult you, and you may have some good advice to offer. Be a very modest player in that process; do not influence it unduly.

You may have accumulated several files that have facilitated your work in your current pastorate. Much of their content may relate to your personal ministry activities. However, as you go through your files, you may come across information that may be useful to your successor (such as minutes of board and committee meetings and names of various officials in church life). You or your church may also have had helpful contacts with community leaders, or perhaps you had assumed duties in the broader community. Your successor may find it very helpful to inherit your records.

Ongoing relationship with your present church

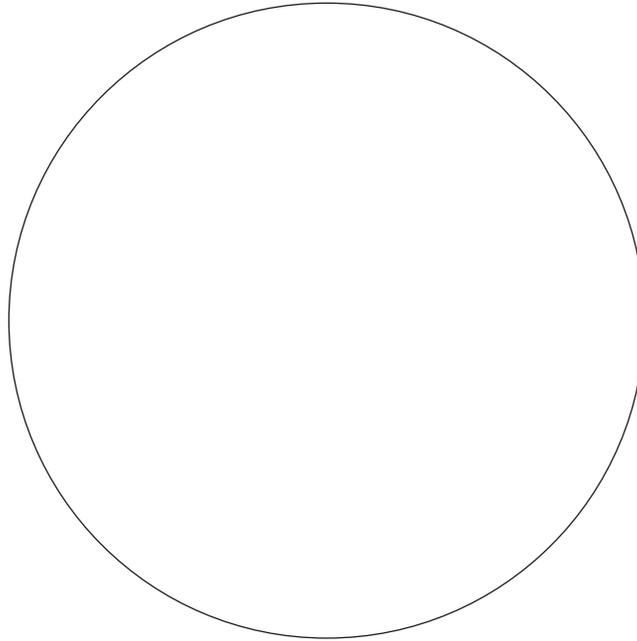
During this last chapter of your ministry, you and your spouse will have come to a more or less tentative agreement concerning where you will attend church during your retirement years. Some church members may even carefully inquire about where you will be attending.

Basically, there are two possibilities. If you move some distance away, you will transfer to the church you wish to join there. If you stay in the area, you may wish to join a neighboring church if there is one nearby. It is not in the best interest of you and your spouse, the congregation, nor the next pastor to remain a member in your last church. The succeeding pastor may not always feel relaxed working in his or her predecessor's presence.

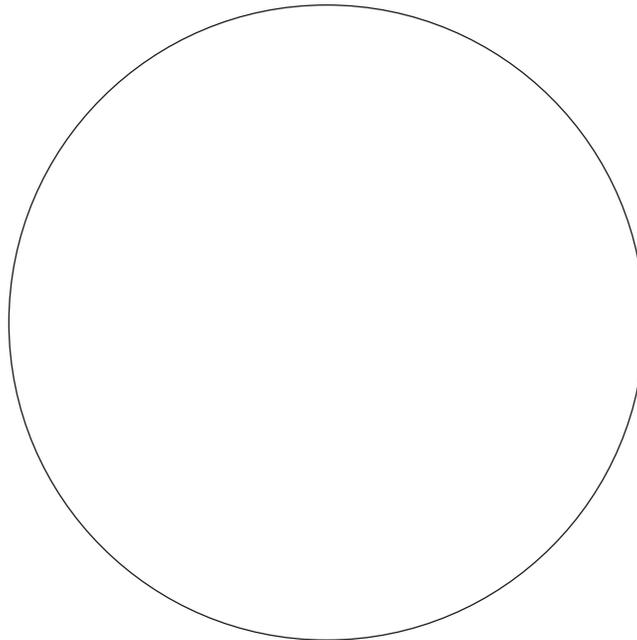
Whether or not you decide to stay, you may consider drawing up a *covenant of separation*. In this document, you and the council would spell out the boundaries for yourself and the members. If you decide to stay, follow this safe guideline: Be a faithful member and no more. You may preach when needed, but do not encourage being asked. Hospital visiting and pastoral care calls should be made by the elders and appointed visitors, and only in case of need should you make your services available in these areas. Once your successor has taken over avoid conducting funerals and weddings.

Balancing the use of time

Look at a typical week and divide up the amount of estimated time spent working, volunteering, playing, and learning in the circle below.



As it is today



As you would like it to be in retirement

1. Work: Sharing time

Identify five activities (for pay or volunteering) you would enjoy doing in retirement.

1.

4.

2.

5.

3.

Which activities are related to your present work? How are they related?

Which activities have nothing to do with what you do now?

2. Play: Spending time

I would like to:

3. Learn: Investing time

I would like to know more about...

I would like to experience...

I would like to attend...

I would like to learn about...

Skills

What skills do I most enjoy using?

1.

4.

2.

5.

3.

6.

Put a check by those you would like to continue to use in retirement.

Who are you in retirement?

Imagine that you have been retired for two years and you are going to be introduced to a group of people who want to know what you do and what your interest are.

Write two or three sentences you would like used when you are introduced. (In this exercise you are not permitted to use the words: formerly, retired from, or spouse of.)

REFLECTIONS

- 1) Think back to the suggestions you made to the council in connection with your role in church life. Do you feel personally affirmed about what you proposed? How do you feel about the council's responses?
- 2) Now that the time of retirement is almost here, are you and your spouse confident about your present financial situation?
- 3) You and your spouse may already begin to ponder what retirement life may be like: leisure time, family contacts, ministry activities, time with friends, and so forth. Do you have a sense of how to balance them?
- 4) What kind of emotions do you as a couple experience when sensing the reality of aging?
- 5) Are there some members to whom you and your spouse want to express personal goodbyes? Did you foresee that some would be harder than others? Have relationships with parishioners, friends, and colleagues in your life meant a great deal to you? Do you think that retirement will make it possible to do more justice to tending to relationships?
- 6) Are you retiring because of age or health or because of misgivings toward the church? If the latter, would you try to resolve some or all of it?
- 7) Discuss the following proposition with your spouse or trusted friend: "Retirement is not just *from* something but also *to* something." Can you verbalize what you expect from retirement?
- 8) What emotions do you experience as you move through the "lasts," such as the last baptism, the last Lord's Supper, the last wedding, the last council meetings, your final bulletin, cleaning your desk, and so forth?
- 9) Make a list of the churches you have served. Consider the highs and lows and the lessons learned.

NEXT STEPS

- 1) Design a blueprint of the modifications in your ministry as agreed between you and the council for the remaining time in your ministry. You may wish to add a description of the goals you have set.
- 2) Identify the farewell rituals that will result in a meaningful conclusion to your ministry.
- 3) Finalize your financial planning. Determine how much money you need immediately upon retirement. List the expenses involved in moving* (and how about that trip you had agreed to take?), before checks begin to arrive from CRC Pension and/or Social Security (US) and/or Old Age Security and Canada Pension Plan (Canada). Check whether you are on target in contacting the institutions involved.
- 4) Investigate your medical insurance to see if it is adequate for your needs. Research long-term care insurance. Draft advance directives to provide for you or your spouse in case of incapacitation.

* The denomination will pay, with certain limitations, for those pastors who are moving out of a parsonage and/or are moving over a hundred miles away. Please contact the retirement office (toll free: 877-279-9994) regarding their moving policy.

- 5) In you intend to remain a member of your last church, write out the boundaries that will govern your involvement in church life.
- 6) Create a continuity file with information that you think might be of some help to your successor.
- 7) Seeing that this will be one of the busiest seasons in your career, plan some types of activities unrelated to ministry just for your personal enjoyment.
- 8) Read *Transitions: Making Sense of Life's Changes* by William Bridges (Cambridge: Perseus Books, 2004).
- 9) Make plans to upgrade your will. This is especially important if you move to another state or province.

Chapter 3

The Retirement Years

. . . mindful of being

Nobody knows what went on in your mind when you considered your upcoming retirement. As you pondered it, you may have felt a peculiar loneliness. You realized that a big part of life was over. So much of the future remained unknown. Your thoughts were your quiet companion. You tried not to think about it too much, but the thoughts had a way of returning.

Identity

To have served in active ministry for perhaps as much as forty years seems hard to believe. How could we as pastors not have become action oriented? How could we not have poured our very person into *doing*?

Perhaps that is why the retirement stage you entered brought something akin to a crisis. The change you had to make is related to shifting your life's focus from *doing* to *being*. Your identity is no longer surrounded by the sweet aura of performance and achievement but by the reality of who you are, your redemption, and your hope of eternal life. What should have been the sole focus of your life all along is now measured out to you by the Holy Spirit in your life's setting. You are a member of Christ's body, and you are a citizen of the kingdom, but you are no longer in charge of a specific ministry. The irony is that you will *be* more of what you always preached, "I *am* not my own but belong to my faithful Savior, Jesus Christ!"

As you moved through the demanding months of making the transition from active pastor to emeritus pastor, the prospect of being relieved of all the work may have been pleasing to you—at least at times. Now that you have been retired for some time, the reality is that you are no longer the central figure, the one before whom the congregation gathered and on whom the church depended for so much care and well-being. To have complete peace with that reality probably did not come without inner struggle. If you are no longer the pastor, who are you? What does it feel like to live without all those demands, schedules, and deadlines?

There is an additional aspect to all of this. Every morning you wake up to experiential realities. The communities that gave you esteem, sustenance, challenges, and even some power no longer enfold you in their reassuring presence. Your *performance identity* was cloaked in your *community identity*. Now your community has significantly changed. A variety of duties will still come your way, though probably less frequently. You will no longer perform them with ministerial authority as you once did. When tasks do come your way, try to perform them in your capacity as a church-member and not as a minister.

The great challenge of retirement then seems to be that you need to be what you were always meant to be, what you had always wanted to be, and what you had taught people: *find your being in Christ*. In retirement, you will both discover and have quiet time to nourish the quiet, assuring joy of knowing yourself forgiven, accepted by Christ, and walking in his enduring company.

From this faith-based *self-identity* comes a transformed *community identity*. You relate to new people in your life for no other reason than that they are fellow human beings; some redeemed, some perhaps not. You show them kindness and they you. You appreciate them and they you. You do them favors and perhaps they reciprocate. You may enjoy them regardless of their status and regardless of your own status. We relate best, said Henri Nouwen, from a “divested self.” It is especially in old age that you discover the beauty of your uncluttered, unencumbered self, and you assess people around you the same way.

There will be down moments when you feel listless, when you wonder what to do with your person, your means, your ambitions, and especially with your time. *Time*, you will learn, is such a strange commodity. Can you use your time as a gift, a blessing to be enjoyed, or will it be a problem to be solved? You will have time that is (as yet) uncommitted, time that is (still) available. Gradually you will see time as a blessing to be enjoyed rather than something to be endured. When *doing* (to Christ) flows from *being* (in Christ) retirement experiences will have a quiet steady peace about them, even in the midst of trials.

Catching your breath

The last several months in the ministry were inevitably very *demanding* and *draining*. There were so many arrangements you had to make, so many last-minute decisions. Among your many tasks were several that were new even to a veteran of your caliber. Thus, you may be tired the first while of your retirement.

Add to this the fact that you have gone through numerous *changes*, many ushering in new situations. You live in another house, another neighborhood, another community, and engage in a totally different daily routine. Changes take much more out of you than you may have expected.

Recognize it, acknowledge it!

Take time to rest. Slow your pace. Take an afternoon nap. Seclude yourself with a fascinating book. Take the luxury of postponing things a while if they are not urgent. Go for walks, and take note of nature’s beauty. Say hello to people you see around. Have a cup of coffee in the nearby restaurant. Take a modest vacation that does not take the world to arrange. Talk with the Lord a bit more than you were used to. It is true that roses and coffee can be smelled.

Fill the early months of your retirement with recuperative moments!

Your health

Chapter 1 contains a section on physical, emotional, and spiritual health. All those observations will probably also pertain to your health now that the years of retirement have come. A few additional thoughts may be helpful for this season in your life.

It is an established fact that older people who exercise modestly and take walks regularly experience more wellness than those who do not. Good physical health benefits both emotional and spiritual health, and vice versa. Muscles may rebel against stretching, and joints protest vigorous movements, but do not give up. The key is consistency.

Adopt a healthy diet. Older folks do not need big meals. Well-regulated sleeping habits are always helpful, but you will also find that wakeful moments just happen.

During the retirement years there will be trials, small and big. They are unavoidable. We are thankful for the skills of doctors and the effectiveness of medicines, but know that they can only do so much. Annual physical checkups may diagnose illnesses in a timely manner.

These evidences of diminishment will inevitably create a fleeting sense of loss. Loss always produces some sadness. Woven through many of life’s activities are the little reminders of life’s brevity. It is good that you recognize and acknowledge them. Coping with loss may not be easy, but husband and wife should communicate. Share each other’s burdens. Sometimes just explaining how you feel, without expecting advice, is helpful. Many of God’s dearest children have known deep sorrow during their life’s evening. Retired pastors have at times sought out the services of a

professional counselor, which may be a good idea if only to check whether you are emotionally and mentally on target. Be sure to be each other's caregiver, and your own not any less.

As you live with good care, be sure that your *motives* are not to stave off old age. Do not spend precious energy and well-being denying the onset and reality of old age or even fighting it. Remember that aging comes with promises too. In 2 Corinthians 4:7-18, Paul tells us in so many words that as we, inevitably, diminish physically we can grow stronger in the Lord, and he actually connects the evidences of our mortality with Christ's immortality.

Mentally, you may also begin to sense diminishment. Recollection of names can be annoyingly slow at times; thought connections may be less easily made; events are readily forgotten. Do not give up too quickly! Challenge your mental faculties. Read. Perhaps you have considered taking up membership in a book club. Stay current with events, do crossword puzzles, write, and keep abreast of news in church and society. When visiting, do not dwell too much on your conditions but contribute toward stimulating conversation. Remain interested in significant developments, but do not decry the unfortunate developments in today's society too emphatically.

Your marriage partner

Acknowledge that in retirement your spouse must also face new situations. Try to understand what they are because several may differ from yours. Explore the new territory together. Identify and discuss the issues and concerns each of you has. You will pursue interests both together and separately. Strive for a balance with which you both feel comfortable. *Talk a lot about your experiences and observations*, and be sure to be a good listener.

Consider also how your retirement affects your children and grandchildren. Perhaps your house is now smaller and you can no longer accommodate children with families. Perhaps distances between you and them have become longer or shorter. All these changes bring along their own relational dynamics and need your attention.

Continued service

Have you been asked to preach now and then? Wonderful! Writing a new sermon and preaching it with élan will keep you alert and vital. Consider it an extra gift from the Lord. Remember that he did not promise that invitations would keep coming year after year. Be an engaged listener whenever you attend church services in your new congregation. Remind yourself how blessed you are that the Lord reached out to you in the pew and touched you once more with his grace. There may be insights that were not found in your own sermons but that you now just happen to need.

Do you find it a bit difficult to be active in your church without having a guiding role and without wielding a bit of power? Most of your retired colleagues could testify to similar experiences. Remind yourself that it is an honorable thing to stay in the background. Thank God that he provides generations of leaders time and again to his church. You can rest secure now. You handed your successor your mantle, and you would not want to have it back.

Remember that you taught your congregations that all believers have the office of prophet, priest, and king in Christ. You taught that office was the setting in which they served the King in all of life. You yourself had a *special office*, a *church-related office*; you were an *office-bearer*. That office meant much to you. You were called to be a pastor. That office, that calling, was the counter balance that steadied you in your many responsibilities. That office called you to equip and facilitate the believers of your church to serve more abundantly. The beauty of retirement is that you may align yourself more closely with that great number of believers around you and express with them the universal threefold office. Jump right in! If possible, you and your spouse should be active. Do the work of the Lord in your local church and beyond. It is healthy, and it mirrors the glory of the coming age.

In the meantime, it also remains true that you have a whole set of special skills and capacities. Should you use those if the opportunities present themselves? By all means! Some of them may be

on a volunteer basis, some for pay. Perhaps you are invited to teach a class in your church or in a neighboring church. Perhaps you are asked to be a regular visitor of the sick. Some retired pastors serve churches that have no regular pastor. All of these are honorable activities through which church and kingdom will flourish.

Strike a balance. Follow your interests. Accept play and entertainment as gifts of God. Make new friends. Challenge yourself. Put your gifts and skills to work in keeping with your interests.

Trials

Your health will gradually become less robust as the years go by. As husband and wife, you may become more dependent on each other. Your daily chores begin to take more time. You tire more easily. Aches become more frequent. Hearing and seeing become problematic. You are reminded that you have no abiding city here. Still, the gift of life is precious, and you are reluctant to hand it back to God. The thought of dying makes you sad. Doubts have a way of creeping up on you. Do not be surprised that you, together with many of God's children, have sudden doubts about whether you are saved. You preached grace, now you must cling to it yourself. Gradually, you will long for your eternal home where, together with all believers of all places and all ages, you will praise your Maker forever.

Widowed

Some of you who read this training tool will have lost your spouse through death. For you, the retirement years will be much harder. Loss and grief affect your whole life. No one can fully understand the depths of your pain or its many aspects. Grief counselor, Rev. Robert Koornneef, made some helpful observations in an unpublished manual, "The Faith Journey Through Grief." Some of them are summarized here for your benefit.

For those of you who have only recently lost your spouse, the shock is still real. Try to encounter the loss. The reality of absence will always remain, but the emotional wounds need healing. Embracing the hurt may help that healing process. At the most unexpected times, your tears start flowing again. God sees the pain in your heart. At times, you may feel yearning and confusion, and you may be disoriented and disorganized. You may struggle with fatigue as never before. A variety of feelings may weigh you down. *Fear* may trouble your heart. Mourners have also experienced *anger*, sometimes without a focus. *Guilt* feelings are often prevalent: "If only I had done this..." Grief never comes cleanly by itself. Perhaps you had never realized before that you could feel so terribly lonely or that depression could be so fearsome and paralyzing.

You will find it helpful if a thoughtful friend will listen to your story—how it all happened and how you feel now. You may also find some consolation in reflecting on the memories of your loved one. Look at pictures again and remember the details of precious moments. Some of your fellow mourners have written down their memories. By way of prayer, sometimes anxious, desperate prayer, you begin to find your way back to hope, meaning, and self-care.

Lamentations 3:19-26 is a personal chronicle of sorts from the grieving heart of the prophet Jeremiah:

*I remember my affliction and my wandering
I will remember them.
My soul is downcast within me.
Yet this I call to mind and therefore I have hope:
because of the Lord's great love we are not consumed,
for his compassions never fail.
They are new every morning;
great is your faithfulness.
I say to myself,
"The Lord is my portion; therefore I will wait for him."*

*The Lord is good to those, whose hope is in him,
to the one who seeks him;
it is good to wait quietly for the salvation of the Lord.*

End-of-life arrangements

Duties that are linked to your departure from this world are never easy. Perhaps you have already postponed them for some time, but one day you need to sit down, perhaps with your spouse or an older child, and discuss what needs to be done and how you should go about it. Make the pre-arrangements for your funeral or yours and your spouse's if he or she is still at your side. You may want to discuss the details of your funeral service, or you may let your pastor take care of it as he or she sees fit. You may want to write the liturgy and select the Scripture passages yourself. Both are proper.

You should meet with a designated member of the family or a trusted friend and express all desires you may have regarding situations surrounding your departure. Let them know where they can find vital information, such as your will, estate planning, insurance policies, bank accounts, funeral arrangements, and so forth.

Celebrating the Mindfulness of Being

At our age we have to face the reality of death. Our prayer in Psalm 39 is answered. We are starting to calculate – to number our days. We sense how fleeting our life – a mere breath. Death's messengers are starting to come with greater frequency and speak with sharper clarity. The persistent pain that now never leaves us, the shortness of breath on the stairs, the death of a friend. We are not dealing with death in the abstract now, it is our personal death that we are thinking of now. With the poet T. Elliot we may say:

*"I have seen the moment of my flicker,
And I have seen the eternal Footman hold
my coat and snicker."*

At our age death is the reality we must personally face. And we ought not to join a death-denying society and run from it. But why should we pray Psalm 39 and learn to number our days? Is it not because of the paradox that through the reality of death, that we learn to more deeply appreciate and enjoy everlasting life?

In discussing the influence of death, the philosopher Martin Heidegger suggested that people pass through life in one of two stages of awareness: "forgetfulness of being" or "mindfulness of being."

When a person is in the state of "forgetfulness of being" he or she never really thinks of things of real meaning and significance. He or she is pre-occupied with all the activities of living. We are alive, but we don't fully live.

When we are confronted with the reality of our death, it can shift us – jolt us – into a state of different awareness: "mindfulness of being." In this stage we have the opportunity to really experience the joy of life with depth and authority. But this mystery of being fully alive comes with a price: grasping the reality of death. Mindfulness of being only comes by numbering our days. Few people have the courage to live fully because few people have the courage to fully face death. But we can do it. We know that in Christ death has been conquered. We trust that there is everlasting life – abundant life all the way.

From: The Paradoxes on the Autumn Journey Philip De Jonge

REFLECTIONS

- 1) Do you think of yourself as one who leaned toward doing or toward being? What were some of the implications for your personal and professional life?
- 2) What do you appreciate about your retirement? What could you do without?
- 3) What did the church communities you served mean to you? Which ministry activities did you like best?
- 4) In what ways have you felt the presence of Jesus in this retirement period so far? Was it different from your ministry years?
- 5) Can you appreciate people who are different from you in background, in culture, and in confession?
- 6) Have you had moments when time hung heavy on your hands?

NEXT STEPS

- 1) List some fun things to do; things you have not seriously tried before. List some other activities that could lighten your retirement years.
- 2) Discuss ways in which you can broaden the horizons of your interests.
- 3) Make a covenant as a married couple that you will always make time to listen to each other's concerns.
- 4) Make a list of exercises and then consider whether you want to commit yourself to a regular exercise regimen.
- 5) Discuss ways in which you can be blessed more readily from the Sunday sermons.
- 6) Consult legal help to draw up your will. If you already have a will, see whether it needs to be updated.
- 7) Do some research on the services that are available in your area for the elderly.
- 8) Research the possibilities of attending a spiritual retreat geared to your needs and interests.

Chapter 4

So Your Pastor Will Retire

. . . a word with the council about the retirement of its pastor

No matter how much you love your pastor, and no matter how richly his or her work is being blessed, your pastor will not be with you forever.

This training tool is meant to help not only the pastor but also the council in playing a helpful role in the retirement of their pastor and, possibly, spouse.

Participants in planning

Some of chapter 1 is devoted to assisting your pastor in doing imaginative planning around his or her upcoming retirement.

It would be in the best interest of both your congregation and your pastor if you as elders and deacons would also play an active role in that planning.

Chapter 1 suggests that the overall preparation time for retirement consists of two parts: an early part that focuses on concluding the pastor's ministry and a latter part that focuses on the actual transition from the ministry to the retirement itself. The length of the first might be as long as three or four years; the second, perhaps one year.

It is also observed that this ample time frame will enable the pastor and the congregation to see this concluding chapter of ministry as a *term call*. It has generally been found that a term call provision sets the stage for a renewed round of planning for the congregation's ministry program.

Planning always needs to be preceded by a careful *evaluation* of the various parts of your present ministry program. This will involve a critical review of each program detail with respect to its effectiveness and returns.

The outcome of this type of planning will help you to formulate and reformulate a carefully delineated church program and to set goals accordingly. You and the congregation will understand that your focus is to be on the specific time period set aside for the preparation of the pastor's retirement. You may well find that this type of planning has an invigorating effect on both the congregation and the pastor. It will prompt the participants to come up with helpful appraisals, creative thinking, and fresh initiatives.

You may be open to the possibility of renegotiating the details of your pastor's ministry responsibilities. Try to come to an understanding as to what the pastor's gifts and interests are and then reformulate a job description in keeping with them. Your pastor will work with greater happiness if the majority of duties are shifted to areas for which the pastor is suited.

You may consider asking gifted members in your congregation to perform some of the duties from which you relieved your pastor. When goals are carefully and realistically formulated, capable members are more ready to offer their services. You may also consider hiring some additional help in this regard.

You and your pastor may wish to reflect on the thrust and emphasis of his or her work. There may be areas to which the pastor would need to devote more attention and in some others to cut back a bit. You and your pastor might identify some concerns to be emphasized in the preaching. Preparations of this sort will pave the way for helpful planning for the ministry of your next pastor.

Early on, you as the council, in consultation with the pastor, would do well to appoint a small **planning committee** composed perhaps of three or four wise and trusted members. This committee should give guidance in matters of retirement and assist the council and pastor with planning. It might begin its work by visiting the pastor and spouse and talking informally about their well-being, work, and future. From then on, the committee should walk alongside the pastor through the last stages of his or her ministry.

It is mostly in the way of serious planning and evaluation involving pastor, council, and congregation that pastors end well and, therefore, finish strong.

A brief look at Church Order

It is noteworthy that the CRC *Church Order* stipulates that councils need to play an active role in their pastor's retirement.

Most of it is recorded in Article 18, to which the synods added a number of provisions and stipulations (see pages 129-33 in *Manual of Christian Reformed Church Government*, 2001). Here is a summary:

1. Retirement, when requested by a pastor, needs to be approved by the council and the classis. Classis will notify the Executive Director of the CRCNA and the Ministers' Pension Fund Trustees. Reasons for the retirement must be stated.
2. Pastors normally retire at age 65 (unless they wish to serve longer) but they may retire at age 55 (with a reduced pension). Early retirement may also be granted for reasons of health.
3. Emeritus pastors remain under the supervision of the council of the church they served last, unless they transferred to another church in which case their new council shall assume that responsibility.
4. Retired pastors shall retain the honor and title of *Minister of the Word*. The church they served last shall be responsible for providing honorably for their support and that of their dependents. Though the churches of the denomination have agreed to do this via the synodical Ministers' Pension Fund, individual churches should still now and then assure themselves of their emeritus pastor's financial and personal well-being.

Granted, these stipulations are not of towering significance, but, in addition to some practical value, they do have symbolic value. The denomination has gone on record to assign significance to the matter of retirement. To be a pastor is more than a job: it is serving the body of believers, the body of Christ. In a real sense, the pastor is a shepherd to the congregation. A congregation and its pastor are a family in the Lord. A pastor's ministry is bracketed by a definite time frame. It will be concluded one day. This must be done with forethought, grace, and dignity.

Moving through the concluding chapter of ministry

You will find that the matters requiring your (and your pastor's) attention are more numerous than you had anticipated. You will be grateful that you had set the actual retirement date a full year in advance.

1. Alerting the planning committee

Alert the appointed planning committee to refine, and possibly reformulate, its mandate. In consultation with the pastor, the committee may list and broadly schedule the events related to the pastor's final years in the congregation. Regular contact with the council remains important. Prominent among the committee's responsibilities will be planning the farewell service and the various social gatherings with the congregation and groups within the congregation. It is also important to consider how the congregation can best express its gratitude to the pastor for his or her years of ministry. It always remains important to summarize and monitor planning throughout its various stages.

2. Debriefing the pastor

The executive of council is in a good position to conduct the debriefing of the pastor, and if thought beneficial, also the spouse. The pastor may be given the privilege of appointing additional participants for this process. The agenda for these sessions should be carefully prepared.

Some matters to review may include:

- the congregation's spiritual life
- the ministry program
- congregational unity and vision for growth
- quality of leadership
- the pastor's assessment of his or her own ministry performance
- areas in which blessings were evident; possibly also problem areas
- misgivings the pastor may harbor, some perhaps unresolved
- the pastor's reasons for seeking retirement

Council may also suggest that the pastor have a brief interview with each one of the present council members and other leaders in the church.

3. Caregiving

The elders and other concerned members will be aware of the reality that these months of transition may be spiritually draining to the pastor and his or her family. You will want to surround them with sympathetic care. You realize that both the pastor and spouse have to make a large number of decisions and arrangements (where to live, housing, family adjustments, pension, finances, health insurance) that are mostly personal. However, the council and the planning committee should show due interest and, where possible, give advice and encouragement.

The advantages of an extended time of retirement arrangements will allow you to encourage your pastor to take a brief sabbatical and to tend to emotional and spiritual needs. Contact the *Pastor-Church Relations office* (PCR) for information about retreats, seminars, and conferences related to retirement (toll free: 877-279-9994). PCR will also gladly send you other helpful materials with respect to your pastor's immanent retirement. In all these steps the elders should be careful to validate the pastor in his or her work and as a person.

4. Calling a new pastor

A growing number of churches appoint an *interim pastor* before installing their next pastor. That has proved to be an advantageous way to go for many. This interim arrangement enables a congregation to grieve the departure of their pastor and to find its spiritual and emotional balance. This is also a good way to prepare the congregation for a new chapter of ministry. We strongly recommend it!

Even if you should choose to have an interim pastor, you should not unduly postpone commencing the calling process for your next pastor.

You will begin the process with the appointment of a search committee. You will not assign the pastor, if still among you, an active part in the search process, though some consultation would certainly be proper. The pastor should be careful not to influence the proceedings. Should the council maintain contact with the pastor once he or she has left? Yes, by all means, but such contacts have to remain discreet. An emeritus pastor will generally not play an ongoing pastoral role in his or her last church.

Following the retirement of your pastor, you will ask classis to appoint a *counselor* who will assist you in the matter of calling the next pastor. You may consider asking classis to appoint the counselor before your pastor leaves so that the counselor can play a helpful part in the farewell procedures.

The pastor and council should put a package of information together for the benefit of the pastor who will, in due time, be your pastor's successor.

REFLECTIONS

- 1) Does your congregation have some experience with planning? What do you see as advantages in reflecting on the quality of the many forms of ministry in your congregation? Do you see risks?
- 2) Some critics may say: “You are making too much of this retirement.” What would your response be?
- 3) Which emotions might play a role in the reality of a pastor’s retirement, both with respect to the pastor and spouse and the individual members of your congregation?
- 4) Generally what are good reasons for a pastor to apply for retirement? Could you think of less-than-good reasons?
- 5) Do you know of one of your neighboring churches that have recently said farewell to its pastor? Can you learn from what they did?
- 6) Why did the denomination decide to have a modest hand in the retirement procedures surrounding pastors? What do you see as advantages? Could you see advantages in the uniformity of procedure now followed by most of the congregations?
- 7) What are the senses of loss your congregation may experience when your pastor is finally gone?
- 8) What are some ways in which you can maintain appropriate contact with your pastor couple after they have concluded the ministry among you?
- 9) What are some advantages of engaging the services of an interim pastor?
- 10) Have you profited from the services of your planning committee?

NEXT STEPS

- 1) Alert the officers of various committees, classes, and groups in your congregation of the upcoming retirement events.
- 2) Keep in touch with your pastor at all times. All planning of activities should have his or her input.
- 3) Set a series of dates on which you will meet with your planning committee.
- 4) Contact the Christian Reformed Home Missions office (toll free: 877-279-9994) and ask them to supply you with planning materials.
- 5) In consultation with your pastor, contact the Pastor-Church Relations office (toll free: 877-279-9994) for advice. Ask them to mail you some helpful booklets and pamphlets.
- 6) In consultation with your pastor, contact your classical stated clerk to keep him or her informed about upcoming events surrounding your pastor’s retirement. Remind classis to appoint a *counselor* for your church. You may also suggest that classis delegate one of their dignitaries to speak words of appreciation at your pastor’s farewell service.

So Your Pastor Will Retire

- 7) Designate a member of council to send a letter to other retired ministers of your congregation and enquire about their well-being.
- 8) What are some ways in which you can encourage your pastor and spouse during these demanding weeks and months?
- 9) Talk with some members of your church who have recently retired. What can you learn from them?
- 10) Brainstorm regarding the program for the farewell service and the farewell evening. Review the arrangements that were made so far.

Ministers' Pension Plan - Canada

This document summarizes the benefits, rights, and obligations of ministers who serve in Canada or who have retired from such service. It is not intended to provide information regarding all the details of the Plan and its administration. In the event of any conflict between this booklet and the Plan, the Plan shall always prevail. More complete information and additional explanations are available from the office of the Plan administrator at:

Christian Reformed Church in North America
Ministers' Pension Plan
2850 Kalamazoo Avenue SE
Grand Rapids, MI 49560

Introduction

The CRCNA has defined benefit pension plans for ordained clergy serving in Canada and the United States. While pension regulations and other considerations dictate the need for a separate plan for each of the two countries, the Plans are intended to mirror each other to the extent possible.

While the primary purpose of the Plans is to provide retirement benefits, the Plans also provide significant survivor and orphan benefits. While disability benefits are no longer provided directly by the Plans, disability benefits accompany active participation in the Plans. This booklet describes the Plans' retirement-related provisions and how benefits are determined. In addition, it describes benefits available to the spouses and orphans of participants who die while in active ministry. It also describes, in general terms, the disability benefits that accompany participation in the retirement plan.

The Plans have changed significantly since separate plans for Canada and the United States were established in 1983, the more recent being the changes approved by Synod 1999, 2001, 2003, and 2004. Changes made in 1999 and 2001 did not alter the basic form of the Plans, but they did improve the benefits paid to most current and future retirees and, effective July 1, 2001, introduced a number of benefit forms for selection at the point of retirement. Also, in 2003 and 2004, synod made important changes to the way the Plans are funded.

This booklet is intended to give you an overview of the benefits, financing, and administration of the Plans, as well as the changes made by Synod 2003 and 2004. We hope you will find it informative.

General Questions

1) In brief, what changes were made by Synod 2003 and 2004?

Synod's actions in 2003 involved four areas of plan design and administration of which two were already included in the Plan's administrative rules. The matters that were already included in the Plan's administrative rules and are now included in the Plan itself involve part-time service, and conditions accompanying any change from inactive to active participation in the Plan.

The two new items involve disability benefits and financing the cost of the Plans. They were stated as proposals in the *Agenda for Synod 2003*, as follows:

- That the plans be amended so as to remove all provisions for disability benefits presently included in the Plan in favor of plan-provided, commercially available, disability insurance similar to what is presently provided for all full-time, nonordained employees of the denomination and its agencies. This change to be effective January 1, 2004. (p. 209)
- That all organized churches be required to pay church assessments at an amount per professing member age 18 and older, or, if greater, the direct costs of their "first-or-only" pastor's participation in the plan. For first or only pastors serving organized churches, the grant of credited service in the plan would be conditioned on timely payment of amounts billed. This change to be effective January 1, 2004. (p. 211)

These changes are discussed in the appropriate sections of this brochure.

Synod 2004 changed the funding of pension costs for endorsed chaplains who are ministers of the Word—stated as proposals to synod, as follows:

- *Effective January 1, 2006, the plans be amended such that credited service be granted to persons employed in endorsed chaplaincy positions provided the costs of such participation be paid by the direct employer of the chaplain, by the chaplain directly, or by some other payer as may be agreed between the plan administrator and the chaplain.*
- *Further, when such direct payments are made by the employers of chaplains, that the plans' current provisions requiring an offset to benefits paid by the plans of any amounts received from any retirement plan sponsored by the employer for the same period of service be removed.*

- *Finally, that the foregoing be modified for chaplains in full-time military service such that denominationally funded participation is provided to the point that vesting in a military benefit is achieved, and that the plan's current offset provisions be retained with respect to military service.*

A discussion of some of the reasons these actions were proposed by the pension trustees may be found beginning on page 245 of the *Agenda for Synod 2004*

2) Are all ordained CRC ministers active members of the Retirement Plan for Ministers?

Yes, provided they have registered and costs of participation are paid. Organized churches are expected to pay an amount determined on the basis of a per member assessment amount multiplied by the number of professing members age 18 and older, or, if greater, the annual direct cost of participation of their first or only pastor. In addition, they pay the direct cost associated with any additional ordained ministers in their employ. Emerging churches must pay the annual direct costs of their ordained pastors, but emerging churches not served by an ordained minister are not expected to pay based on per member assessments.

For endorsed chaplains, the costs of participation are funded by assessments levied on the churches based upon the number of professing members age 18 and older. Accordingly, these costs are borne primarily by churches that pay pension costs determined by member assessments. Pension costs of pastors who have registered and are serving in other capacities are funded by means of participant billings, while the pension costs of endorsed chaplains are included in member assessment amounts. However, as described in response to the first question of this section, the funding of pension costs for chaplains will change effective January 1, 2006.

With the sole exception of endorsed chaplains (to expire January 1, 2006), credited service and disability coverage will not be provided when timely payment is not made. All pension related amounts are billed quarterly in the first month of the quarter to which they apply.

3) How are ordination, registration, and membership in the Plan related?

The Retirement Plan for Ministers of the CRC contains a number of definitions needed to administer the Plans, including several that bear on when one is eligible to become a member of the Plan, as follows:

- "Member" means a Minister who has been admitted to membership in the Plan in accordance with Article III of the Plan and who has not received payment in full of his Benefits.
- "Minister" means a person who is recognized as an ordained minister of the Church under applicable rules of synod.

The date of membership is the date a minister begins pensionable service as a full-time parish pastor, an enrolled chaplain, or in some other capacity consistent with his calling as a minister of the Word and with respect to which pension costs are paid. However, it is necessary to register with the Plan and, unless registration is completed within 90 days after the minister begins pensionable service, certain of the Plan's benefits are reduced or eliminated. More specifically, delay in registration will cause a member, once registered, to forego certain of the benefits otherwise available to their survivors resulting from death while in active service. Because a 90-day period is allowed for registration, it is important to have a clear understanding of what event marks its beginning.

The beginning of pensionable service is recognized as the date on which ordination as a minister of the Word in the CRC occurs. Ordination comes after the completion of all of the preordination events described in Church Order Articles 6, 7, and 8 and their respective supplements. It occurs during the "service of ordination" usually held at the minister's calling church. The date of such service of ordination is the date "eligibility" occurs for purposes of membership in the

Ministers' Pension Plan and marks the beginning of the 90-day registration period referred to above.

Pastors entering the CRC under Article 8 of the church order become ordained Ministers of the Word in the CRC during a "service of installation." The date that the service of installation occurs is the date eligibility begins for purposes of membership in the Plan and marks the beginning of the 90-day registration period.

4) Is the Plan registered with the Canadian government?

Yes, the Plan is registered with the Financial Services Commission of Ontario (FSCO) and the Canada Revenue Agency and is required to file annual reports with them. These are the two governmental agencies that regulate the Plan. Under FSCO's guidelines, the pension trustees are considered to be representatives of the members by virtue of the appointment process, the language of the Plan's trust instrument, and the Plan itself.

5) Is there any provision for retired ministers and eligible widows to receive additional payments where a definite need exists and is demonstrated?

Yes, this is done by application to the Pension Trustees. The Canadian and U.S. trustees each have a Special Assistance Fund that may be used for such payments. These funds are replenished by a separate ministry share amount as needed.

6) Should all organized Christian Reformed churches pay amounts billed by the Ministers' Pension Fund?

Yes, only by full participation of all congregations will there be reasonable assurance that all active and retired ministers will receive a pension on retirement; that their eligible widows will receive a pension upon the minister's death; and that disability, survivor, and orphan benefits will be paid.

7) Should ministers provide for their own retirement benefits?

The government encourages savings as a means of providing for retirement. Voluntary contributions may be made to an RRSP (Registered Retirement Savings Plan) up to certain limits.

Ministers should refer to the Notice of Assessment for the exact RRSP contribution room available. Each year, a Notice of Assessment is furnished to taxpayers by Canada Revenue Agency based on information contained in their tax returns. Qualifying contributions may be made with before-tax dollars. Other types of personal savings are also encouraged.

8) What is the federal government's attitude toward church pension plans?

It encourages denominations to sponsor retirement plans for their ministers. While the benefits paid by the Canada Pension Plan and Old Age Security are significant, they are judged by most to be inadequate as a sole source of retirement income. In fact, most retirement planners believe that a combination of pension plan income, governmental retirement benefits, and private savings are needed to adequately fund retirement needs.

9) When did the Plans become effective?

Both the Canadian and the United States Plans became effective January 1, 1983, and have been periodically amended. The Canadian and U.S. Plans are basically the same except that Final Average Salary amounts are country specific. Prior to 1983, the Plans were combined and had a different benefit structure.

Basic Structure of the Retirement Plan for Christian Reformed Ministers

1) What kind of plan is this?

The Ministers' Pension Plan is a defined benefit plan. This means that the benefits paid by the Plan are defined (by formula), and the funding of the Plan is determined by actuarial calculations of the amount of money needed to fund the defined benefit. Defined benefit plans place market and mortality risk with the Plan and the sponsoring organization. So, if markets fall and members live longer than expected, the Plan and the sponsor pick up the cost.

2) What are some of the Plan's basic assumptions and priorities?

The Plans are to be administered on an actuarially sound basis, and are not to be administered on a cash-in, cash-out basis. Synods have affirmed the concept of advance funding saying, "An actuarially sound plan is based on the principle that the cost of funding a pension for a person is incurred while one is active and employed. Therefore, an amount is set aside each year during one's career so that at retirement there will be sufficient monies to pay the pension benefits in accordance with the terms of the plan." (*Acts of Synod 1969*, p. 451).

The denomination and the Plans are binational. In 1982, synod indicated that the church's total pension obligation to ministers and their dependents is an across-the-board denominational responsibility, requiring joint financing (*Acts of Synod 1969*, p. 451).

The same benefit should be received by all pastors retiring in a given year and having the same years of service regardless of differences in preretirement salaries.

Parish ministers' compensation drives benefits. Retirement benefit amounts are set by reference to the average compensation (including housing) received by persons engaged in the parish ministry. Compensation received by persons serving in other settings is not considered. Accordingly, the benefit structure of the Plan and the design of its benefit structure are all considered in the context of earnings of pastors serving in parish settings.

Certain safety-net provisions should be included in the benefit structure of the Plans. These include financial protections for surviving spouses of ministers who die while in active service, and continuing benefits for surviving spouses of those who die while in retirement.

It is not possible to receive two benefits for the same service. The value of retirement benefits earned in other settings for the same service as is counted by the Plans as credited service is offset against amounts paid by the Plans. This means that one cannot receive two benefits for the same service, a provision that relates primarily to those in service in a variety of settings as endorsed chaplains. Please refer to the discussion appearing in question and answer 5 under the Other Matters section of this brochure for more information regarding offsets.

3) Are there separate pension boards for the Canadian and United States Plans?

Yes, synod provided that the Canadian Plan be administered by five Canadian Pension Trustees and that the United States Plan be administered by five U.S. Pension Trustees. Day-to-day administration of the Plans is provided by the Ministers' Pension Office in the denominational building in Grand Rapids, Michigan.

4) Can a minister have pensionable service in both Canada and the United States?

Yes. A minister with pensionable service in both Canada and the United States will receive pension benefits from both Plans paid in the currencies of the respective countries.

5) Who determines what investments to make?

The Pension Trustees have appointed a subcommittee that includes qualified financial persons. This subcommittee performs ongoing reviews of investment-related policies and procedures, employs money managers and other investment advisors, and is responsible for overall performance of the fund. Specific investment choices are made by professional money managers within the context of guidance provided by the denomination's investment policy.

Primary Features of the Canadian Ministers' Pension Plan

1) What are the primary features available through the Canadian Ministers' Pension Plan?

The primary features of the Plan include four benefit groups, as follows:

- (a) Retirement benefits commencing at age 65 or early retirement benefits in a reduced amount beginning at age 55.
- (b) Long-term disability benefits provided through an insurance company.
- (c) Survivors' benefits paid to a surviving spouse when death of a member occurs while in active service.
- (d) Orphans' benefits paid to a member's orphaned children up to age 18, or to age 21 if in school.

Each of these benefits is explained more fully in the following questions and answers. Also included is information regarding other matters, including the rights of withdrawn (or "inactive") participants, the funding of the Plans, and offsets to retirement benefits.

Retirement Benefits

1) What is the Plan's "normal" retirement benefit, and how is it determined?

The "normal" benefit has two parts: the amount due to the retiree and the amount due to the surviving spouse. The amount due to the retiree is the sum of the following:

- (a) 1.1% multiplied by the "final average salary" multiplied by a minister's pensionable service before January 1, 1985, plus
- (b) 1.46% multiplied by the "final average salary" multiplied by a minister's pensionable service after December 31, 1984.

The amount due to the surviving spouse is 80% of the retiree's benefit that was determined at 1.1% and 66 2/3% of the amount determined by application of the 1.46% factor. These benefits, taken together, are referred to as the "normal" form and was the form used for all retirements before July 1, 2001.

Although the foregoing describes the normal benefit, it may not be the one most suited to each retiree's particular situation and needs. Accordingly, Synod 2001 changed the Plan for retirements after June 30, 2001, to add several optional forms. These optional forms are described in the answer to question 2 following.

2) If the normal benefit is the basic benefit form offered by the Plan, what are the other forms, and how are they determined?

The Plan's normal benefit form includes a lifetime spousal benefit as indicated above. However, the spousal benefit may be changed to an amount equal to 50%, 66 2/3%, or 100% of the amount received by the retiree. The first two of these are slightly less expensive for the Plan and, accordingly, the retiree benefit is slightly greater. The third option is more expensive and requires a reduced retiree benefit.

Another alternative is the term-certain form. This provides a monthly benefit for the lifetime of the retiree, but guarantees payments for a minimum period of time (10 years or 15 years). If the retiree dies before the end of the guarantee period, benefits are continued in the same amount to a designated beneficiary (a spouse or another person) for the remainder of the guarantee period. Because this benefit is more expensive for the Plan, it results in a smaller monthly benefit to the retiree.

The last alternative form is a benefit for the retiree's lifetime only. This may be preferable if a retiree is not married, or if the surviving spouse will not need any income from the Plan. This form of benefit payment results in the largest benefit for the lifetime of the retiree.

Finally, it is possible to combine alternative spousal and term-certain benefit forms. Possible combinations are illustrated in the table of options included in response to question 3 following.

Benefit amounts for each of the alternate benefit forms and combinations thereof are designed to be the actuarial equivalent of the Plan's normal benefit. Benefit forms will be described in detail at the point of retirement, including the amounts paid to the retiree and surviving spouse for each form. Once a benefit form is chosen and benefits have begun, changes cannot be made.

2) Here is an example of the pension computation for Minister X who has 37 years of pensionable service at the time of his retirement on July 1, 2005.

Average cash salaries for ministers in Canadian Christian Reformed Churches for the three years prior to the year 2005, the year of Minister X's retirement, were:

2002	\$ 41,215
2003	42,584
<u>2004</u>	<u>43,531</u>
Total	\$127,330

Final Average Salary \$ 42,443

Using the formula in 1 above, the normal benefit for Minister X would be determined as follows:

$$1.10\% \text{ times } \$42,443 \text{ times } 16 \frac{1}{2} \text{ years} = \$7,703$$

$$1.46\% \text{ times } \$42,443 \text{ times } 20 \frac{1}{2} \text{ years} = \$12,703$$

Annual amount	\$20,406
Monthly payment	\$1,701

An eligible surviving spouse who is not more than 10 years younger (if more than 10 years younger, a reduced, actuarially equivalent amount will be used) than the minister will receive a spousal benefit determined as follows: 80% of the retirement benefit that was determined by application of the 1.1% factor, and 66 2/3% of the benefit determined by application of the 1.46% factor, as follows:

$$\$7,703 \times 80\% = \$6,162$$

$$\$12,703 \times 66 \frac{2}{3}\% = \$8,469$$

These total \$14,631 per year or \$1,219 per month.

This means that Minister X has a life-long retirement benefit of \$1,701 per month and, after his or her death, the surviving spouse has a life-long spousal benefit of \$1,219 per month. These benefits, taken together, are referred to as the normal form and was the form used for all retirements before July 1, 2001.

Although this is the normal form, it may not be the one most suited to the needs of this minister and his spouse, and they will need to choose among this form (Option 1 below) and 12 additional forms, as follows:

<u>Option</u>	<u>Retiree Monthly Pension</u>	<u>Years Term Certain</u>	<u>Spousal Monthly Pension</u>	<u>Percent of Retiree Amount</u>
No 1	\$1,701	0	\$1,219	Blended
No 2	\$1,720	0	\$1,147	66.67%
No 3	\$1,679	10	\$1,120	66.67%
No 4	\$1,632	15	\$1,088	66.67%
No 5	\$1,788	0	\$894	50.00%
No 6	\$1,726	10	\$863	50.00%
No 7	\$1,662	15	\$831	50.00%
No 8	\$1,599	0	\$1,599	100.0%
No 9	\$1,593	10	\$1,593	100.0%
No 10	\$1,577	15	\$1,577	100.0%
No 11	\$2,028	0	\$0	00.00%
No 12	\$1,884	10	\$0	00.00%
No 13	\$1,757	15	\$0	00.00%

4) For purposes of survivor’s benefits, what is the Plan’s definition of “spouse”?

The Plan defines spouse as follows: “‘Spouse’ means the person who is the spouse of a Member pursuant to the provisions of the Pension Benefits Act and the Income Tax Act at the time of his death or on the date that the first installment of his Pension Benefit under the Plan becomes due, whichever occurs earlier.”

Under this definition, a spouse will qualify for a postretirement survivor benefit only if your spouse is the person to whom you were married at the time your retirement benefits begin. If you remarry after your retirement benefits begin, your new spouse will not be eligible for a survivor’s benefit.

5) What is “final average salary” and how is it determined?

“Final Average Salary” is the average of cash salaries of CRC ministers in churches in Canada in the three calendar years before the calendar year in which the minister’s benefit amount is determined.

Each year, a survey is taken of all ministers serving in the parish ministry. Results are used to arrive at an average cash salary for Canadian ministers in that year. Ministers are encouraged to complete the survey to make the average cash salary figure a reliable representation of ministers’ salaries in the CRC.

6) What constitutes pensionable (or “credited”) years of service?

Assuming costs are paid, it is the sum of the following service:

- (a) Service as the first or only pastor of an organized Christian Reformed Church or as an endorsed chaplain, plus
- (b) Other service as approved by synod, plus
- (c) Approved leave of absence.

If a minister works on a part-time basis during a year, the minister may receive a partial year of credited service for that year. Credited service will not be granted for less than half-time service.

7) Suppose Minister Y has 230 months as a pastor in Canadian organized churches, 108 months in the service of World Missions, and 66 months as pastor in an organized church in the United States. Assuming all costs are paid, what is his credited service?

Minister Y has 338 months or 28.17 years under the Canadian plan and 66 months or 5.5 years under the United States plan. (Minister Y will receive one payment in Canadian funds and another in United States funds.)

8) What is the normal retirement date for a minister?

It is when he reaches age 65. However, a minister may continue to earn pensionable years of service after age 65 up to the end of the calendar year in which he or she turns 69. Pension benefits will be determined at the end of the year in which a minister turns 69 and pension benefits will begin even if he or she continues to work. However, no additional retirement benefits will be earned for service after pension payments have begun.

9) May a minister retire early?

A minister may retire as early as age 55, upon approval of classis. However, the pension benefit will be reduced by 3/10 of 1% for each month benefits are paid before age 65. Thus, at the earliest retirement age of 55 years, pension payments are reduced 36% (120 months x 0.3%).

Disability

1) Is there a disability benefit associated with the Plan?

Yes, RBC Life Insurance Company provides long-term disability benefits for all active members of the Plan provided they have furnished to the plan administrators information regarding their compensation and the amount of any housing allowance paid in cash, or the value attributed to church owned housing.

2) What happens if a minister fails to furnish the information regarding compensation and housing as requested by the pension office?

If a minister fails to furnish the information requested, he or she will not be included in the RBC Life Insurance Company long-term disability policy. This means that, unless a minister obtains disability coverage from some other source, he or she will not have any protection against the financial risks associated with disability. However, provided costs are paid, failure to furnish this information will not preclude participation in the retirement and survivor benefits of the Plan.

3) How does this plan work?

The pension office has provided a summary plan description prepared by RBC Life Insurance Company to each minister who was an active member of the Plan at December 31, 2003, and summary descriptions are provided to new members. Additional copies are available on request from the pension office.

4) Has provision been made to guard against anyone "falling through the cracks" as the transition is made to the new disability policy?

Yes, ministers who were active members in the Plan at both December 31, 2003, and January 1, 2004, and who furnished compensation information requested by the pension office were protected by special transition provisions during 2004. These protections were necessary because coverage under the new policy is subject to certain preexisting condition provisions. These provisions serve to disqualify claims during the first 12 months of participation if any treatment was received during the three-month period preceding coverage under the new policy for the very health concerns that gave rise to the disability claim.

The Plan's old disability provisions only provide disability benefits in the event of total disability, and they require a disabled minister to be recognized as totally disabled by the Canada Pension Plan. Such recognition was a precondition for payment of any benefits under the old disability provisions.

Benefits to Surviving Spouse

1) Do surviving spouses of ministers receive pensions under the Plan?

Yes, both preretirement surviving spouses and postretirement surviving spouses receive pensions provided they meet the definition of a surviving spouse described in a preceding section of this brochure. Please refer to question and answer 4 under the Retirement Benefits section of this brochure for the Plan's definition of "spouse," and to question and answer 5 under the Other Matters section for information regarding postretirement benefits to survivors of endorsed chaplains.

2) What pension is paid to a surviving spouse who was married to a retired minister?

When, at the point of retirement, the Plan's normal form is selected, the spouse will receive 80% of the portion of the retired minister's *regular* pension determined by application of the 1.1% factor, and 66 2/3% of the portion of the retirement benefit determined at 1.46%. This amount will be reduced if the spouse is more than 10 years younger than the minister.

However, not all surviving spouses qualify for this benefit. Reference should be made to question and answer 4 under the Retirement Benefits section of this brochure for the Plan's definition of "spouse," and to question and answer 5 under the Other Matters section.

3) How do you compute the pension of a surviving spouse when the minister was an active member, that is, not disabled or retired?

Suppose Minister E died on June 30, 2005, at age 52 after 24 years of CRC credited service under the Ministers' Pension Plan. At age 52, Minister E would have had 13 more years before reaching normal retirement age at 65 years. The Plan enriches the 24 years of pensionable service with 13 more years for a total of 37 years. Assume that the 2005 Final Average Salary for Canadian ministers was \$42,443.

The surviving spouse's pension will be: 80% of 1.1% times \$42,443 times 37 years, plus 66 2/3% of 1.46% times \$42,443 times 33 years, or \$15,146 per year.

However, if registration in the Plan is delayed beyond 90 days of ordination or installation, or if pension costs are not paid for two or more quarters following these events, the additional years of service would not be granted and only years of service through date of death would be considered.

Orphan Benefits

1) How are orphan benefits determined?

Up to a maximum of 3 children may receive the orphans' benefits up to age 18 (to age 21 if a full-time student). However, if an orphan was disabled before age 18, benefits will continue until the orphan is no longer disabled or until the orphan dies. Orphans' benefits are computed in the same manner and with the same service requirements and conditions as under question 3 above except that for each orphan a percentage of 30% is substituted for the surviving spouse's 80% or 66 2/3% as the case may be.

Other Matters

1) What about part-time service?

The Plan assumes that ministers are working full-time in the ministry. For purposes of administering the Plan, the following definition is used: "Full-time service means that all of the minister's professional life and energies are devoted to the ministry and that all of the minister's earned income is derived from ministerial service."

However, the Pension Trustees may approve part-time service and grant partial credited service for retirement purposes; provided, however, that such service does not involve less than

half-time. Persons contemplating part-time service should consult with the pension office for an explanation of the effect of part-time service on other benefits provided by the Plan.

2) Do ministers who are not receiving credited years of service receive a pension (i.e., withdrawn because of a leave of absence or leaving the CRC ministry)?

Yes. However, their pension is set at the amount determined at the time of their termination from pensionable service based on years of credited service and the Final Average Salary in the year of termination. The pension amount so determined is commonly referred to as a "frozen" benefit, because it will not increase.

3) How are pensions determined for ministers no longer in the Plan?

Pensions are fixed by formula in the year they left the Plan. For example, if Minister T leaves the CRC ministry on June 30, 2005, after seven years of pensionable service, and the Final Average Salary for Canadian ministers for the year of his termination was \$42,443, the normal, annual pension benefit at age 65 is computed as follows:

1.46% times \$42,443 times 7 years = \$4,338 at age 65, or at reduced amounts beginning at age 55.

4) May a minister reenter the Plan once inactive or withdrawn?

Yes. If a member's pensionable service is discontinued, and he or she is later reemployed in service, the years of service at retirement include both the prior frozen years and the years subsequent to reentry, provided that the minister did not receive a lump-sum payment. However, for persons reentering the Plan subsequent to September 13, 2002, the retirement benefit will be the sum of the frozen benefit amount that is associated with the years of service prior to reentry, and the benefit amount associated with years of service following reentry to the date of retirement. The frozen benefit amount may be upgraded if payment of associated costs is made at the date of reentry. Such costs are measured as the difference between the value of the prior frozen benefit and the value of the same service as of the date the prior service is upgraded. If such payment is made, the final average salary at the point of retirement will be applied to all years of credited service. There are some exceptions to this rule that apply to study leaves, sabbaticals, or other service during which the pastor's ministerial credentials are retained and provided that such breaks do not exceed two years.

In addition, whether or not a member receives a lump-sum payment or remains an inactive (frozen) participant subsequent to reentry, such discontinuation or break in service will serve to eliminate all enhanced survivor and orphan benefits. This means that all "deemed" years, the years otherwise granted between the date of death and age 65 in calculating survivor benefits resulting from death while in active service, will not be used to enhance survivor benefits.

5) Are there offsets to the pensions determined in the above examples?

Yes, offsets apply in the case of endorsed chaplains whose pension costs are paid by the denomination and who are entitled to receive pensions from other sources that are based on the same years of pensionable service. Generally, offsets apply only to service through December 31, 2005—see the description appearing earlier in this brochure regarding actions taken by synod 2004.

On retirement, persons with service as endorsed chaplains are requested to furnish information regarding participation in other plans relating to the same periods of service as are used by the Ministers Pension Plan to determine benefits. This information is used to determine an offset to the amount otherwise paid by the Plan. This offset requirement is commonly referred to as the "no double-dipping" rule.

Offsets are determined based on the value of the other plan in which an endorsed chaplain may have an interest. Other plans come in a great variety of forms—some are defined contribution plans that simply provide an account balance at retirement and that require the minister to

decide how the balance is to be used. Others are defined benefit plans that may present a variety of benefit choices, as does the Ministers' Pension Plan. In order to achieve a fair offset amount, the Plan's actuaries are asked to state the value of the other plan in the same form as the Plan's normal benefit form. If the value of the other plan is greater the offset is complete and the minister (and any surviving spouse) has no continuing interest or claim on the Ministers' Pension Plan. However, if the value of the other plan is less, the Minister's Pension Plan will pay the difference such that the value of the combined amount received by the retired chaplain is the same as the value of the Plan's unreduced benefit amount. In these cases, any benefit paid to a surviving spouse or qualifying orphans will be derived from the monthly benefit amount actually being paid by the Ministers' Pension Plan to the minister at the time of death.

As indicated above, the Plan's offset provisions compare the value of the benefits paid by the Ministers' Pension Plan and the value of the benefits paid by any other plan, whether in the form of future payments (as in a defined benefit plan) or a lump-sum account balance (as in a defined contribution plan). If the value of the latter is greater than that of the former, the offset is complete. When the offset is complete, there is no benefit payable to a surviving spouse because the value of the other plan was determined to be greater than the value provided by the Ministers' Pension Plan. There is no segmenting of benefits such that the primary benefit is eliminated (or, for that matter, reduced) and the survivor benefit is not. One cannot cause the spousal benefit to escape offset by opting to receive a single life benefit from another, more valuable, retirement plan.

6) How are assessments for the Ministers' Pension Fund determined?

At intervals of no more than three years, a qualified actuary determines the required amounts to be paid into the pension fund in order to keep the pension fund actuarially sound. The amount is determined by adding together the normal costs for one year, the amount required to fund any past service liabilities, and administrative expenses.

7) What does "fully funded" mean?

Each time synod approves an increase in benefits, the amount of the Plan's liability increases. "Fully funded" means that the liabilities for past service costs have been funded and that we need only to fund current period normal and administrative costs. No one can predict what will happen in the financial markets, but the better the performance, the greater the ability of the Plan to improve its present funded status and to maintain benefits or, should synod so decide, increase them.

Ministers' Pension Plan - US

This booklet summarizes the benefits, rights, and obligations of ministers who serve in the United States or who have retired from such service. It is not intended to provide information regarding all the details of the Plan and its administration. In the event of any conflict between this booklet and the Plan, the Plan shall always prevail. More complete information and additional explanations are available from the office of the Plan administrator at:

Christian Reformed Church in North America
Ministers' Pension Plan
2850 Kalamazoo Avenue SE
Grand Rapids, MI 49560

Introduction

The CRCNA has defined benefit pension plans for ordained clergy serving in the United States and Canada. While pension regulations and other considerations dictate the need for a separate plan for each of the two countries, the Plans are intended to mirror each other to the extent possible.

While the primary purpose of the Plans is to provide retirement benefits, the Plans also provide significant survivor and orphan benefits. While disability benefits are no longer provided directly by the Plans, disability benefits accompany active participation in the Plans. This booklet describes the Plans' retirement-related provisions and how benefits are determined. In addition, it describes benefits available to the spouses and orphans of participants who die while in active ministry. It also describes, in general terms, the disability benefits that accompany participation in the retirement plan.

The Plans have changed significantly since separate plans for Canada and the United States were established in 1983, the more recent being the changes approved by Synod 1999, 2001, 2003, and 2004. Changes made in 1999 and 2001 did not alter the basic form of the Plans, but they did improve the benefits paid to most current and future retirees and, effective July 1, 2001, introduced a number of benefit forms for selection at the point of retirement. Also, in 2003 and 2004, synod made important changes to the way the Plans are funded.

This booklet is intended to give you an overview of the benefits, financing, and administration of the Plans, as well as the changes made by Synod 2003 and 2004. We hope you will find it informative.

General Questions

1) In brief, what changes were made by Synod 2003 and 2004?

Synod's actions in 2003 involved four areas of plan design and administration of which two were already included in the Plan's administrative rules. The matters that were already included in the Plan's administrative rules and are now included in the Plan itself involve part-time service and conditions accompanying any change from inactive to active participation in the Plan.

The two new items involve disability benefits and financing the cost of the Plans. They were stated as proposals in the *Agenda for Synod 2003*, as follows:

- That the plans be amended so as to remove all provisions for disability benefits presently included in the plan in favor of plan-provided, commercially available, disability insurance similar to what is presently provided for all full-time, nonordained employees of the denomination and its agencies. This change to be effective January 1, 2004. (p. 209)
- That all organized churches be required to pay church assessments at an amount per professing member age 18 and older, or, if greater, the direct costs of their "first-or-only" pastor's participation in the plan. For first or only pastors serving organized churches, the grant of credited service in the plan would be conditioned on timely payment of amounts billed. This change to be effective January 1, 2004. (p. 211)

These changes are discussed in the appropriate sections of this brochure.

Synod 2004 changed the funding of pension costs for endorsed chaplains who are ministers of the Word—stated as proposals to synod, as follows:

- *Effective January 1, 2006, the plans be amended such that credited service be granted to persons employed in endorsed chaplaincy positions provided the costs of such participation be paid by the direct employer of the chaplain, by the chaplain directly, or by some other payer as may be agreed between the plan administrator and the chaplain.*

- Further, when such direct payments are made by the employers of chaplains, that the plans' current provisions requiring an offset to benefits paid by the plans of any amounts received from any retirement plan sponsored by the employer for the same period of service be removed.
- Finally, that the foregoing be modified for chaplains in full-time military service such that denominationally funded participation is provided to the point that vesting in a military benefit is achieved, and that the plan's current offset provisions be retained with respect to military service.

A discussion of some of the reasons these actions were proposed by the pension trustees may be found beginning on page 245 of the *Agenda for Synod 2004*

2) Are all ordained CRC ministers active members of the Retirement Plan for Ministers?

Yes, provided they have registered and costs of participation are paid. Organized churches are expected to pay an amount determined on the basis of a per member assessment amount multiplied by the number of professing members age 18 and older, or, if greater, the annual direct cost of participation of their first or only pastor. In addition, they pay the direct cost associated with any additional ordained ministers in their employ. Emerging churches must pay the annual direct costs of their ordained pastors, but emerging churches not served by an ordained minister are not expected to pay based on per member assessments.

For endorsed chaplains, the costs of participation are funded by assessments levied on the churches based upon the number of professing members age 18 and older. Accordingly, these costs are borne primarily by churches that pay pension costs determined by member assessments. Pension costs of pastors who have registered and are serving in other capacities are funded by means of participant billings, while the pension costs of endorsed chaplains are included in member assessment amounts. However, as described in the response to the first question of this section, the funding of pension costs for chaplains will change effective January 1, 2006.

With the sole exception of endorsed chaplains (to expire January 1, 2006), credited service and disability coverage will not be provided when timely payment is not made. All pension related amounts are billed quarterly in the first month of the quarter to which they apply.

3) How are ordination, registration, and membership in the Plan all related?

The Retirement Plan for Ministers of the CRC contains a number of definitions needed to administer the plans, including several that bear on when one is eligible to become a member of the Plan, as follows:

- "Member" means a Minister who has been admitted to membership in the Plan in accordance with Article III of the Plan and who has not received payment in full of his Benefits.
- "Minister" means a person who is recognized as an ordained minister of the church under applicable rules of synod.

The date of membership is the date a minister begins pensionable service as a full-time parish pastor, an enrolled chaplain, or in some other capacity consistent with his calling as a minister of the Word and with respect to which pension costs are paid. However, it is necessary to register with the plan and, unless registration is completed within 90 days after the minister begins pensionable service, certain of the plan's benefits are reduced or eliminated. More specifically, delay in registration will cause a member, once registered, to forego certain of the benefits otherwise available to their survivors resulting from death while in active service. Because a 90-day period is allowed for registration, it is important to have a clear understanding of what event marks its beginning.

The beginning of pensionable service is recognized as the date on which ordination as a minister of the Word in the CRC occurs. Ordination comes after the completion of all of the preordination events described in Church Order Articles 6, 7, and 8 and their respective supplements. It

occurs during the “service of ordination” usually held at the minister’s calling church. The date of such service of ordination is the date “eligibility” occurs for purposes of membership in the Ministers’ Pension Plan and marks the beginning of the 90-day registration period referred to above.

Pastors entering the CRC under Article 8 of the church order become ordained ministers of the Word in the CRC during a “service of installation.” The date that the service of installation occurs is the date eligibility begins for purposes of membership in the Plan, and it marks the beginning of the 90-day registration period.

4) Is there any provision for retired ministers and eligible widows to receive additional payments where a definite need exists and is demonstrated?

Yes, this is done by application to the Pension Trustees. The U.S. and Canadian trustees each have a Special Assistance Fund that may be used for such payments. These funds are replenished by a separate ministry share amount as needed.

5) Should all organized Christian Reformed churches pay amounts billed by the Ministers’ Pension Fund?

Yes, only by full participation of all congregations will there be reasonable assurance that all active and retired ministers will receive a pension on retirement; that their eligible widows will receive a pension upon the minister’s death; and that disability, survivor, and orphan benefits will be paid.

6) Should ministers provide for their own retirement benefits?

Yes, the combination of income provided by the Ministers’ Pension and Social Security may not be enough to provide an adequate retirement income. Congress encourages participation of ministers in *403(b)* annuity plans and IRAs. Other forms of personal savings and investment should be a part of the financing of their retirement program.

7) What is the federal government’s attitude toward church pension plans?

It encourages denominations to sponsor retirement plans for their ministers. The Social Security Act includes ordained ministers who are self-employed; however, while the benefits paid by the Social Security Administration are significant, they are judged by most to be inadequate as a sole source of retirement income. In fact, most retirement planners believe that a combination of pension plan income, Social Security payments, and private savings are needed to adequately fund retirement needs.

8) When did the Plans become effective?

Both the United States and the Canadian Plans became effective January 1, 1983, and have been periodically amended. The U.S. and Canadian plans are basically the same except that Final Average Salary amounts are country specific. Prior to 1983, the Plans were combined and had a different benefit structure.

Basic Structure of the Retirement Plan for Christian Reformed Ministers

1) What kind of plan is this?

The Ministers’ Pension Plan is a defined benefit plan. This means that the benefits paid by the Plan are defined (by formula), and the funding of the Plan is determined by actuarial calculations of the amount of money needed to fund the defined benefit. Defined benefit plans place market and mortality risk with the Plan and the sponsoring organization. So, if markets fall and members live longer than expected, the Plan and the sponsor pick up the cost.

2) What are some of the Plan's basic assumptions and priorities?

The Plans are to be administered on an actuarially sound basis, and are not to be administered on a cash-in, cash-out basis. Synods have affirmed the concept of advance funding saying, "An actuarially sound plan is based on the principle that the cost of funding a pension for a person is incurred while one is active and employed. Therefore, an amount is set aside each year during one's career so that at retirement there will be sufficient monies to pay the pension benefits in accordance with the terms of the plan." (*Acts of Synod 1969*, p. 451).

The denomination and the Plans are binational. In 1982, synod indicated that the church's total pension obligation to ministers and their dependents is an across-the-board denominational responsibility, requiring joint financing (*Acts of Synod 1969*, p. 451).

The same benefit should be received by all pastors retiring in a given year and having the same years of service regardless of differences in preretirement salaries.

Parish ministers' compensation drives benefits. Retirement benefit amounts are set by reference to the average compensation (including housing) received by persons engaged in the parish ministry. Compensation received by persons serving in other settings is not considered. Accordingly, the benefit structure of the Plan and the design of its benefit structure are all considered in the context of earnings of pastors serving in parish settings.

Certain safety-net provisions should be included in the benefit structure of the Plans. These include financial protections for surviving spouses of ministers who die while in active service, and continuing benefits for surviving spouses of those who die while in retirement.

It is not possible to receive two benefits for the same service. The value of retirement benefits earned in other settings for the same service as is counted by the Plans as credited service is offset against amounts paid by the Plans. This means that one cannot receive two benefits for the same service, a provision that related primarily to those in service in a variety of settings as endorsed chaplains. Please refer to the discussion appearing in question and answer 5 under the Other Matters section of this brochure for more information regarding offsets.

3) Are there separate pension boards for the United States and Canadian Plans?

Yes, synod provided that the United States Plan be administered by five U.S. Pension Trustees and that the Canadian Plan be administered by five Canadian Pension Trustees. Day-to-day administration of the Plans is provided by the Ministers' Pension Office in the denominational building in Grand Rapids, Michigan.

4) Can a minister have pensionable service in both the United States and Canada?

Yes. A minister with pensionable service in both the United States and Canada will receive pension benefits from both Plans paid in the currencies of the respective countries.

5) Who determines what investments to make?

The Pension Trustees have appointed a subcommittee that includes qualified financial persons. This subcommittee performs ongoing reviews of investment-related policies and procedures, employs money managers and other investment advisors, and is responsible for overall performance of the fund. Specific investment choices are made by professional money managers within the context of guidance provided by the denomination's investment policy.

Primary Benefits of the United States Ministers' Pension Plan

1) What are the primary benefits available through the United States Ministers' Pension Plan?

The primary features of the Plan include four benefit groups, as follows:

- (a) Retirement benefits commencing at age 65 or early retirement benefits in a reduced amount beginning at age 55.
- (b) Long-term disability benefits provided through an insurance company.

- (c) Survivors' benefits paid to a surviving spouse when death of a member occurs while in active service.
- (d) Orphans' benefits paid to a member's orphaned children up to age 18, or to age 21 if in school.

Each of these benefits is explained more fully in the following questions and answers. Also included is information regarding other matters, including the rights of withdrawn (or "inactive") participants, the funding of the Plans, and offsets to retirement benefits.

Retirement Benefits

1) What is the Plan's "normal" retirement benefit, and how is it determined?

The "normal" benefit has two parts: the amount due to the retiree and the amount due to the surviving spouse. The amount due to the retiree is the sum of the following:

- (a) 1.1% multiplied by the "final average salary" multiplied by a minister's pensionable service before January 1, 1985, plus
- (b) 1.46% multiplied by the "final average salary" multiplied by a minister's pensionable service after December 31, 1984.

The amount due to the surviving spouse is 80% of the retiree's benefit that was determined at 1.1%, and 66 2/3 of the amount determined by application of the 1.46% factor. These benefits, taken together, are referred to as the "normal" form and was the form used for all retirements before July 1, 2001.

Although the foregoing describes the normal benefit, it may not be the one most suited to each retiree's particular situation and needs. Accordingly, Synod 2001 changed the Plan for retirements after June 30, 2001, to add several optional forms. These optional forms are described in the answer to question 2 following.

2) If the normal benefit is the basic benefit form offered by the Plan, what are the other forms, and how are they determined?

The Plan's normal benefit form includes a lifetime spousal benefit as indicated above. However, the spousal benefit may be changed to an amount equal to 50%, 66 2/3%, or 100% of the amount received by the retiree. The first two of these are slightly less expensive for the Plan and, accordingly, the retiree benefit is slightly greater. The third option is more expensive and requires a reduced retiree benefit.

Another alternative is the term-certain form. This provides a monthly benefit for the lifetime of the retiree, but guarantees payments for a minimum period of time (10 years or 15 years). If the retiree dies before the end of the guarantee period, benefits are continued in the same amount to a designated beneficiary (a spouse or another person) for the remainder of the guarantee period. Because this benefit is more expensive for the Plan, it results in a smaller monthly benefit to the retiree.

The last alternative form is a benefit for the retiree's lifetime only. This may be preferable if a retiree is not married, or if the surviving spouse will not need any income from the Plan. This form of benefit payment results in the largest benefit for the lifetime of the retiree.

Finally, it is possible to combine alternative spousal and term-certain benefit forms. Possible combinations are illustrated in the table of options included in response to question 3 following.

Benefit amounts for each of the alternate benefit forms and combinations thereof are designed to be the actuarial equivalent of the Plan's normal benefit. Benefit forms will be described in detail at the point of retirement, including the amounts paid to the retiree and surviving spouse for each form. Once a benefit form is chosen and benefits have begun, changes cannot be made.

3) Following is an example of the pension computation for Minister X who has 37 years of pensionable service at the time of his retirement on July 1, 2005.

Average cash salaries for ministers in United States Christian Reformed Churches for the three years prior to the year 2005, the year of Minister X's retirement, were:

2002	\$ 39,585
2003	40,639
	<u>41,269</u>
Total	\$121,493

Final Average Salary \$ 40,498

Using the formula in 1 above, the normal benefit for Minister X would be determined as follows:

1.10% times \$40,498 times 16 ½ years	=	\$7,350
1.46% times \$40,498 times 20 ½ years	=	\$12,121

Annual amount	\$19,471
Monthly payment	\$1,623

An eligible surviving spouse who is not more than 10 years younger (if more than 10 years younger, a reduced, actuarially equivalent amount will be used) than the minister will receive a spousal benefit determined as follows: 80% of the retirement benefit that was determined by application of the 1.1% factor, and 66 2/3% of the benefit determined by application of the 1.46% factor, as follows:

\$7,350 x 80%	=	\$5,880
\$12,121 x 66 2/3%	=	\$8,081

These total \$13,961 per year or \$1,163 per month.

This means that Minister X has a life-long retirement benefit of \$1,623 per month and, after his or her death, the surviving spouse has a life-long spousal benefit of \$1,163 per month. These benefits, taken together, are referred to as the normal form and was the form used for all retirements before July 1, 2001.

Although this is the normal form, it may not be the one most suited to the needs of this minister and his spouse, and they will need to choose among this form (Option 1 below) and 12 additional forms, as follows:

<u>Option</u>	<u>Retiree Monthly Pension</u>	<u>Years Term Certain</u>	<u>Spousal Monthly Pension</u>	<u>Percent of Retiree Amount</u>
No 1	\$1,623	0	\$1,163	Blended
No 2	\$1,641	0	\$1,094	66.67%
No 3	\$1,602	10	\$1,068	66.67%
No 4	\$1,558	15	\$1,039	66.67%
No 5	\$1,704	0	\$852	50.00%
No 6	\$1,645	10	\$822	50.00%
No 7	\$1,585	15	\$792	50.00%
No 8	\$1,528	0	\$1,528	100.0%

No 9	\$1,522	10	\$1,522	100.0%
No 10	\$1,507	15	\$1,507	100.0%
No 11	\$1,925	0	\$0	00.00%
No 12	\$1,788	10	\$0	00.00%
No 13	\$1,670	15	\$0	00.00%

4) For purposes of survivor’s benefits, what is the Plan’s definition of “spouse”?

The Plan defines spouse as follows: “‘Spouse’ means the person of the opposite sex to whom a Member is married at the time of his death or on the date that the first installment of his Pension Benefit under the Plan becomes due, whichever occurs earlier.”

Under this definition, a spouse will qualify for a postretirement survivor benefit only if your spouse is the person to whom you were married at the time your retirement benefits begin. If you remarry after your retirement benefits begin, your new spouse will not be eligible for a survivor’s benefit.

5) What is “final average salary” and how is it determined?

“Final average salary” is the average of cash salaries of CRC ministers in churches in the United States in the three calendar years before the calendar year in which the minister’s benefit amount is determined.

Each year, a survey is taken of all ministers serving in the parish ministry. Results are used to arrive at an average cash salary for United States ministers in that year. Ministers are encouraged to complete the survey to make the average cash salary figure a reliable representation of ministers’ salaries in the CRC.

6) What constitutes pensionable (or “credited”) years of service?

Assuming costs are paid, it is the sum of the following service:

- (a) Service as the first or only pastor of an organized Christian Reformed Church or as an endorsed chaplain, plus
- (b) Other service as approved by synod, plus
- (c) Approved leave of absence.

If a minister works on a part-time basis during a year, the minister may receive a partial year of credited service for that year. Credited service will not be granted for less than half-time service.

7) Suppose Minister Y has 230 months as an only pastor in U.S. organized churches, 108 months in the service of World Missions, and 66 months as an only pastor in an organized Canadian church. Assuming all costs are paid, what is his credited service?

Minister Y has 338 months or 28.17 years under the United States plan and 66 months or 5.5 years under the Canadian plan. (Minister Y will receive one check in United States funds and another in Canadian funds.)

8) What is the normal retirement date for a minister?

It is when he reaches age 65. However, a minister may continue to earn pensionable years of service after age 65 up to the end of the calendar year in which he or she turns 69. Pension benefits will be determined at the end of the year in which a minister turns 69, and pension benefits will begin even if he or she continues to work. However, no additional retirement benefits will be earned for service after pension payments have begun.

9) May a minister retire early?

A minister may retire as early as age 55, upon approval of classis. However, the pension benefit will be reduced by 3/10 of 1% for each month benefits are paid before age 65. Thus, at the earliest retirement age of 55 years, pension payments are reduced 36% (120 months x 0.3%).

Disability

1) Is there a disability benefit associated with the Plan?

Yes, UnumProvident provides long-term disability benefits for all active members of the Plan provided they have furnished to the plan administrators information regarding their compensation and the amount of any housing allowance paid in cash, or the value attributed to church owned housing.

2) What happens if a minister fails to furnish the information regarding compensation and housing as requested by the pension office?

If a minister fails to furnish the information requested, he or she will not be included in the UnumProvident long-term disability policy. This means that, unless a minister obtains disability coverage from some other source, he or she will not have any protection against the financial risks associated with disability. However, provided costs are paid, failure to furnish this information will not preclude participation in the retirement and survivor benefits of the Plan.

3) How does this plan work?

The pension office has provided a summary plan description prepared by UnumProvident to each minister who was an active member of the Plan at December 31, 2003, and summary descriptions are provided to new members. Additional copies are available on request from the pension office.

4) Has provision been made to guard against anyone "falling through the cracks" as the transition is made to the new disability policy?

Yes, ministers who were active members of the Plan at both December 31, 2003, and January 1, 2004, and who furnished compensation information requested by the pension office were protected by special transition provisions during 2004. These protections were necessary because coverage under the new policy is subject to certain preexisting condition provisions. These provisions serve to disqualify claims during the first 12 months of participation if any treatment was received during the three-month period preceding coverage under the new policy for the very health concerns that gave rise to the disability claim.

The Plan's old disability provisions only provided disability benefits in the event of total disability, and they required a disabled minister to be recognized as totally disabled by the Social Security Administration. Such recognition was a precondition for payment of any benefits under the old disability provisions.

Benefits to Surviving Spouse

1) Do surviving spouses of ministers receive pensions under the Plan?

Yes, both preretirement surviving spouses and postretirement surviving spouses may receive pensions provided they meet the definition of a surviving spouse described in a preceding section of this brochure. Please refer to question and answer 4 under the Retirement Benefits section of this brochure for the Plan's definition of "spouse," and to question and answer 5 under the Other Matters section for information regarding postretirement benefits to survivors of endorsed chaplains.

2) What pension is paid to a surviving spouse who was married to a retired minister?

When, at the point of retirement, the Plan's normal form is selected, the spouse will receive 80% of the portion of the retired minister's *regular* pension determined (and paid) by application of the 1.1% factor, and 66 2/3% of the portion of the retirement benefit determined (and paid) at 1.46%. This amount will be reduced if the spouse is more than 10 years younger than the minister.

However, not all surviving spouses qualify for this benefit. Reference should be made to question and answer 4 under the Retirement Benefits section of this brochure for the Plan's definition of "spouse," and to question and answer 5 under the Other Matters section.

3) How do you compute the pension of a surviving spouse when the minister was an active member, that is, not disabled or retired?

Suppose Minister E died on June 30, 2005, at age 52 after 24 years of CRC credited service under the Ministers' Pension Plan. At age 52, Minister E would have had 13 more years before reaching normal retirement age at 65 years. The Plan enriches the 24 years of pensionable service with 13 more years for a total of 37 years. Assume that the 2005 Final Average Salary for United States ministers was \$40,498.

The surviving spouse's pension will be: 80% of 1.1% times \$40,498 times 37 years, plus 66 2/3% of 1.46% times \$40,498 times 13 years, or \$14,453 per year.

However, if registration in the Plan is delayed beyond 90 days of ordination or installation, or if pension costs are not paid for two or more quarters following these events, the additional years of service would not be granted and only years of service through date of death would be considered.

Orphan Benefits

1) How are orphan benefits determined?

Up to a maximum of 3 children may receive the orphans' benefits up to age 18 (to age 21 if a full-time student). However, if an orphan was disabled before age 18, benefits will continue until the orphan is no longer disabled or until the orphan dies. Orphans' benefits are computed in the same manner and with the same service requirements and conditions as under question 3 above except that for each orphan a percentage of 30% is substituted for the surviving spouse's 80% or 66 2/3% as the case may be.

Other Matters

1) What about part-time service?

The Plan presumes that ministers are working full-time in the ministry. For purposes of administering the Plan, the following definition is used: "Full-time service means that all of the minister's professional life and energies are devoted to the ministry and that all of the minister's earned income is derived from ministerial service."

However, the Pension Trustees may approve part-time service and grant partial credited service for retirement purposes; provided, however, that such service does not involve less than half-time. Persons contemplating part-time service should consult with the pension office for an explanation of the effect of part-time service on other benefits provided by the Plan.

2) Do ministers who are not receiving credited years of service receive a pension (i.e., withdrawn because of a leave of absence or leaving the CRC ministry)?

Yes. However, their pension is set at the amount determined at the time of their termination from pensionable service based on years of credited service and the Final Average Salary in the year of termination. The pension amount so determined is commonly referred to as a "frozen" benefit, because it will not increase.

3) How are pensions determined for ministers no longer in the Plan?

Pensions are fixed by formula in the year they left the Plan. For example, if Minister T leaves the CRC ministry on June 30, 2005, after seven years of pensionable service, and the Final Average Salary for United States ministers for the year of his termination was \$40,498, the normal, annual pension benefit at age 65 is computed as follows:

1.46% times \$40,498 times 7 years = \$4,139 at age 65, or at reduced amounts beginning at age 55.

4) May a minister reenter the Plan once inactive or withdrawn?

Yes. If a member's pensionable service is discontinued, and he or she is later reemployed in service, the years of service at retirement include both the prior frozen years and the years subsequent to reentry, provided that the minister did not receive a lump-sum payment. However, for persons reentering the Plan subsequent to September 13, 2002, the retirement benefit will be the sum of the frozen benefit amount that is associated with the years of service prior to reentry, and the benefit amount associated with years of service following reentry to the date of retirement. The frozen benefit amount may be upgraded if payment of associated costs is made at the date of reentry. Such costs are measured as the difference between the value of the prior frozen benefit and the value of the same service as of the date the prior service is upgraded. If such payment is made, the final average salary at the point of retirement will be applied to all years of credited service. There are some exceptions to this rule that apply to study leaves, sabbaticals, or other service during which the pastor's ministerial credentials are retained and provided that such breaks do not exceed two years.

In addition, whether or not a member receives a lump-sum payment or remains an inactive (frozen) participant subsequent to reentry, such discontinuation or break in service will serve to eliminate all enhanced survivor and orphan benefits. This means that all "deemed" years, the years otherwise granted between the date of death and age 65 in calculating survivor benefits resulting from death while in active service, will not be used to enhance survivor benefits.

5) Are there offsets to the pensions determined in the above examples?

Yes, offsets apply in the case of endorsed chaplains whose pension costs are paid by the denomination and who are entitled to receive pensions from other sources that are based on the same years of pensionable service. Generally, offsets apply only to service through December 31, 2005—see the description appearing earlier in this brochure regarding actions taken by synod 2004.

On retirement, persons with service as endorsed chaplains are requested to furnish information regarding participation in other plans relating to the same periods of service as are used by the Ministers' Pension Plan to determine benefits. This information is used to determine an offset to the amount otherwise paid by the Plan. The offset requirement is commonly referred to as the "no double-dipping" rule.

Offsets are determined based on the value of the other plan in which an endorsed chaplain may have an interest. Other plans come in a great variety of forms—some are defined contribution plans that simply provide an account balance at retirement and that require the minister to decide how the balance is to be used. Others are defined benefit plans that may present a variety of benefit choices, as does the Ministers' Pension Plan. In order to achieve a fair offset amount, the Plan's actuaries are asked to state the value of the other plan in the same form as the Plan's normal benefit form. If the value of the other plan is greater, the offset is complete and the minister (and any surviving spouse) has no continuing interest or claim on the Ministers' Pension Plan. However, if the value of the other plan is less, the Minister's Pension Plan will pay the difference such that the value of the combined amount received by the retired chaplain is the same as the value of the Plan's unreduced benefit amount. In these cases, any benefit paid to a surviving spouse or qualifying orphans will be derived from the monthly benefit amount actually being paid by the Ministers' Pension Plan to the minister at the time of death.

As indicated above, the Plan's offset provisions compare the value of the benefits paid by the Ministers' Pension Plan and the value of the benefits paid by any other plan, whether in the form of future payments (as in a defined benefit plan) or a lump-sum account balance (as in a defined contribution plan). If the value of the latter is greater than that of the former, the offset is complete. When the offset is complete, there is no benefit payable to a surviving spouse because the value of the other plan was determined to be greater than the value provided by the Ministers' Pension Plan. There is no segmenting of benefits such that the primary benefit is eliminated (or, for that matter, reduced) while the survivor benefit is not. One cannot cause the spousal benefit to escape offset by opting to receive a single life benefit from another, more valuable, retirement plan.

6) How are assessments for the Ministers' Pension Fund determined?

At intervals of no more than three years, a qualified actuary determines the required amounts to be paid into the pension fund in order to keep the pension fund actuarially sound. The amount is determined by adding together the normal costs for one year, the amount required to fund any past service liabilities, and administrative expenses.

7) What does "fully funded" mean?

Each time synod approves an increase in benefits, the amount of the Plan's liability increases. "Fully funded" means that the liabilities for past service costs have been funded and that we need only to fund current period normal and administrative costs. No one can predict what will happen in the financial markets, but the better the performance, the greater the ability of the Plan to improve its present funded status and to maintain benefits or, should synod so decide, increase them.

SUMMARY OF CANADIAN RETIREE BENEFITS

COVERAGE FOR YOU

LIFE INSURANCE COVERAGE

Basic amount: \$10,000

Termination: At age attainment of age 70

COVERAGE FOR YOU AND YOUR QUALIFIED DEPENDENTS

EXTENDED HEALTH CARE COVERAGE

Covered percentage, as follows:

- (1) 100% of eligible charges for expenses incurred while out-of-province; and
- (2) 80% of all other eligible charges

Overall Lifetime Maximum: Unlimited

Termination: At your attainment of age 70

Benefits provided

Semi-private convalescent or rehabilitation hospital room and board in Canada (not in a public general hospital)

Maximum amount payable*
100 days for any one disability

Psychologists (including Christian Therapist)

\$700 in a calendar year

Chiropractor

\$500 in a calendar year

Naturopath, osteopath, podiatrist or chiropodist

Overall maximum of \$300 in a calendar year

Massage therapist

\$300 in a calendar year

Private duty professional nursing services in the home

\$10,000 in a calendar year

Physiotherapist, occupational therapist or speech therapist

An overall maximum of \$200 in a calendar year

Custom-made orthopedic shoes

\$200 in a calendar year

Hearing aids

\$250 every 24 months

Lenses required as a result of cataract surgery

\$200 per surgery

- **Per covered person**

PAY--DIRECT PRESCRIPTION DRUG PLAN

Coverage percentage: 80%
Maximum: \$5,000 per covered person in a calendar year
Termination: At your attainment of age 70

DENTAL CARE COVERAGE

BASIC AND MAJOR SERVICES

Coverage percentage: Basic services - 80% of eligible charges
Major services – 50% of eligible charges

Deductible: \$50 per covered person or \$100 per covered family (maximum of \$50 per covered person). However, when the deductible describe under the orthodontic services has been satisfied, no further deductibles will be required during that calendar year.

Fee Guide: The dental association fee guide for general practitioners, in the covered person's province of residence, will be the guide in effect on the date the service is rendered.

Maximum: \$1,000 per covered person per calendar year
Termination: At your attainment of age 70

ORTHODONTIC SERVICES

Covered percentage: 50% of eligible charges

Deductible: \$50 per covered person or \$100 per covered family (maximum of \$50 per covered person). However, when the deductible describe under the basic and major services have been satisfied, no further deductibles will be required during that calendar year.

Maximum: \$1,500 per covered person per calendar year
Termination: At your attainment of age 70

2006 QUARTERLY PREMIUMS

Single: \$364
Family: \$784

ELIGIBILITY

An individual residing in Canada and actively enrolled in the Canadian CGI plan is eligible to be covered upon date of retirement.

FOR ADDITIONAL INFORMATION

Contact the denominational Personnel Office at 1.800.701.8992 or Great West Life at 1.800.435.9077.



CGI Claims Administrator
A nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association

**Christian Reformed Church (CRCNA)
Consolidated Group Insurance (CGI)
CGI Benefits-at-a-Glance
U.S. Retiree Dental Benefits***

For CGI claims and coverage questions, and pre-determinations: 1.800.545.3042

Deductible, Coinsurance, and Dollar Maximums

Deductible – Applies to all services	\$50 per person per calendar year, \$100 maximum per family per year
Coinsurance	20% for class I and II services and 50% for class III and IV services
Dollar Maximums	
• Annual Maximum	\$1,000 per member for covered class I, II and III services
• Lifetime Maximum	\$1,000 per member for covered class IV services

Class I Services

Oral Exams – Twice per calendar year	Covered – 80% after deductible
Teeth Cleaning – Twice per calendar year	Covered – 80% after deductible
Bitewing X-rays – Twice per calendar year	Covered – 80% after deductible
Full-mouth X-rays – Once every three years	Covered – 80% after deductible
Fluoride Treatment	Covered – 80% after deductible
Space Maintainers	Covered – 80% after deductible
Palliative Emergency Treatment	Covered – 80% after deductible

Class II Services

Fillings (amalgam, acrylic, or silicate) other than gold	Covered – 80% after deductible
Inlays, Onlays, and Crowns other than gold	Covered – 80% after deductible
Root Canal Therapy	Covered – 80% after deductible
Periodontic Treatments	Covered – 80% after deductible
General Anesthesia	Covered – 80% after deductible
Oral surgery including extractions	Covered – 80% after deductible
Repairs to Existing Dentures & Bridges	Covered – 80% after deductible

Class III Services

Removable Dentures	Covered – 50% after deductible
Gold Fillings, Onlays, Inlays and Crowns	Covered – 50% after deductible
Fixed Bridges	Covered – 50% after deductible

Class IV Services – Orthodontic Services

Habit Breaking Appliances	Covered – 50% after deductible
Minor Tooth Guidance Appliances	Covered – 50% after deductible
Full-Banding Treatment	Covered – 50% after deductible
Monthly, Active Treatment Visits	Covered – 50% after deductible

***Open enrollment within 31 days of retirement date.**

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CGI Claims Administrator
An independent licensee of the Blue Cross and Blue Shield Association

**Christian Reformed Church (CRC)
Consolidated Insurance Group (CGI)
U.S. Retiree Medical Benefits-at-a-Glance***

For CGI claims and coverage questions, pre-certifications and pre-determinations: 1.800.545.3042

	In-Network without Medicare or Traditional with Medicare	Out-of-Network
Deductible, Co-pay Maximum, Coinsurance Maximum, and Out of Pocket Dollar Maximums		
Deductible Note: In-network deductible amounts also apply toward the out-of-network deductible, and Out-of-network deductible amounts also apply toward the in-network deductible	\$250 per member, \$750 family per calendar year	\$500 per member, \$1,500 family per calendar year
Coinsurance Services without a network: 25% coinsurance after in-network deductible for Ambulance Services, Skilled Nursing Care, Durable Medical Equipment, Prosthetic and Orthotic Appliances, and Private Duty Nursing, Mental Health Care and Substance Abuse	15% for general services	30% for general services
Coinsurance Payment Dollar Maximums Note: In-network coinsurance payments apply toward the out-of-network maximum, and Out-of-network coinsurance payments also apply toward the in-network maximum	\$1,000 per member, \$3,000 family per calendar year	\$1,000 per member, \$3,000 family per calendar year
Maximum Out-of-Pocket Expense Includes deductible and coinsurance payments for applicable services	\$1,250 per member, \$3,750 family per calendar year	\$1,500 per member, \$4,500 family per calendar year
Co-pays • Fixed Dollar Co-pays • Maximum Fixed Dollar Co-pays	\$25 for office visits and urgent care, and \$100 for emergency room visits, waived if admitted. None	Subject to deductibles and co-pays. None

Lifetime Benefit Maximum	\$2 million lifetime per member for all covered services and as noted above for individual services
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Preventive Services – Limited to \$500 per calendar year

Health Maintenance Exam – includes chest X-ray, EKG and select lab procedures. One per calendar year	Covered – 85% after deductible	Covered – 70% after deductible
Annual Gynecological Exam	Covered – 85% after deductible	Covered – 70% after deductible
Pap Smear Screening – laboratory services only	Covered – 85% after deductible	Covered – 70% after deductible
Well-Baby and Child Care • 6 visits per year, up to and including age 1 • 2 visits per year, up to and including age 2 through 3 • 1 visit per year, up to and including age 4 through 15	Covered – 85% after deductible	Covered – 70% after deductible
Immunizations	Covered – 85% after deductible	Covered – 70% after deductible
Fecal Occult Blood Screening	Covered – 85% after deductible	Covered – 70% after deductible
Flexible Sigmoidoscopy Exam	Covered – 85% after deductible	Covered – 70% after deductible
Prostate Specific Antigen (PSA) Screening	Covered – 85% after deductible	Covered – 70% after deductible
Mammography Screening	Covered – 85% after deductible	Covered – 70% after deductible

Physician Office Services

	In-Network without Medicare or Traditional with Medicare	Out-of-Network
Office Visits	Covered – \$25 co-pay	Covered – 70% after deductible, must be medically necessary
Outpatient and Home Visits	Covered – 85% after deductible	Covered – 70% after deductible, must be medically necessary

Consolidated Group Insurance - Medical Benefits - US

Urgent Care Visits	Covered – \$25 copay	Covered – 70% after deductible, must be medically necessary
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Emergency Medical Care

Hospital Emergency Room – approved diagnosis	Covered – \$100 copay, waived if admitted	
Ambulance Services – medically necessary	Covered – 75% after deductible	

Diagnostic Services

In-Network

Out-of-Network

Laboratory and Pathology Tests		Covered – 85% after deductible
Diagnostic Tests and X-rays	Covered – 85% after deductible	Covered – 70% after deductible
Radiation Therapy	Covered – 85% after deductible	Covered – 70% after deductible

Maternity Services Provided by a Physician

Pre-Natal and Post-Natal Care Benefits provided for spouses only – dependent daughters not covered		Covered – 85% after deductible
Delivery and Nursery Care Benefits provided for spouses only – dependent daughters not covered	Covered – 85% after deductible	Covered – 70% after deductible

Hospital Care

Semi-Private Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies	Covered – 85% after deductible	Covered – 70% after deductible
Inpatient Consultations	Covered – 85% after deductible	Covered – 70% after deductible
Chemotherapy	Covered – 85% after deductible	Covered – 70% after deductible

Alternatives to Hospital Care

Skilled Nursing Care Up to 30 days per calendar year	Covered – 85% after deductible	Covered – 70% after deductible
Hospice Care – Limited to \$200 per day and \$7,500 lifetime	Covered – 100% not subject to deductible	Covered – 100% not subject to deductible
Home Health Care	Covered – 100% after deductible	

Surgery – includes related surgical services	Covered – 85% after deductible	Covered – 70% after deductible
Second Surgical Opinion	Covered – 100%	Covered – 100%
Voluntary Abortions	Not Covered	Not Covered
Voluntary Sterilization	Covered – 85% after deductible	Covered – 70% after deductible

Human Organ Transplants

Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504)	Covered – 85% after deductible	Covered – in designated facilities only
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	Up to \$1 million maximum per transplant type	Covered – 85% after deductible
Kidney, Cornea and Skin	Covered – 85% after deductible	Covered – 70% after deductible
Mental Health Care and Substance Abuse Treatment		

Inpatient Mental Health Care and Substance Abuse Care - 45 inpatient days per calendar year

Outpatient Mental Health Care • Facility and Clinic • Physician’s Office Outpatient Care limited 45 outpatient visits per calendar year	Covered – 75% after deductible	Covered – 75% after deductible
	Covered – 75%	Covered – 75% after deductible
Outpatient Substance Abuse Care – in approved facilities – Limited annually to \$4,000 – Lifetime maximum \$50,000	Covered – 75%	Covered – 75% after deductible

Other Services

In-Network

Out-of-Network

Allergy Testing and Therapy	Covered – 85% after deductible	Covered – 70% after deductible
Chiropractic Spinal Manipulation	Covered – 85% after deductible Limited to \$750 annually	Covered – 70% after deductible
Outpatient Physical, Speech and Occupational Therapy • Facility and Clinic • Physician’s Office – excludes speech and occupational therapy	Covered – 85% after deductible	Covered – 70% after deductible
	Covered – 85% after deductible	Covered – 70% after deductible

Closing Well—Continuing Strong

Durable Medical Equipment	Covered – 75% after deductible
Prosthetic and Orthotic Appliances Option to place a dollar cap on prosthetics and orthotic appliances	Covered – 75% after deductible
Private Duty Nursing	Covered – 75% after deductible

Over

*** Administrative Notes:**

For Michigan residents, our medical insurance does not cover injuries due to an auto accident; do not sign a waiver with your auto insurance carrier to limit the coverage provided.

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