

# GENERAL SYNOD PENSION PLAN

MEMBER GUIDE

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Anglican Church of Canada  
General Synod Pension Plan

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The General Synod Pension Plan (the “plan” or “pension plan”) is a multi-employer target benefit pension plan, with participating employers and members across Canada. The pension plan is designed to provide its members with a target amount of lifetime pension.

## About target benefit pension plans

The goal for a target benefit (TB) pension plan is to maintain a sustainable benefit level that provides a predictable future pension benefit for you – and all members.

This is achieved by defining your pension using a pension formula which is funded through fixed, pre-set contributions. It is possible that your pension could be adjusted, up or down, due to the financial position of the plan.

**Pensions are paid for life** and all risks (e.g., longevity and investment) are shared by all members. The amount of pension you receive depends on how long you have been a contributing member of the plan and your earnings during this time.

## The pension fund

The pension fund of the General Synod Pension Plan is made up of a combination of:

- **your** pension contributions, which are deducted from your salary;
- **your employer’s** pension contributions; and
- **the investment earnings** on these funds.

All contributions and investment earnings in the pension fund are used to pay pension benefits and cover the cost of administration.

There are several factors that contribute to the pension plan’s overall health, ensuring the long-term sustainability of the plan. With a well-diversified portfolio, our strategy is to use high-quality investments which target to keep the plan fully funded over the long term.

## Membership in the plan

If you are a paid ordained or lay employee of any participating employer, you automatically become a member of the pension plan on the first day of your employment.

You may be excluded from the pension plan if:

- you are a part-time lay employee working under 700 hours each year, or earning less than 35% of the Canada Pension Plan/Quebec Pension Plan (C/QPP) earnings limit, or
- you make a written request to the Pension Committee for special exemption from membership and your request is accepted. This request must explain why you are requesting the exemption and must include a statement of consent from your employer.

If you are hired under a contract of less than one year, you are not eligible to join the plan.

## Contributions

The contribution rates below are effective January 1, 2020 and may change in the future.



**As an active member of the pension plan, you are required to contribute 5.0%** of your earnings to the pension fund.

Your contributions are automatically deducted from your pay and continue until your employment ends or you retire.

**Each month, your employer makes a contribution to the plan for you of 12.5%** of your earnings.

This contribution is not a taxable benefit (which means that you are not taxed on your employer's contributions).

For the purposes of the pension plan, “earnings” means the gross annual income you receive for duties performed for the Church. If you are ordained, it includes any amount determined by the participating employer to be the value of housing in accordance with the plan.

Your pension adjustment (PA) is the total amount contributed to the pension plan during the year by you and your employer. It is reported on your annual T4.

## Choosing when to retire

Choosing when to retire is an important decision that may have a large impact on the amount of pension you receive each month. Your plan offers three options:

### 1. Normal retirement

Your Normal Retirement Date is the first of the month after or coincident with your 65<sup>th</sup> birthday, or when you have contributed to the pension plan for 40 years, whichever comes first.

### 2. Early retirement

You have the right to retire up to 10 years before your Normal Retirement Date, but your pension may be reduced. When pension amounts are reduced, it is because your benefit will be spread out over more years of payments.

#### For pension earned up to December 31, 2015

- If you have 35 years or more of plan membership, the pension you earned up to December 31, 2015 will not be reduced for early retirement, even if you are under age 65.
- If you have fewer than 35 years of plan membership, your pension will be reduced by  $\frac{1}{4}\%$  for each of the first 60 months that you fall short of reaching:
  - your Normal Retirement Date, or
  - the date on which you would have completed 35 years of membership if your membership had continued until that date.

If you are more than five years short, your pension will be reduced by  $\frac{1}{2}\%$  for each additional month.

#### For pension earned after December 31, 2015

- If you are under age 65 and have fewer than 40 years of plan membership, your pension will be reduced by  $\frac{1}{2}\%$  for each month that you fall short of reaching your Normal Retirement Date.

#### If you are an inactive member when you retire

- Your pension will be reduced by  $\frac{1}{2}\%$  for each month that you fall short of reaching your Normal Retirement Date.

### 3. Postponed retirement

You may choose to delay your retirement beyond your Normal Retirement Date.

If you do, your total pension earned up to your Normal Retirement Date will be increased by  $\frac{1}{2}\%$  for each month that you delay retirement, because your pension will be paid out over a shorter time than expected. The increase to this portion of your pension may be limited to ensure actuarial equivalency to the value of the pension you would have received if you had retired on your Normal Retirement Date.

You will also earn additional pension until you retire or until the end of the year in which you reach age 71. Current pension law requires that you start taking a pension at that time, even if you continue to work.

## Amount of pension

When you retire, the amount of pension you receive will be calculated using a formula. The current formula (until December 31, 2020) is 1.8% of salary for each year of plan membership. This formula is subject to change. You will also receive any pension increases granted during your plan membership.

## Pension formula

Starting January 2021, your annual pension will be calculated as 10.3% of contributions, which is the same as 1.8% of salary, but expressed in a different way. This calculation has changed over time. In the past, pension accrual was based on:

- 1.6% of salary (on average) from 1961 to 1982
- 1.9% of salary from 1983 to 1996
- 2.0% of salary from 1997 to 2009
- 1.8% of salary from 2010 to 2020

Ad-hoc pension increases may be provided on top of the pension calculated using the formula above.

Your pension is paid in addition to pension benefits from government programs, such as Canada Pension Plan ([CPP](#)) and Old Age Security ([OAS](#)).

Each year, the amount of your pension is updated to reflect the pension you've earned during the year. You are sent a personal statement showing the exact amount of your pension earned to date.

## Pension payments

Your pension will be paid at the end of every month for the rest of your life. It is deposited directly into your bank account.

In Quebec, you may choose to guarantee your pension for a 10-year period by taking a reduced pension at retirement. In this case, if you die within the first 10 years after retirement, pension payments will continue to your partner/beneficiary for the remainder of the 10 years.

**NOTE:** If your pension qualifies as a “small” pension under the pension laws of your province, the full value will be paid as a single payment instead of as a monthly pension.

## Survivor's pension

If you have a partner when you retire, 60% of your monthly pension will continue to be paid to that partner after your death. You may increase the amount paid to your partner to 100% by taking a reduced pension when you retire. This election is irrevocable.

If you live in Quebec and have elected the guarantee option, survivor benefits will apply after the guarantee period.

If, on the date you retire, you have been with your partner fewer than five years and your partner is more than 10 years younger than you, in order to provide a surviving partner's pension, your pension will be reduced to reflect payments being made to your partner for longer than expected.

If you acquire a partner after retirement, you may choose to reduce the amount of your pension in order to provide a survivor's pension for your new partner. You may do this only if you have contributed to the plan for at least five years and have no former partner who might be eligible for pension benefits. This election must be made within 6 months of the date the individual becomes a partner, as defined below.

**Definition of partner for pension purposes:** This is governed by the Income Tax Act and provincial pension legislation. You may name one "partner" who is living with you, AND:

- is married to you, or
- has lived with you in a conjugal relationship:
  - for at least one continuous year, or
  - for a period of some permanence if you are jointly caring for a natural or adopted child.

## Returning to work

If you go back to work for a participating employer after retirement, you will continue to receive your pension, but you will not be eligible for any further contributions to the pension plan.

## Disability

**If you become disabled, you will continue to earn pension benefits as long as:**

- you qualify under any disability income program that is offered by the Church; or
- you are receiving disability benefits from the Canada/Quebec Pension Plan (C/QPP).

**You are not required to contribute to the pension plan during your disability.**

- Until December 31, 2020, your pension benefits earned while you are on disability will be based on your earnings immediately before you became disabled.
- Starting January 1, 2021 your benefits earned while you are on disability will be based on contributions immediately before you became disabled (see change to pension formula effective January 1, 2021 on page 5).

## Termination of employment

The end of your employment does not mean you are automatically terminated from the pension plan.

If you terminate employment you are eligible to terminate your participation in the plan. When you terminate employment with a participating employer, you have these options:

1. You may leave your pension benefits in the plan to provide a pension when you retire.
2. If you are under age 55, you may choose to terminate membership in the plan, and you may transfer the cash value of your pension, tax-free, to one of the following:
  - a “locked-in” registered retirement savings plan (RRSP) which must eventually be used to provide a retirement income, or
  - an insurance company to buy an annuity that will guarantee a lifetime income, or
  - your new employer’s plan if that plan allows transfers.

If your pension qualifies as a “small pension” under the pension laws of your province, you may transfer your pension benefits tax-free to another registered pension plan, or RRSP, or pay tax and take it in cash.

If you leave to work for another employer who participates in this plan, your plan membership will continue.

**For members in Ontario:** In 2012, the government introduced rules that may apply when a member leaves a pension plan before retirement. These rules are optional for multi-employer plans like ours. Under the rules, the value of any early retirement benefits would be added to members’ termination benefits, if the member’s employment ended involuntarily and without cause and if their age plus service equaled 55 or more.

Because these benefits would result in additional costs that would affect members who remain in the plan, our Trustees decided to opt out of the new rules and leave our plan unchanged. The Trustees’ decision to opt out of the new rules has no impact on pension benefits for members who retire from the plan.

## Leave of Absence

If you take an approved leave (study, pregnancy, parental, family medical care, compassionate care or any other type of leave required to be granted by employment standards legislation), you may make arrangements with your employer to continue your pension contributions.

You may do this only if the sum total of all periods of leave is not more than 60 months. If you take a leave of absence other than an approved leave, you become an inactive member until you return to active employment with an employer who participates in the plan.



## Inactive members

You will become an inactive member if any one of the following events occurs:

1. You terminate your employment and do not apply to terminate membership in the plan,
2. You take an approved leave and choose not to continue your pension contributions, or
3. You take a leave of absence other than an approved leave.

As an inactive member, you may apply for your pension at your Normal Retirement Date, or you may take a reduced early retirement pension any time within 10 years of your Normal Retirement Date.

## If you die before retirement

If you are an active member, your partner or beneficiary (only if there is no partner) is entitled to receive a lump sum payment equivalent to the cash value of your pension at the date of death.

In lieu of the lump sum payment, your partner may elect to receive an immediate or deferred annuity the value of which is equal to the lump sum payment.

If you have contributed to the plan for at least five years, your partner may elect a survivor pension equal to 60% of the pension you had earned to December 31, 2012 plus the excess, if any, of the cash value of your pension at the date of death over the cash value of the survivor pension. This pension will be paid until the end of the month in which your partner dies and is not affected if your partner begins a new relationship.

## Death after retirement

Your surviving partner will receive a pension according to the payment option you chose when you retired.

This pension will be paid until the end of the month in which your partner dies and is not affected by a new relationship. If, on the death of your partner, the total pension paid out to you and your partner is less than your own contributions plus interest, your partner's estate will receive a refund of the difference.

If you do not have a partner, your named beneficiary or estate will receive a death benefit equal to your own contributions plus interest minus any pension already paid.

## Beneficiary(ies)

In most provinces, your partner is the automatic beneficiary of any death benefit payable by the plan. However, your partner may be able to submit written notice waiving the rights to this benefit. If your partner waives his or her rights to your death benefit, or you do not have a partner, your beneficiary can be anyone you choose.

If you do not have a partner and have not named a beneficiary, your death benefit will be paid to your estate.

You may change your beneficiary at any time by completing an "[Appointment of Beneficiary](#)" form provided by the Pension Office.

## Relationship breakdown

At the time of retirement, if you and your partner are separated, he or she does not qualify as your partner for a survivor's pension, even if you are still legally married. This means that he or she will not qualify for any benefits in the event of your death unless specifically named as your beneficiary.

Please advise us if you become separated from your partner.

The laws regarding pension division on marriage breakdown vary from province to province. Please get legal advice on the status of your pension.

## Administration

This member guide describes the provisions of the pension plan as of January 1, 2020. The Pension Committee may amend the plan from time to time with the approval of the Council of General Synod and may make changes in order to comply with new tax or pension legislation.

The regulations of the plan are the responsibility of the Pension Committee, which reports to the General Synod and the Council of General Synod. The Pension Committee appoints a Board of Trustees which is responsible for the investment of pension funds and the supervision of the administration of the plan.

When investment earnings on the pension fund are higher than expected, the extra income may be used to increase benefits for active members, inactive members and pensioners and surviving partners. If, on the other hand, contributions are not sufficient to finance pension benefits and it is not possible to increase contributions, benefits may be reduced. This has never happened thus far.

Day-to-day administration of the plan is the responsibility of the Pension Office under the supervision of the Executive Director.

## Keeping us informed

It is very important that you notify your employer or the [Pension Office](#) immediately of any changes in the following:

- name
- address
- email address
- partner's name
- children's names
- beneficiary
- marital status

## Need help or have questions?

If you have any questions or concerns about your plan membership, or would like further information about pension regulations in your own province, please contact:

**The Pension Office Corporation**  
**The Anglican Church of Canada**  
**625 Church Street, Suite 401**  
**Toronto, ON M4Y 2G1**

**Telephone: 416-960-2484**

**Toll-free: 1-800-265-1070**

**Fax: 416-968-7689**

**Website: [www.anglicanpension.ca](http://www.anglicanpension.ca)**

**Email: [inquiry@anglicanpension.ca](mailto:inquiry@anglicanpension.ca)**

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### The final word

This member guide contains only the more important provisions of the General Synod Pension Plan. A complete description can be found in Canon VIII and the Regulations, which are the legal documents governing the plan. These are available on our website at [anglicanpension.ca/](http://anglicanpension.ca/). Every effort has been made to provide an accurate description of your plan. However, if there is a discrepancy between the information in this handbook and the legal documents, the legal documents will govern.