

# Adventist Retirement

## Presentation Agenda

- **Welcome**
- **Defined Benefit Plans**
- **SHARP – Supplemental Healthcare Adventist Retirement Plans**
- **Break**
- **Financial Wellness**
  - **Budgeting**



With You On The Journey

# Defined Benefit Plans Service Records

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Defined Benefit Plans | SHARP

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# Service Record

## Maintaining Employment Documentation

### Employer

- Secure Custody
- Update & Maintain Annually
- Provide a Copy to Employee every 2 years.
- At Retirement send the original/paper record with the application.

### Employee

- Review for Accuracy
- Initiate Corrections with Employer
- Understand the process at Retirement

# The Service Record



## North American Division Service Record

Employee	Employment	Service Summary	Canada Only																																	
John Doe      Phone: Fax: Email: ID: 407388	<b>Hired on:</b> 07/01/1998 <b>Terminated on:</b> <b>SSN:</b> xxx-xx-7023 <b>SIN:</b> <b>Benefit Rate Factor:</b> 1.06 <b>Personal</b> <b>Marital Status:</b> Married <b>Gender:</b> M <b>Born on:</b> 05/01/1950	<table border="1"> <thead> <tr> <th></th> <th>ServCred*</th> <th>Vested?</th> </tr> </thead> <tbody> <tr> <td>US DB &lt; 2000:</td> <td>1.50</td> <td>Y</td> </tr> <tr> <td>Hospital DB &lt; 1992:</td> <td>0.00</td> <td>N</td> </tr> <tr> <td>Canada DB:</td> <td>0.00</td> <td>N</td> </tr> <tr> <td>Canada Supplemental:</td> <td>0.00</td> <td></td> </tr> <tr> <td>NAD Cert'd Foreign:</td> <td>0.00</td> <td></td> </tr> <tr> <td>Total DB Service Cr:</td> <td>1.50</td> <td></td> </tr> <tr> <td>US DC &gt; 1999:</td> <td>13.42</td> <td></td> </tr> <tr> <td>Hospital DC &gt; 1991:</td> <td>3.43</td> <td></td> </tr> <tr> <td>Berm &amp; Kett &gt; 1999:</td> <td>0.00</td> <td></td> </tr> <tr> <td>Regional Confs:</td> <td>0.00</td> <td></td> </tr> </tbody> </table>		ServCred*	Vested?	US DB < 2000:	1.50	Y	Hospital DB < 1992:	0.00	N	Canada DB:	0.00	N	Canada Supplemental:	0.00		NAD Cert'd Foreign:	0.00		Total DB Service Cr:	1.50		US DC > 1999:	13.42		Hospital DC > 1991:	3.43		Berm & Kett > 1999:	0.00		Regional Confs:	0.00		<b>DORE:</b> <b>Adjusted:</b> <b>Plan Entry:</b> <b>Comm Value Pay Date:</b> <b>Comm Value Yrs Paid:</b> <b>PreRetDeath Pay Date:</b> <b>PreRetDeath Yrs Paid:</b> <b>Eligible Credited Service:</b> 0.00
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Regional Confs:	0.00																																			

Begin date	Job Description	WorkType	Hours	Months	%FT	%Rem	AreaRem	Plan	Service Credit Accumulated						
End Date	Employer	Work Location	Hourly Pay		Work Status				Rec	USA	Hsp	Can	Sup	Rgn	YRF
07/01/1998 12/31/1998	Groundskeeper Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	6.0	100	114	0	USDB	0.50	0.50	0.00	0.00	0.00	0.00	1.06
01/01/1999 12/31/1999	Groundskeeper Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	12.0	100	114	0	USDB	1.00	1.50	0.00	0.00	0.00	0.00	1.06
01/01/2000 12/31/2000	Groundskeeper Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	12.0	100	114	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00
01/01/2001 12/31/2001	Machinist Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	12.0	100	118	0	USDC	1.00	1.50	0.00	0.00	0.00	0.00	0.00
01/01/2002 05/31/2002	Machinist Southern Adventist University	I-Reg Salary with %remun Southern Adventist University	0 0.00	5.0	100	118	0	USDC	0.42	1.50	0.00	0.00	0.00	0.00	0.00





# Service Issues

## Less than 1000 Hours

- 1000 hours is determined by the Plan to be half-time employment.

## Non-Participating Employer

- An employer who does not participate in the Adventist Retirement Plans (DB or DC).

## Educators

- Teachers who work a 10-month schedule should show a full semester. July – December.

## Breaks in Service

- When an employee worked for the church and then leaves for an extended break before returning to church employment.

# Service Issue Exceptions



**Graduate Study Pre-2000:** must be employed by a participating employer within one year of graduation.

- 1 year of service credit for MDiv or JD etc.
- 2 years for doctoral degree. These years cannot be used to meet the 10-year minimum vesting requirement of the DB Plan.
  - If study started pre-2000 it must be completed by 2008 to receive credit.
  - (DC Plan: ‘make up’ contributions are made by the Employer for post-1999 years. No additional Service Credit is granted – (ARP Section 4.07)

**Military Service (United States):** become denominationally employed within 1 year of separation from active duty, you may earn up to 2 years of service credit.

(DC Plan/ARP “make up” contributions are made by the Employer. No additional service credit. (ARP Section 7.03)

**Chaplaincy:** must be certified by Adventist Chaplain Ministry to earn DB Plan service credit.

(The Chaplain or their nondenominational employer must contribute into the DC Plan for the post 1999 service credit to count. They do not receive matching contributions. (ARP Section 4.06)

# Adventist Retirement Office

## Retirement

- Review Service Record and application for accuracy
- Reviews for Policy Compliance
- Authorizes Service Record
- Calculates Retirement Benefits





Questions?



Seventh-day  
Adventist  
Retirement Plan  
of the North  
American Division  
Defined Benefit Plan

Information regarding  
the Church pension  
plan/defined benefit  
retirement plan, for  
those with pre-2000  
NAD denominational  
employment.



Service Credit  
Vesting Rule  
Benefit Rate  
Factor  
Pension Factor

Vested: 10 years of qualified Service Credit. Post-'99 years through 12-31-2014 can be used to meeting the vesting requirement. (Maximum of 40)

Benefit Rate Factor: 10 highest pre-2000 yearly rate factors. (table for percentage scale found in DB policy Z 35).

Pension Factor: dollar amount voted annually by NAD Ex Committee.



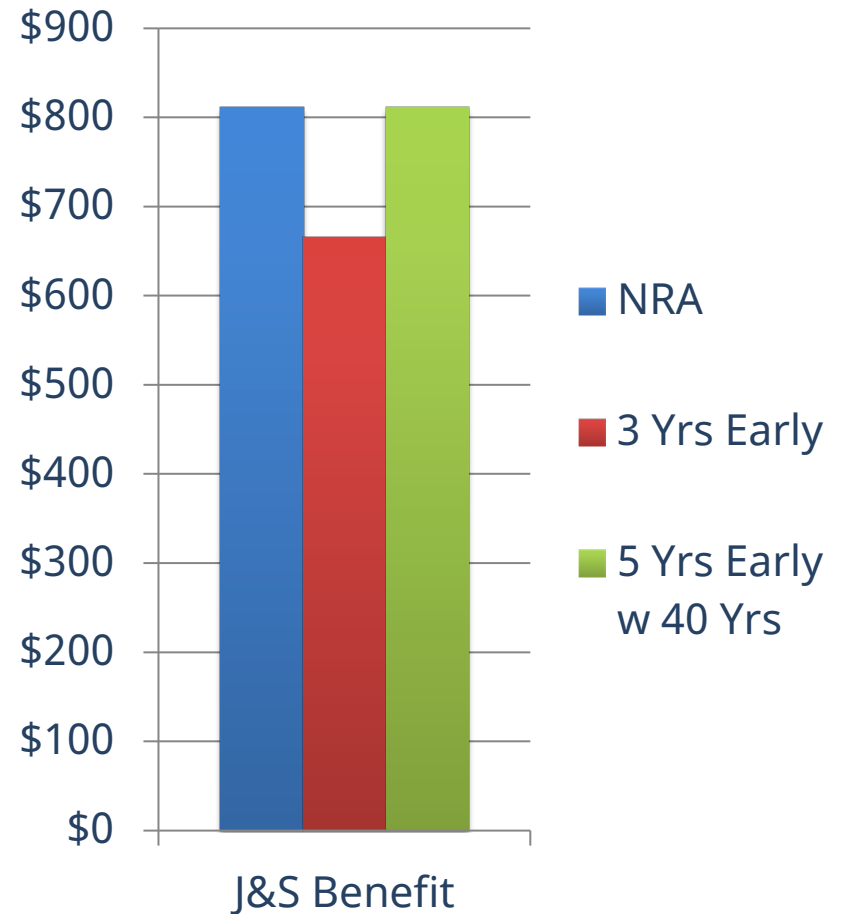
# Normal Retirement Age

NRA increases from age 66 to 67 in 2026.

- 2020 - 2025
- 2 Month Steps/Year

Early Retirement Benefit Reduction 1/2% Per Month younger than NRA.

- NRA or
- 40 years





# Single Life Benefit – Retiree only

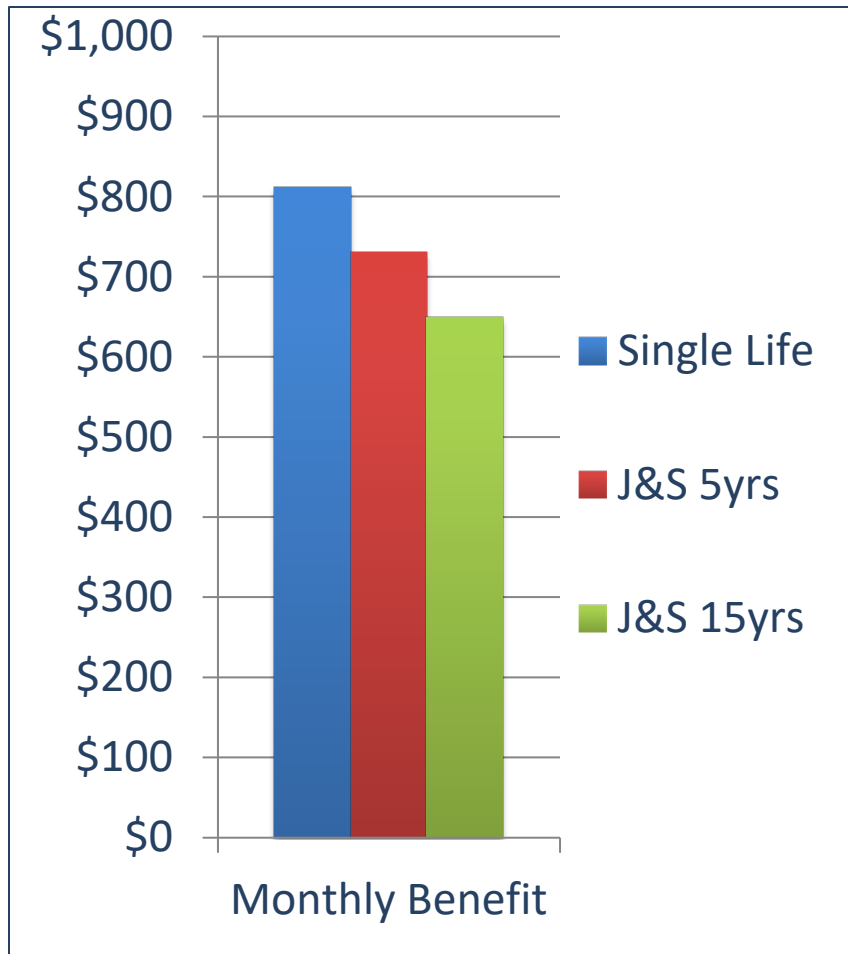
20 DB Years

BRF = 1.3%

2024 Pension  
Factor =  
\$3,120

$20 \times 1.3\% \times$   
 $\$3,120 =$   
 $\$811.20/\text{mo.}$

# Joint & Survivor Benefit: 20 DB years of service.



Married 1+ Years at Retirement

Single Life Benefit Reduced by 10%

Spouse Receives

- Healthcare Assistance
- Survivor benefits

May opt for Single Life

# DB Spouse Allowance – conditional benefit

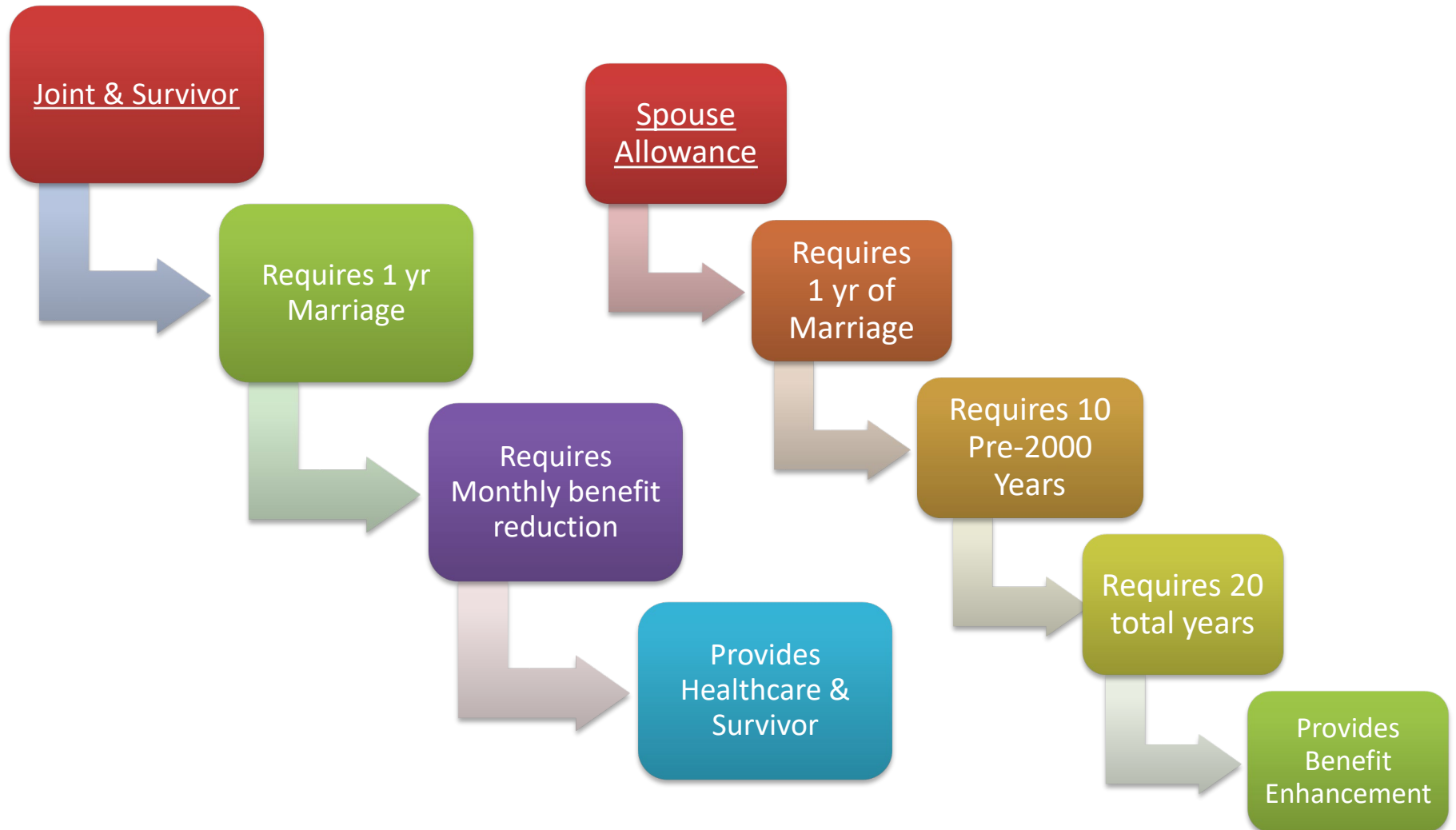
## Eligibility

- Spouse must share 10 Years pre-2000 Qualified Service Credit with
- 20+ Total Years of Qualified Service Credit between DB & DC Plans.
- The Spouse's own retirement benefit, from any employer, will reduce or eliminate the SA.
- Married at least 1 year prior to the retirement effective date.

## Adjustments

- Discontinued at death of spouse
- Discontinued at divorce
- Does not restart with a Re-Marriage

# Don't Confuse J&S with SA







# The Survivor Benefit

# J&S Benefit with SA: Retiree Death

## J&S Spouse

- Spouse receives no personal pension.
- Example: the Spouse shared 20 pre-2000 years.

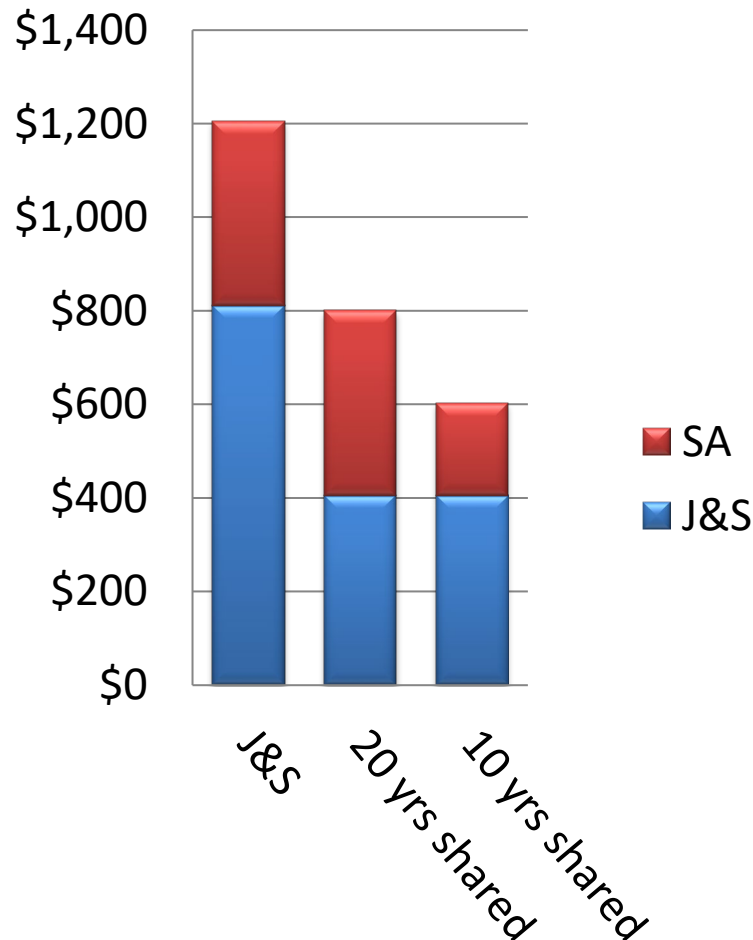
## Survivor Spouse Benefits

- $\frac{1}{2}$  the J&S Benefit
- Healthcare continues
- Example: Spouse Allowance pro-rated to match shared 10 pre-2000 years of service.

## Remarriage

- No impact to monthly benefit.
- New Spouse not eligible for benefits

## Survivor Benefits



# J&S Benefit with SA: Spouse Death

## J&S Spouse

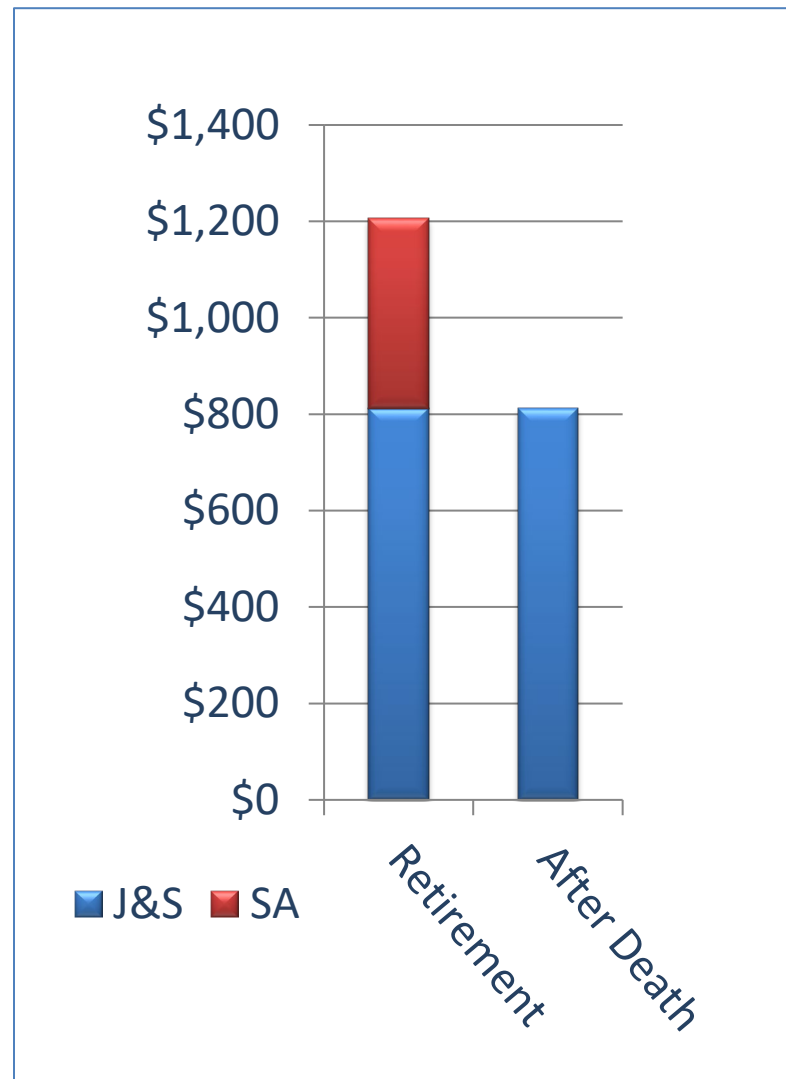
- Example: Spouse shared 20 pre-2000 years of service and the Spouse receives no personal pension.

## Retirement Benefits

- J&S Benefit Continues
- Healthcare Continues for retiree
- Spouse Allowance Terminated

## Remarriage

- No impact to the monthly benefit.
- New Spouse not eligible for benefits



# Survivor Spouse of Retiree Single Life with SA

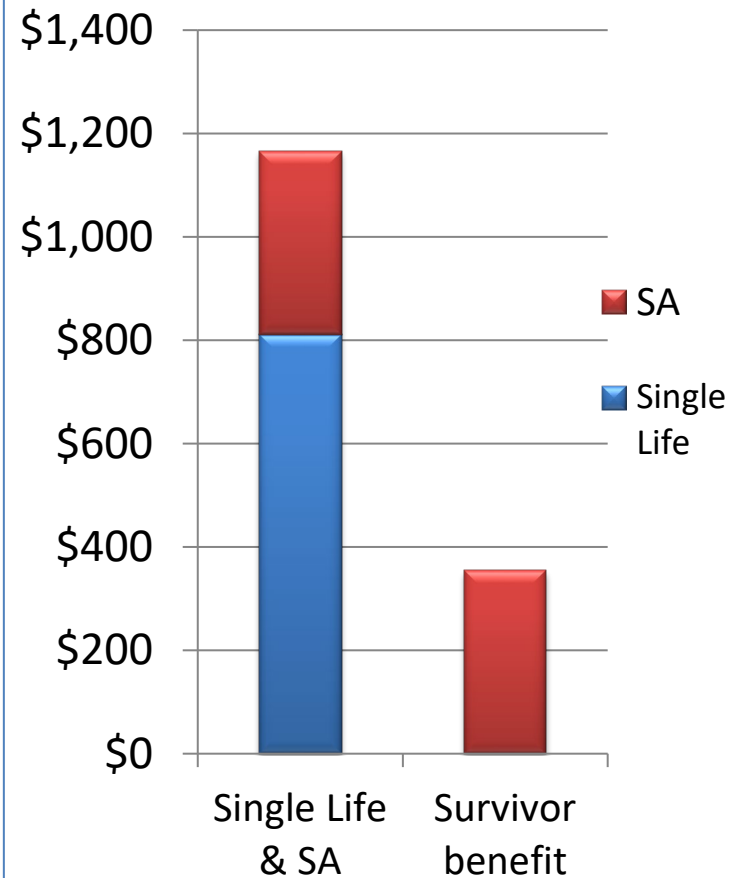
Single Life Benefits Cease

Spouse Allowance continues *if*

- The Spouse shared at least 10 years of service.

No Survivor Benefits

No Survivor Healthcare



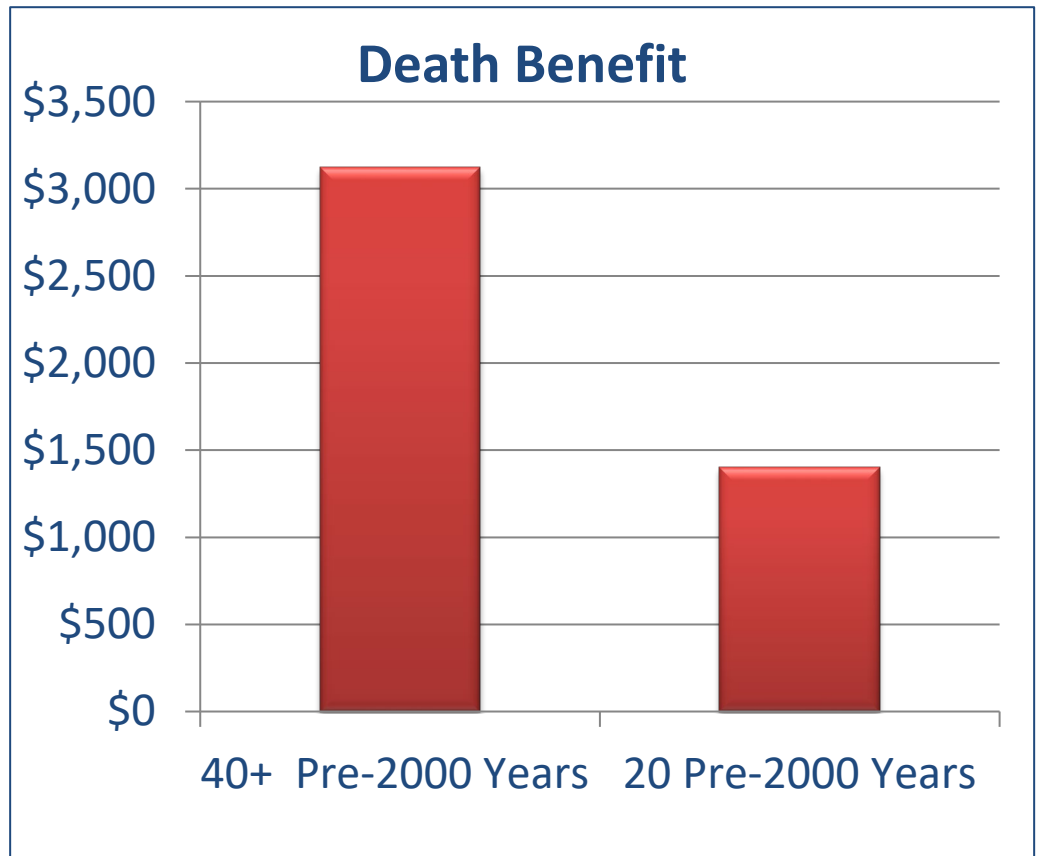


# DB Plan Death Benefit Retiree with J&S Spouse

40 pre-2000 YSC =  
100% of Current  
Pension Factor

Prorated for 20  
Years

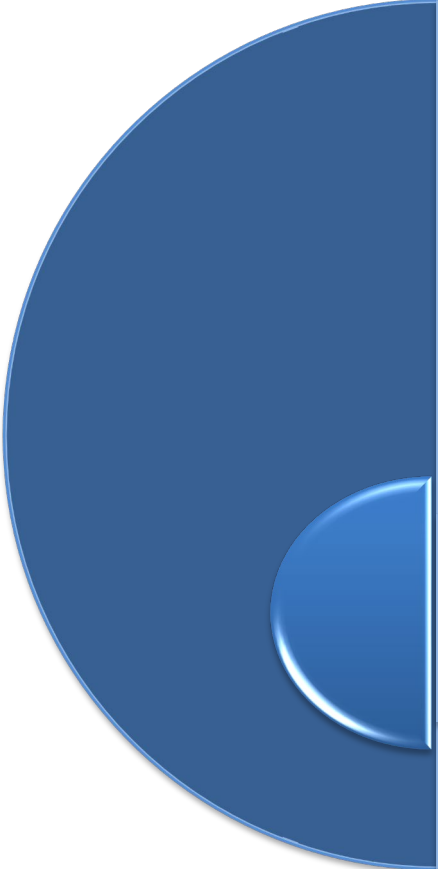
Given to Spouse or  
Family – requires a  
copy of the death  
certificate





- Retirement Allowance

# DB Plan Retirement Allowance - Z 40 05



The RA policies require that you go directly from employment into Retirement.

You must have vested with 10 years service credit

You must work at least half-time (50%) for the two years immediately preceding your Retirement.

Limited exceptions of 36-month extension if there is an involuntary termination. (Z 40 05 10)

(Employer must request)

# DB Retirement Allowance – Pre-2000

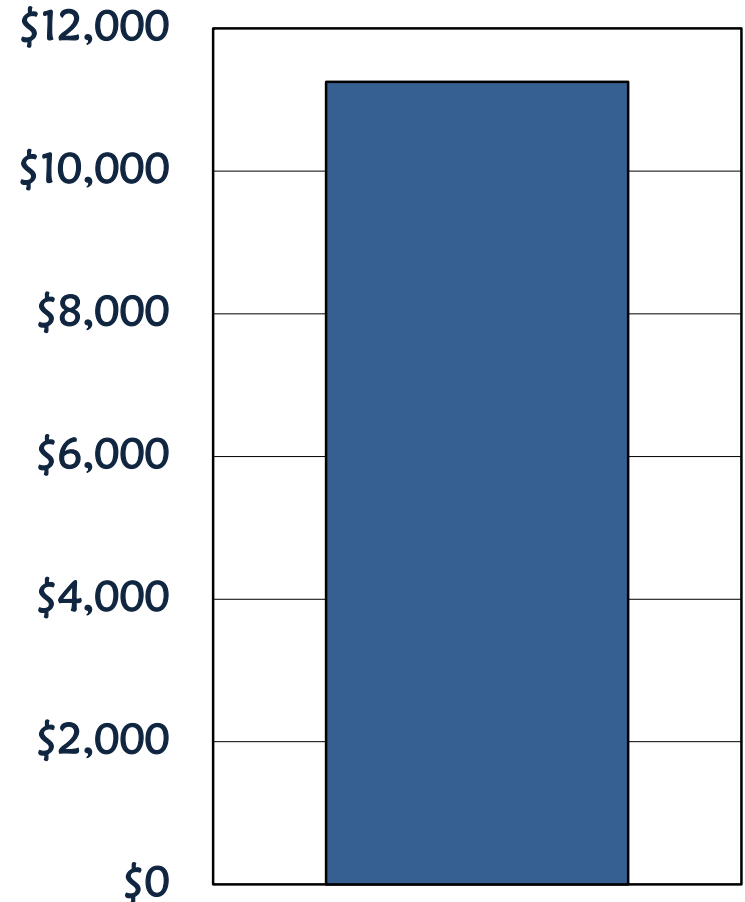
Example:  
20 Pre-  
2000 Years

- Can Be Transferred to Tax Deferred Account which avoid payroll taxes
- Can be taken as cash with taxes withheld

Calculation

- $20 \times .125 \times \$4500 = \$11,250$

Retirement Allowance



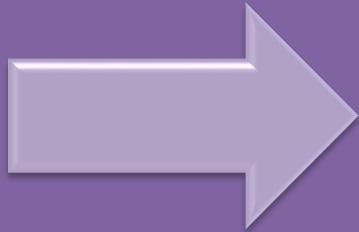


# Applying for the Employer Retirement Allowance

- 
- Go through your employer
  - Retirement Application –  
Pre-2000 service RA is  
completed by the  
Employer.
  - Payment of Pre-2000 RA  
Retiree's Choice of where to  
deposit the payment.



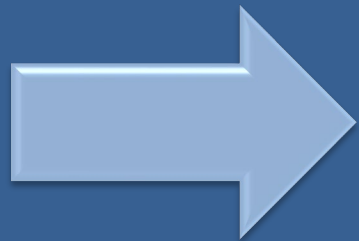
# DB Vesting Requirements



Pre-2000 DB Plan Vesting Requirement is 10 Years of Qualified Service Credit



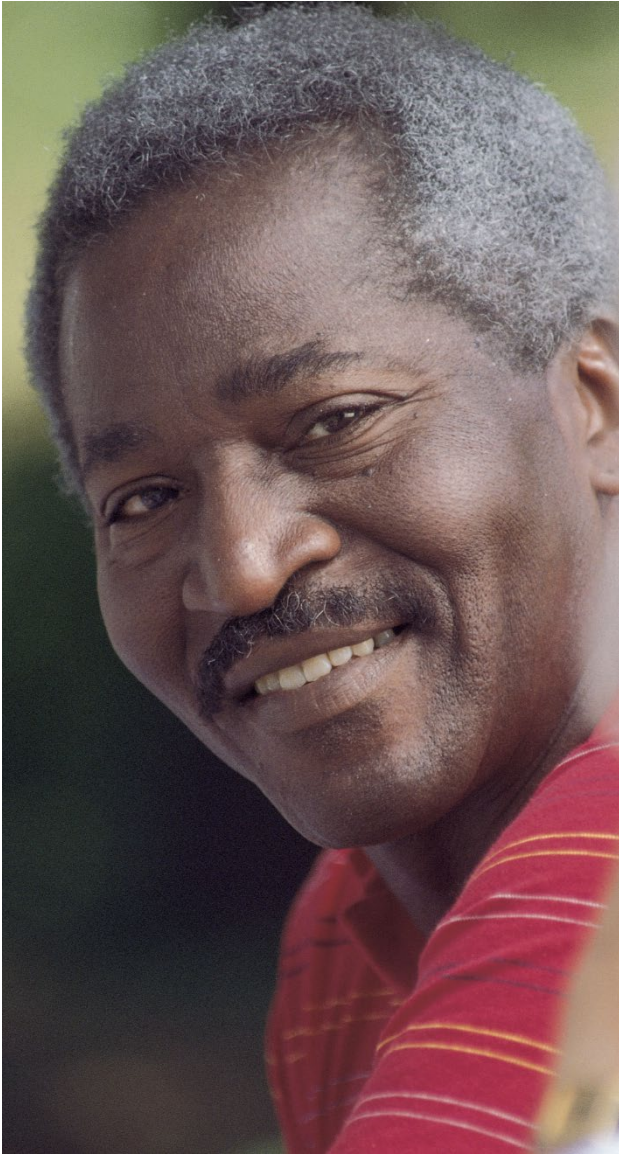
Post-1999 DC Plan Qualified Service Credit may be used to vest the employee until 12/31/2014.



Post-1999 DC Plan has no Vesting Requirement

Questions?





# SHARP

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Lisa Turpen, Associate Administrator DB Plans | SHARP

**Adventist**Retirement  
[adventistretirement.org](http://adventistretirement.org)

# SHARP Eligibility Requirements

Employee must have 15 years of Qualified Service Credit in the DB or DC plan by June 30, 2020.

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Spouse of an Eligible Retiree who vested, may enroll in SHARP if the retiree takes the Joint and Survivor Benefit option

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Children under age 26 are eligible to enroll, regardless of marital status or employment status

## *Things to note:*

- ✓ If the primary address is out of the country, the only option available to SHARP Dental/Vision/Hearing
- ✓ Participants in the Canadian and Regional Retirement plans are ineligible



# SHARP Dental/Vision/Hearing



## Highlights:

- ✓ 2024 monthly cost is \$105/person
- ✓ Available to all eligible retirees/spouses/child
- ✓ If over 65 at retirement, one-time enrollment opportunity at retirement
- ✓ If under 65, can defer until age 65 open enrollment
- ✓ Dental does not cover medical procedures
- ✓ Claims are processed by WebTPA
- ✓ Full benefits even if enrolled mid-year.

### Cost sharing

- Plan: 80%
- Participant: 20%

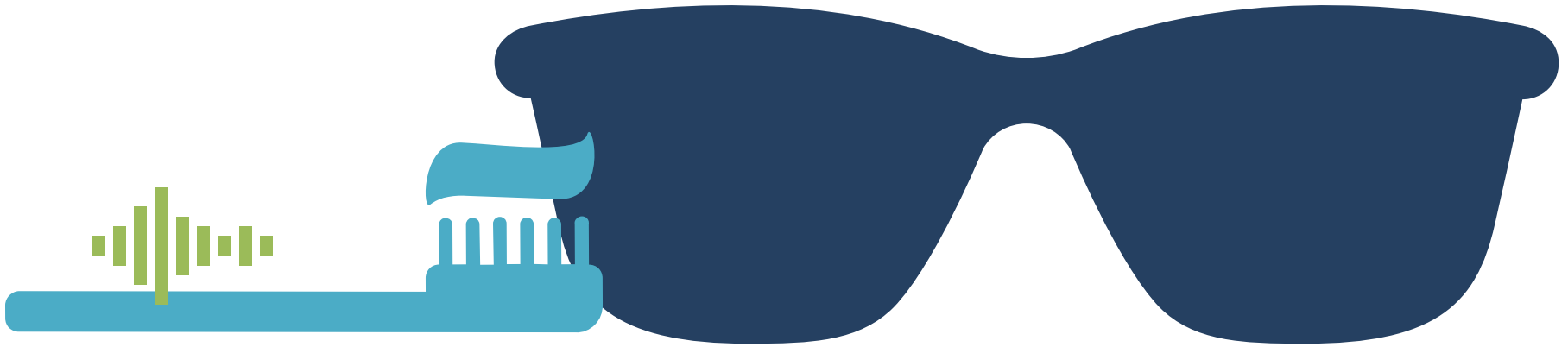
### 2024 Plan Maximums

- Dental Assistance: \$2,200
- Vision Assistance: \$400
- Hearing Assistance: \$2,200\*

### Monthly Charge per person, based on Qualified Service Credit

- Retirees eligible for earned credit pay a lower monthly cost

\*one-year look back for hearing benefit only



## 2024 Dental - Vision - Hearing (DVH) TABLE

Years of qualifying church service	35+	30-34	25-29	20-24	15-19	8-14*	1-7*
Category	A	B	C	D	E	F	G
DVH Cost/Month	\$105	\$105	\$105	\$105	\$105	\$105	\$105
(less EC)	(\$65)	(\$58)	(\$51)	(\$44)	(\$37)	(\$30)	(\$23)
<b>Total Cost</b>	<b>\$40</b>	<b>\$47</b>	<b>\$54</b>	<b>\$61</b>	<b>\$68</b>	<b>\$75</b>	<b>\$82</b>

# SHARP Pre-Medicare Plans

## Medical Plan

- Aetna PPO through Adventist Risk Management
- Retiree pays deductible
- High deductible if less than 40 years
- Low deductible if more than 40 years
- Claims processed by WebTPA

## Prescription Drug Plan

- Formulary rules
- 3-tier Rx plan
- Retiree pays deductibles, copays
- Out of pocket maximums in place

## Dental/Vision/Hearing

- Same as earlier slide
- Available to all Pre-Medicare population with same benefits
- Full year benefits no matter when retirement date is

## Base Medical

- Available for those who are under 65 but enrolled in Medicare for disability
- Pays secondary to Medicare after deductible is met
- Low-cost plan
- Ends at age 65

## Dependent Coverage

- Available to children up to age 26
- Bundle package includes medical, DVH, prescriptions coverage
- One low price for all options
- Available regardless of employment or marital status
- Paid by retiree



**Is there financial help available for those who are not on Medicare yet?**  
**Yes! If the retiree is eligible for Earned Credit, the spouse is also eligible. To be eligible for the Earned Credit, the retiree must either be over 65, or have 40+ years of service, if under 65.**

Years of Qualified Church Service Credit – EC only applicable if Retiree is eligible.	Monthly Cost after Earned Credit per Participant
35+	\$776 - \$640 EC = \$136
30-34	\$776 - \$565 EC = \$211
25-29	\$776 - \$490 EC = \$286
20-24	\$776 - \$415 EC = \$361
15-19	\$776 - \$340 EC = \$436

# SHARP-Ex

*Age 65+*

Retirement Healthcare  
Benefits for Medicare-  
Eligible employees with  
at least 15 years of  
Qualified Service Credit.





# Medicare is *Essential!*

[www.medicare.gov](http://www.medicare.gov)

## Medicare A – Hospital

- Sign up for Medicare Part A two or three months before turning 65. There is no Cost – and you can enroll even if you are still employed.

## Medicare B – Medical

- Required at age 65 if not covered by an employer healthcare plan.
- Subject to penalties if you don't sign up when you are first eligible, or when you lose employer healthcare coverage.

## Medicare D – Prescription Drug Plans

- Delay until retirement if you have employer healthcare coverage.
- If you don't enroll when eligible to do so, Medicare will penalize you if or when you enroll later



**Note:** SHARP requires that you sign up with Medicare A/B upon retirement to participate in Adventist Retirement's Healthcare plan.



# Your Medicare Coverage Choices



## Option 1: Original Medicare

### Original Medicare



**Part A**

Hospital Insurance



**Part B**

Medical Insurance

You can add:



**Part D**

Medicare Prescription Drug  
Coverage

You can also add:



**Medigap**

Medicare Supplement Insurance

## Option 2: Medicare Advantage Plan

### Medicare Advantage Plan



**Part A**

Hospital Insurance



**Part B**

Medical Insurance



**Part D**

Medicare Prescription Drug  
Coverage



## **Medicare Advantage Plans (Part C)**

**Medical Benefits similar to what Medicare Parts A and B cover**

**PPO or HMO networks with deductible and out of pocket maximum**

**Offers greater financial protection (lower premiums and out-of-pocket maximums)**

**Most include Medicare Part D prescription drug coverage**

**Additional provisions like Silver Sneakers, phone consults, minimal dental benefits**

## **Medicare Supplement (Medigap Plans)**

**Provider flexibility as long as they take Medicare Assignment**

**Must purchase a separate prescription plan**

**Covers Medicare-approved services only**

**Higher Premiums/lower incident costs**

- **Annual deductibles**

## Medicare Advantage Plans (Part C)

- If you prefer to receive your benefits from one plan, have one card and pay one low premium
- Favor network type plans: HMO's and PPO's; coordinated care
- Don't mind paying per-visit copays and coinsurance

## Medicare Supplement Plans (Medigap)

- If you visit your doctors frequently: copayments and coinsurance visits are generally covered by your high premium depending on the plan you select
- Want flexibility in choosing your doctors: accepted by all doctors who take Medicare patients
- Travel within the US



## **Annual Open Enrollment**

October 15 to  
December 7

Effective January 1 of  
next year

If you're already  
enrolled, most plans  
will rollover to the  
next year.



## **Changing Medigap Plans**

Guaranteed Issue for  
Initial Enrollment  
during your Medicare  
Special Enrollment  
Period (SEP).

No Guaranteed Issue  
for a Medigap  
Changes made after  
your SEP.



## **Medicare D Rx Plans**

Change at Annual  
Open Enrollment

Exceptions are if you  
move zip code or IF  
the drug plan fails or  
terminates.



## **Medicare Advantage Plans**

Change at Annual  
Open Enrollment

Could change back to  
Original Medicare /  
Medigap- be  
cautious



## **Alight Retiree Healthcare Solutions**

- **Provides licensed and certified advisors who assist you in selecting your insurance plan. Advisors are impartial (salaried).**
- **Appointments are all via phone, but you can enroll online or by working with advisor.**
- **Files application with your insurance provider**
- **Set up and manages your HRA (Health Reimbursement Account)**
- **You must enroll in a medical or a drug plan through Alight for HRA to be available to you and maintain an Enrollment w/o a gap in coverage.**
- **Accommodations for hearing impaired and language assistance available free to charge.**

## **Health Reimbursement Account (HRA)**

**Reimbursements are paid through Your Spending Account (YSA) and can be for premiums, including Medicare Part B, out of pocket medical, prescription and a host of other things.**

**SHARP contributes HRA dollars annually. Retirees do not contribute to the HRA. This is non-taxable to retirees.**

**Unused funds rollover to the next year**

**If retiring mid-year, the first year's HRA is prorated based on Enrollment date.**



## 2024 HRA ANNUAL CONTRIBUTION TABLE

Years of qualifying church service	DVH Annual Contribution per member	HRA Annual Contribution per member	Total Annual Contribution per member
35+	\$780	\$1620	\$2400
30-34	\$696	\$1464	\$2160
25-29	\$612	\$1308	\$1920
20-24	\$528	\$1152	\$1680
15-19	\$444	\$996	\$1440
8-14*	\$360	\$840	\$1200
1-7*	\$276	\$624	\$900

\*divorce shared service

If the Retiree opts out of DVH, the DVH contribution will be added to the HRA contribution. **This is a life-time decision** and the Retiree cannot enroll in SHARP DVH in the future, unless they have an age-65 open enrollment. The retiree with J&S benefits receives the same contribution amounts for the spouse.



## 2024 CH APS REIMBURSEMENT TABLE (based on \$104.90)

\* you must have Church Defined Benefit Plan service to be eligible for this benefit.

Category	A	B	C	D	E	F	G
Years of Retirement Plan Service	35+	30-34	25-29	20-24	15-19	8-14**	1-7**
Reimbursement	90%	80%	70%	60%	50%	40%	30%
Monthly Reimbursement	\$94.41	\$83.92	\$73.43	\$62.94	\$52.45	\$41.96	\$31.47



*Questions?*

