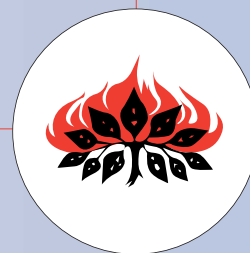


The Presbyterian Church in Canada
L'Église presbytérienne au Canada



YOUR PENSION PLAN

June 2004



TABLE OF CONTENTS

Your pension benefits at a glance	1
Your pension plan	2
Joining the plan	2
Contributions	3
When you may retire	4
Amount of your pension	5
Example of pension calculation at mid-career	6
Example of pension calculation at retirement (full-time)	7
Pension increases after retirement	8
Payment of your pension	8
Life events	8
If you work part-time	8
Example of pension calculation at retirement (part-time)	9
If you take maternity or parental leave	10
If you leave	10
If you are disabled	11
If you have a shortened life expectancy.....	11
If you die before retirement	11
Excess contributions	12
Doctoral students.....	12
Benefits for previous service.....	12
Keeping us informed	12
Provincial pension laws	13
If you have any questions	13
Administration	13
Government benefits	14
Key terms	15



YOUR PENSION BENEFITS AT A GLANCE

PLAN MEMBERSHIP	Compulsory for ordained ministers, members of the Order of Diaconal Ministries, and employees of the National Office. Available to other Church workers whose employers agree to participate in the plan.
YOUR CONTRIBUTIONS	You contribute a percentage of your pensionable income to the plan every month by payroll deduction. This percentage is approved each year by General Assembly. Your contributions are tax-deductible.
EMPLOYER CONTRIBUTIONS	Your congregation or employer also makes contributions to the pension plan. The amount of employer contributions is approved each year by General Assembly.
RETIREMENT AGE	<i>Normal:</i> First day of the month following your 65 th birthday. <i>Reduced early:</i> Anytime after you reach age 55 – with a reduced pension. <i>95-point early:</i> Anytime after your age and pensionable service total 95 – with no reduction. <i>Postponed:</i> Anytime after age 65, but pension payments must, by law, begin no later than the year in which you reach age 69.
AMOUNT OF YOUR PENSION	Your pension is based on a formula that uses your pensionable income, pensionable service, and maximum qualifying income.
IF YOU LEAVE	If you have been a member of the plan for less than two years, you will receive a refund of your contributions plus interest. If you have been a member of the plan for at least two years, you will receive the full value of the pension you have earned.
IF YOU DIE BEFORE RETIREMENT	If you have been a member of the plan for at least two years, your spouse or child(ren) will receive a survivor's pension or a lump sum will be paid to your beneficiary or estate.



YOUR PENSION PLAN

“Your employer” means the Church, a congregation, a board of the Church, or any other affiliated employer, organization or institution that contributes to the pension plan.

You may wish to think of your retirement income as a three-legged stool made up of your Church pension, government-paid pensions, and personal savings.

The Church’s pension plan was established in 1927 to provide a source of income for retired employees of the Church. In 2004, the plan has approximately 800 active members and 800 retirees.

When you join the plan, you make monthly contributions to the pension fund by payroll deduction. Your employer also makes regular contributions to the fund.

When you retire, you receive a pension from the plan based on your pensionable income and your period of pensionable service. Other important sources of retirement income include government programs, such as the Canada Pension Plan and Old Age Security, and your own personal savings plans.

This guide gives a summary of the main provisions of the plan. It is not a legal document and does not cover every detail, but it does give you the basic facts. Key terms are defined throughout the text and in the final section.

We have tried to provide an accurate description of your pension benefits. However, if there is a discrepancy between the information in this guide and the Constitution, the Constitution will govern.

If you have any questions about your pension, please contact the Pension Administrator at 1-800-619-7301 or 416-441-1111. You can also send an e-mail to pension@presbyterian.ca.

JOINING THE PLAN

If you are an ordained minister or a member of the Order of Diaconal Ministries, you must join the plan. Employees of the National Office must join the plan after one year of employment, but may choose to join earlier (anytime after three months of employment). Other Church workers may also join, provided their employers agree to participate in the plan.



CONTRIBUTIONS

Your pension is paid from your contributions and contributions made by your employer. These contributions, together with the investment income they earn, provide the funds for your pension (see pension formula on page 5).

You contribute a percentage of your pensionable income to the plan. This is automatically deducted from your before-tax pay. Your employer also makes contributions to the plan. The amount to be contributed by members and employers is approved by General Assembly.

RETIREMENT CONTRIBUTION LIMITS

The Canada Revenue Agency sets an overall limit on how much income you may tax-shelter for retirement each year. This limit includes:

- the value of your membership in the pension plan – this is known as your “pension adjustment” (PA) and is reported on your T4;
- any contributions to a registered retirement savings plan (RRSP).

The current limit is 18% of your earned income for the previous year (including allowances) up to a maximum dollar limit. The limit for 2004 is \$15,500, but will jump to \$16,500 in 2005, and \$18,000 in 2006. Unused contribution room may be carried forward to following years.

Your contributions to the pension plan are automatically deducted from your before-tax pay.

How much is enough?

How much should you contribute each year to your RRSP? That depends on many factors, including your current age, your retirement goals, and whether you have other savings or sources of income. For personal advice on retirement planning, we strongly recommend that you consult a qualified, independent financial advisor.



Three key terms

To understand how your pension plan works, it is important to know the meaning of the following three terms:

Maximum qualifying income

The maximum income used to calculate contributions and pensions. Since 2000, this has been set at 160% of the top level of minimum stipend (\$54,860 in 2004).

Pensionable income

“Income” means either your stipend (plus an allowance of 60%) or your salary (excluding bonus or overtime payments but including payments for health and dental insurance). “Pensionable income” is your income up to the maximum qualifying income.

Pensionable service

The period during which contributions are made to the pension plan (pro-rated for part-time service, see page 8).

WHEN YOU MAY RETIRE

NORMAL RETIREMENT

Your normal retirement date is the first day of the month following your 65th birthday.

REDUCED EARLY RETIREMENT

You may retire with a reduced pension anytime after you reach age 55.

95-POINT EARLY RETIREMENT

You may retire early with an unreduced pension if your age plus pensionable service total 95 or more. For example, if you are age 62 and have 33 years of pensionable service, your pension will be calculated using the normal retirement formula and your actual pensionable service, with no reduction.

POSTPONED RETIREMENT

If you continue working after age 65, you may continue to earn pensionable service and receive an increased pension when you retire. However, the Canada Revenue Agency requires that pension payments begin by the end of the calendar year in which you reach age 69.

POSTPONED RETIREMENT: QUEBEC

If you live in Quebec and continue working after age 65 with reduced earnings, you may choose to begin payment of all or part of your pension. These pension payments may not exceed the amount by which your earnings are reduced. Your full pension will begin when you stop working altogether.

If you take this payment option, your contributions will stop and you will not earn any additional pension benefits.



AMOUNT OF YOUR PENSION

The formula for calculating your pension is shown below. To apply this formula, you need a record of your income during your plan membership and the maximum qualifying income each year.

To help you keep track of your pension, a pension statement is sent to you every year. This statement shows how much pension you have earned to date. It also gives you an estimate of your pension if you stay in the plan until you retire.

NORMAL RETIREMENT FORMULA

The current pension formula went into effect on January 1, 1990. If you were actively contributing to the plan on December 31, 1989, your pension will be calculated using both the old and new formulas, and you will receive the larger of the two amounts.

CURRENT FORMULA FOR ANNUAL PENSION

1.5% of the average maximum qualifying income
multiplied by
your highest income ratio
multiplied by
your pensionable service

Your “income ratio” is the ratio of your pensionable income each year to the maximum qualifying income. Your “highest income ratio” is the average of your five highest income ratios (not necessarily consecutive).

If you have an income ratio of one (your pensionable income is equal to the maximum qualifying income) for five or more years, you will automatically receive the maximum pension based on your pensionable service.

The “average maximum qualifying income” is the average of the maximum qualifying income in the year when you retire and the preceding four calendar years.

EARLY RETIREMENT FORMULA

If you retire before age 65 and you do not have 95 points, your pension is calculated the same way as a normal retirement pension, but it is reduced by 6% for each year (½% per month) that you fall short of age 65.

PENSION EXAMPLE: EARLY RETIREMENT WITH A REDUCED PENSION

Age: 62
Amount of monthly pension (based on normal retirement formula): \$1,500
Reduced by 18% (3 years x 6%): \$270
Total monthly pension: \$1,230



The member in this example is in mid-career (still active). For examples of pension calculations at retirement, please see pages 7 & 9.

EXAMPLE OF PENSION CALCULATION AT MID-CAREER

This example illustrates how your pension is calculated. You do not have to do this calculation yourself. Each year, we update your pension calculation for you and send you a personal statement showing the amount of your pension earned to date.

Date of joining plan – January 1, 1995
 Date of calculation – December 31, 2004
 Pensionable service – 10 years

If you have an income ratio of one (your pensionable income is equal to the maximum qualifying income) for five or more years, you will automatically receive the maximum pension based on your pensionable service.

Year	Pensionable Income	Maximum Qualifying Income	Income Ratio
1995	\$ 39,220	\$ 46,560	0.8424
1996	40,189	46,620	0.8621
1997	42,450	47,820	0.8877
1998	43,426	48,000	0.9047
1999	45,679	48,418	0.9434
2000	47,814	50,580	0.9453
2001	49,726	51,600	0.9637
2002	51,998	52,920	0.9826
2003	53,400	53,400	1.0000
2004	54,860	54,860	1.0000
Average over last five years		\$ 52,672	
Average over highest five years (not necessarily consecutive)			0.9783

HOW FORMULA IS APPLIED

1.5% of average maximum qualifying income	1.5% x \$52,672.00 = \$	790.08
<i>multiplied by highest income ratio</i>		x 0.9783
		<u>\$ 772.94</u>
<i>multiplied by pensionable service</i>		x 10.00
total annual pension earned to December 31, 2004		<u>\$ 7,729.35</u>
total monthly pension earned to December 31, 2004		<u>\$ 644.11</u>



EXAMPLE OF PENSION CALCULATION AT RETIREMENT – Full-time throughout (see page 9 for part-time)

<i>Year</i>	<i>Pensionable Income</i>	<i>Maximum Qualifying Income</i>	<i>Income Ratio</i>	<i>Pensionable Service</i>
1980	\$ 7,295	\$ 13,000	0.5611	0.50
1981	16,760	17,000	0.9859	1.00
1982	19,000	19,000	1.0000	1.00
1983	20,000	20,000	1.0000	1.00
1984	20,000	20,000	1.0000	1.00
1985	21,600	21,600	1.0000	1.00
1986	23,500	23,500	1.0000	1.00
1987	26,500	26,500	1.0000	1.00
1988	29,170	29,170	1.0000	1.00
1989	34,260	34,260	1.0000	1.00
1990	35,820	35,820	1.0000	1.00
1991	39,240	39,240	1.0000	1.00
1992	42,780	42,780	1.0000	1.00
1993	45,660	45,660	1.0000	1.00
1994	46,440	46,440	1.0000	1.00
1995	46,560	46,560	1.0000	1.00
1996	46,620	46,620	1.0000	1.00
1997	47,820	47,820	1.0000	1.00
1998	48,000	48,000	1.0000	1.00
1999	48,418	48,418	1.0000	1.00
2000	50,580	50,580	1.0000	1.00
2001	51,600	51,600	1.0000	1.00
2002	52,920	52,920	1.0000	1.00
2003	53,400	53,400	1.0000	1.00
2004	27,430	54,860	0.5000	0.50
Average over last five years		\$52,672		
Average over highest five years (not necessarily consecutive)			1.0000	
Total pensionable service				24.00

This example illustrates how your pension is calculated. You do not have to do this calculation yourself. When you apply for your pension, we will send you a personal statement showing the amount of the pension you have earned.

Date of joining plan
– July 1, 1980
Date of calculation
– July 1, 2004
Pensionable service
– 24 years
Retirement age
– 65

HOW FORMULA IS APPLIED

1.5% of average maximum qualifying income	1.5% x \$ 52,672.00 = \$	790.08
<i>multiplied by highest income ratio</i>	x	1.0000
		\$ 790.08
<i>multiplied by pensionable service</i>	x	24.00
total annual pension earned to July 1, 2004		\$ 18,961.92
total monthly pension earned to July 1, 2004		\$ 1,580.16

Since this member was contributing to the plan on December 31, 1989, the pension will also be calculated using the old formula, and he or she will receive the larger of the two amounts.



PENSION INCREASES AFTER RETIREMENT

It has been the Church's practice to increase pensions for retired members whenever investment earnings allow. Although these increases are not guaranteed, they have greatly improved our pensioners' income.

PAYMENT OF YOUR PENSION

Pension payments begin on the first of the month following the month in which you retire. You may have your pension cheques mailed to you or deposited directly in your account.

PENSION PAYMENT OPTIONS

Your pension will be paid for the rest of your life.

If you have a spouse when you retire: If you die first, 66 $\frac{2}{3}$ % of your pension at retirement will be paid to your spouse for the rest of his or her life.

**You cannot change
your pension option
after you retire.**

If your spouse at retirement dies, a new spouse will receive a spouse's pension only if you provide his or her name to the Pension Administrator at least one year before your death.

**The definition of
"spouse" is governed
by provincial
pension law.**

You may choose to take a reduced pension at retirement to continue a higher percentage (up to 100%) of your pension at retirement to your spouse if you die first. You may also take a reduction to add a guaranteed period of five, 10 or 15 years. In this case, if you die within the guaranteed period, your full (reduced) pension will continue to be paid for the remainder of the guaranteed period. At the end of the guaranteed period, your spouse will begin receiving a pension at the level you chose at retirement. This pension will continue for your spouse's remaining lifetime.

A pension will also be paid to any surviving dependent child(ren).

If you do not have a spouse at retirement or if you outlive your spouse: Your pension will be paid for the rest of your life only. If you wish, you may take a reduced pension and add a guaranteed period of five, 10 or 15 years. This means that if you die within the guaranteed period, your pension will continue to your beneficiary or estate for the remainder of the guaranteed period.

LIFE EVENTS

If you work part-time

If you work part-time, your contributions are based on what you would have earned if you had been working full-time, reduced by the ratio of your actual hours of employment to full-time hours of employment. In the example (opposite), the member's contribution in 2003 would have been: $\$53,400 \times 0.056 \times 50\% = \$1,495.20$. To calculate your pension, your pensionable income is based on what you would have earned if you had been working full-time, and your pensionable service is based on the ratio of your actual hours of employment to full-time hours of employment each year.



EXAMPLE OF PENSION CALCULATION AT RETIREMENT – Part-time for the last five years

<i>Year</i>	<i>Pensionable Income</i>	<i>Full-time Equivalent Pensionable Income</i>	<i>Maximum Qualifying Income</i>	<i>Income Ratio</i>	<i>Pensionable Service</i>
1980	\$ 7,295	\$ 7,295	\$ 13,000	0.5611	0.50
1981	16,760	17,000	17,000	0.9859	1.00
1982	19,000	19,000	19,000	1.0000	1.00
1983	20,000	20,000	20,000	1.0000	1.00
1984	20,000	20,000	20,000	1.0000	1.00
1985	21,600	21,600	21,600	1.0000	1.00
1986	23,500	23,500	23,500	1.0000	1.00
1987	26,500	26,500	26,500	1.0000	1.00
1988	29,170	29,170	29,170	1.0000	1.00
1989	34,260	34,260	34,260	1.0000	1.00
1990	35,820	35,820	35,820	1.0000	1.00
1991	39,240	39,240	39,240	1.0000	1.00
1992	42,780	42,780	42,780	1.0000	1.00
1993	45,660	45,660	45,660	1.0000	1.00
1994	46,440	46,440	46,440	1.0000	1.00
1995	46,560	46,560	46,560	1.0000	1.00
1996	46,620	46,620	46,620	1.0000	1.00
1997	47,820	47,820	47,820	1.0000	1.00
1998	48,000	48,000	48,000	1.0000	1.00
1999 (part-time as of July 1 st)	36,314	48,418	48,418	1.0000	0.75
2000 (part-time)	25,290	50,580	50,580	1.0000	0.50
2001 (part-time)	25,790	51,580	51,580	1.0000	0.50
2002 (part-time)	26,460	52,920	52,920	1.0000	0.50
2003 (part-time)	26,700	53,400	53,400	1.0000	0.50
2004 (part-time)	13,715	27,430	54,860	0.5000	0.25
Average over last five years			\$52,672		
Average over highest five years (not necessarily consecutive)				1.0000	
Total pensionable service					21.5

Date of joining plan
 – July 1, 1980
 Part-time (50%) as of
 – July 1, 1999
 Date of calculation
 – July 1, 2004
 Pensionable service
 – 21.5 years
 Retirement age
 – 65

HOW FORMULA IS APPLIED

1.5% of average maximum qualifying income	1.5% x \$ 52,672.00 = \$	790.08
<i>multiplied by highest income ratio</i>	x	1.0000
		\$ 790.08
<i>multiplied by pensionable service</i>	x	21.5
total annual pension earned to July 1, 2004		\$ 16,986.72
total monthly pension earned to July 1, 2004		\$ 1,415.56

Since this member was contributing to the plan on December 31, 1989, the pension will also be calculated using the old formula, and he or she will receive the larger of the two amounts.



LIFE EVENTS... *continued*

If you take maternity or parental leave

Your leave counts as pensionable service as long as you make arrangements to continue your contributions while you are away. Your pension during this period is based on your income immediately before the leave began. You may take up to a total of three years of leave during your career.

If you wish, you can choose to stop making contributions and opt out of the plan during your leave. If you opt out, the period of leave will not count towards your pensionable service. To do this, you must notify the Pension Administrator in writing before your leave begins.

If you leave

The “cash value” of your pension is sometimes known as the “commuted value.” This is the lump-sum value today of the pension you are entitled to at age 65.

If you leave before you have been a member of the plan for two full years, you will receive a refund of your contributions with interest. You may transfer this money tax-free to a registered retirement savings plan (RRSP) or take it as a taxable cash payment.

If you leave after you have been a member of the plan for two years, you are entitled to the full cash value of the pension you have earned to the date you leave. In Quebec, you are immediately entitled to the full cash value of your pension if you leave, and in Saskatchewan, you require only one year of pensionable service if your age plus pensionable service total 45 or more when you leave.

Your pension is calculated using the average maximum qualifying income in place at the time you leave.

You have the following payment options:

PAYMENT OPTIONS IF YOU LEAVE

1. Leave your pension in the plan

You may leave your benefits in the plan and take a pension anytime after you reach age 55.

If you die before taking your pension, your death benefit will equal your total contributions plus interest or the cash value of your pension earned after 1986 (1984 in Manitoba), whichever is greater.

2. Transfer your benefits

If you are under age 55, you may transfer the cash value of your pension, tax-free, to one of the following:

- a locked-in RRSP (an RRSP which must eventually be used to provide a retirement income);
- an insurance company to buy an annuity that will guarantee a lifetime income anytime from age 55; or
- your new employer’s pension plan, if that plan allows transfers.



If you are disabled

You are not required to make contributions to the plan if you are receiving disability benefits from the Church's long term disability plan or from the Canada/Quebec Pension Plan. You continue to earn pension benefits based on your pensionable income just before you became disabled, increased each year by the same percentage as any increase in the maximum qualifying income.

If you have a shortened life expectancy

If you are medically certified to have less than two years to live, you may cash out the value of the pension you have earned. Please contact the Pension Administrator.

If you die before retirement

IF YOU DO NOT HAVE A SPOUSE OR DEPENDENT CHILD(REN)

Your beneficiary or estate will receive your total contributions plus interest or the cash value of your pension earned after 1986 (1984 in Manitoba), whichever is greater. Keep in mind that if benefits are paid to your estate, they are open to probate fees and creditors. This is not the case if they are paid directly to a beneficiary.

FAMILY BENEFITS

If you are an active plan member at the date of your death, the following death benefits will be paid:

In most provinces, your death benefits must be paid to your spouse, even if you have named someone else as your beneficiary.

FAMILY DEATH BENEFITS	
If you have a spouse	Your spouse will receive a pension equal to 66 ² / ₃ % of the pension you have earned at the date of your death. This pension will be paid for the lifetime of your spouse and is not affected by remarriage.
If you do not have a spouse but you have a child or children under age 18 and supported by you	Your first child will receive a pension equal to 66 ² / ₃ % of the value of the pension you have earned at the date of your death. PLUS Benefits for any additional children. Child(ren)'s benefits stop at age 18. However, the Pension and Benefits Board may allow benefits to continue to age 25 if the child is attending school full-time.
Your family death benefits are guaranteed to be not less in value than the death benefits that would be paid if you did not have a spouse or child(ren) at the time of your death. If you have fewer than 12 years of pensionable service, death benefits will be calculated based on 12 years of pensionable service or your total pensionable service if you had lived to age 65 (whichever is less).	



EXCESS CONTRIBUTIONS

When your membership ends, if the total of your required plan contributions made after 1986 (1984 in Manitoba) plus interest is greater than 50% of the cash value of your pension earned over the same period, the excess contributions will be refunded to you or your estate with interest. These funds may be transferred tax-free to an RRSP or taken as a taxable cash payment.

DOCTORAL STUDENTS

If you take a leave from active service as a minister or a member of the Order of Diaconal Ministries in order to become a doctoral student, you may choose to continue contributing to the plan. Your contribution rate will be 2% more than the normal rate. Your “income” will be your income for the last complete calendar year of employment before you became a doctoral student. This income will be adjusted each year based on increases to the maximum income for pension contributions.

BENEFITS FOR PREVIOUS SERVICE

If you transferred a lump sum from the plan, you may buy back your previous pensionable service.

If you accepted a deferred pension under the plan at the end of your previous period of employment (your pension benefits are still in the plan), your full period of previous pensionable service is recognized automatically.

If you transferred a lump-sum payment from the plan when you left, you may buy back your previous pensionable service as follows:

- repay the lump sum with interest within one year of rejoining the plan; or
- with the agreement of the Pension and Benefits Board, spread your repayment over a period of up to five years (but not beyond your normal retirement date).

Previous service also includes periods of service before you actually joined the plan that were accepted as pensionable service.

KEEPING US INFORMED

Your employer is responsible for informing the Pension Administrator of any changes in personal status. Please notify your employer immediately of any changes in your:

- name,
- address,
- marital status,
- beneficiary.



PROVINCIAL PENSION LAWS

Pension regulations vary from province to province. This guide includes information on some of the more important differences. However, you may have to comply with some provisions in your province that are not covered here.

IF YOU HAVE ANY QUESTIONS

If you have questions or require information about your plan membership, please call 1-800-619-7301 or 416-441-1111. If you prefer, you may write to:

Pension Plan Administrator
The Presbyterian Church in Canada
50 Wynford Drive
Toronto, Ontario
M3C 1J7

You may also contact the administrator by sending an e-mail to pension@presbyterian.ca.

ADMINISTRATION

The pension plan is administered by the Pension and Benefits Board which is appointed by the Church. The plan may be changed or discontinued at any time with the approval of General Assembly. Any pension benefits already earned at the time of a change are fully protected under the plan.



Application forms for
CPP and OAS are
available from your
local office of Human
Resources and Skills
Development
Canada, Income
Security Programs.
You should contact
this office at least
six months before
you wish your
pension to begin.
Call 1-800-277-9914
or go to
www.hrsdc.gc.ca.

GOVERNMENT BENEFITS

CANADA/QUEBEC PENSION PLAN

Most employees in Canada between the ages of 18 and 65 are required to contribute to the Canada/Quebec Pension Plan (C/QPP). These contributions are based on your annual earnings between the basic exemption and the C/QPP earnings ceiling. Your employer matches your contributions.

The C/QPP is intended to replace about 25% of your pre-retirement income up to the average industrial wage. The amount you actually receive depends on the amount you contribute during your working years. If you take a long break from employment or earn less than the C/QPP earnings ceiling, you may get less than the maximum pension. In 2004, the maximum monthly C/QPP pension is \$814.

You may apply for your C/QPP pension anytime between the ages of 60 and 70. Your pension will be reduced by 6% for each year you are under age 65 and increased by 6% for each year you are over age 65. Once your C/QPP pension begins, it is increased on the first of each year if the Consumer Price Index goes up.

OLD AGE SECURITY

Old Age Security benefits are paid for by the federal government from general tax revenues. OAS pays you a monthly pension from age 65. How much you get depends on how long you have lived in Canada when you apply. OAS is reduced if your income exceeds a certain level.

Once your OAS pension begins, payments are increased every three months if the Consumer Price Index goes up. In 2004, the maximum monthly OAS pension is \$462.



KEY TERMS

Average maximum qualifying income

The average of the maximum qualifying income in the calendar year in which you retire and the preceding four years.

Beneficiary

In most provinces your death benefits must be paid to your spouse, even if you have named someone else as your beneficiary.

Cash value

The “cash value” of your pension is sometimes known as the “commuted value.” This is the lump-sum value today of the pension you are entitled to at age 65 if you leave your pension benefits in the plan.

Employer

The Church, a congregation, a board of the Church, or any other affiliated employer, organization or institution that contributes to the pension plan.

Highest income ratio

The average of your five highest income ratios (not necessarily consecutive).

Income ratio

The ratio of your pensionable income for each year to the maximum qualifying income.

Locked-in RRSP

A registered retirement savings plan from which no withdrawals are allowed. Money transferred to a locked-in RRSP must be used to provide an income at retirement or a death benefit before retirement.

Maximum qualifying income

The maximum income used to calculate contributions and pensions. Since 2000, this has been set at 160% of the top level of minimum stipend (\$54,860 in 2004).

Pension adjustment (PA)

The amount subtracted from your overall retirement savings limit to find out how much you may contribute to an RRSP. Your PA is calculated for you using a Canada Revenue Agency formula and is reported on your T4.

**Pensionable income**

“Income” means either your stipend (plus an allowance of 60%) or your salary (excluding bonus or overtime payments but including payments for health and dental insurance). “Pensionable income” is your income up to the maximum qualifying income.

Pensionable service

The period during which contributions are made to the pension plan. This includes previous periods of pensionable service for which you have taken a deferred pension or which you have “bought back.”

Registered retirement savings plan (RRSP)

A savings plan registered under the Income Tax Act that allows you to put aside a portion of your income tax-free until withdrawn. Investment earnings also accumulate tax-free.

Spouse

Each province has its own definition of “spouse” for pension purposes. These are available from the Pension Administrator. The doctrinal position of the Church on marriage can be found in the *Acts & Proceedings of the 123rd General Assembly, p.251-272, Committee on Church Doctrine – Re: Human Sexuality Report.*