

Window

on your Pension & Benefits

Claim Delays with Sun Life

As most of you have experienced, the processing time for payment of claims has been taking longer than usual. According to Sun Life, the acceptable turnaround time to process 95% of claims is within 7 calendar days. For some claim payments, however, this time period may have exceeded 3-5 weeks.

The reason for the delay is due to the implementation of new technology that will allow Sun Life to increase their claims capacity. During the year, Sun Life relocated their Toronto and Edmonton claims offices to Waterloo, Ontario and all claims are now processed through the Waterloo office. The combination of staff training for the new processing system and higher than normal volume of claims has caused unexpected delays.

What to do if your claim is delayed

Sun Life has responded to our concerns by confirming that maintaining service levels is their top priority. We expect that by the time you read this newsletter, normal processing service will have resumed.

However, our Sun Life representative is available to us to expedite any claim that is delayed. If you are still experiencing longer than normal payment delays, please contact the Pension and Benefits Board office at 1-800-619-7301 or email us directly at pension@presbyterian.ca.

Sun Life On-line

Have you registered for e-claim processing?

There are a number of conveniences to registering on-line. You may check the status of your claims, submit paramedical e-claims, and have your payments directly deposited to your bank account.

Follow these easy steps:

- Go to www.sunlife.ca
- Click on "Sign In"
- Click on "My Sun Life"
- Enter Access ID
- If you do not have access click on **Register Now**
- Enter Password
- Click on "Sign In"

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Contact information

Pension and Benefits Office
The Presbyterian
Church in Canada
50 Wynford Drive
Toronto, Ontario M3C 1J7
416-441-1111 or 1-800-619-7301

www.presbyterian.ca
- follow the 'Quicklinks' button
for Pension and Benefits
pension@presbyterian.ca



A newsletter for active members of the Presbyterian Church in Canada pension and benefits plans

Spring 2011

Age 65 and Actively Working

Did you know that even if you have postponed retirement beyond age 65, you are still eligible for provincial benefit coverage for seniors? In fact, if you live in Ontario, you are required to submit claims through the Ontario Drug Benefit program first before submitting to Sun Life.

Just before you reach age 65

About two months before you reach age 65, you will receive information from your provincial health plan of your upcoming eligibility for benefits under your province's **health plan for seniors**. All provinces provide drug coverage for seniors and the coverage begins on the first day of the month following your 65th birthday.

How does the seniors' drug plan work?

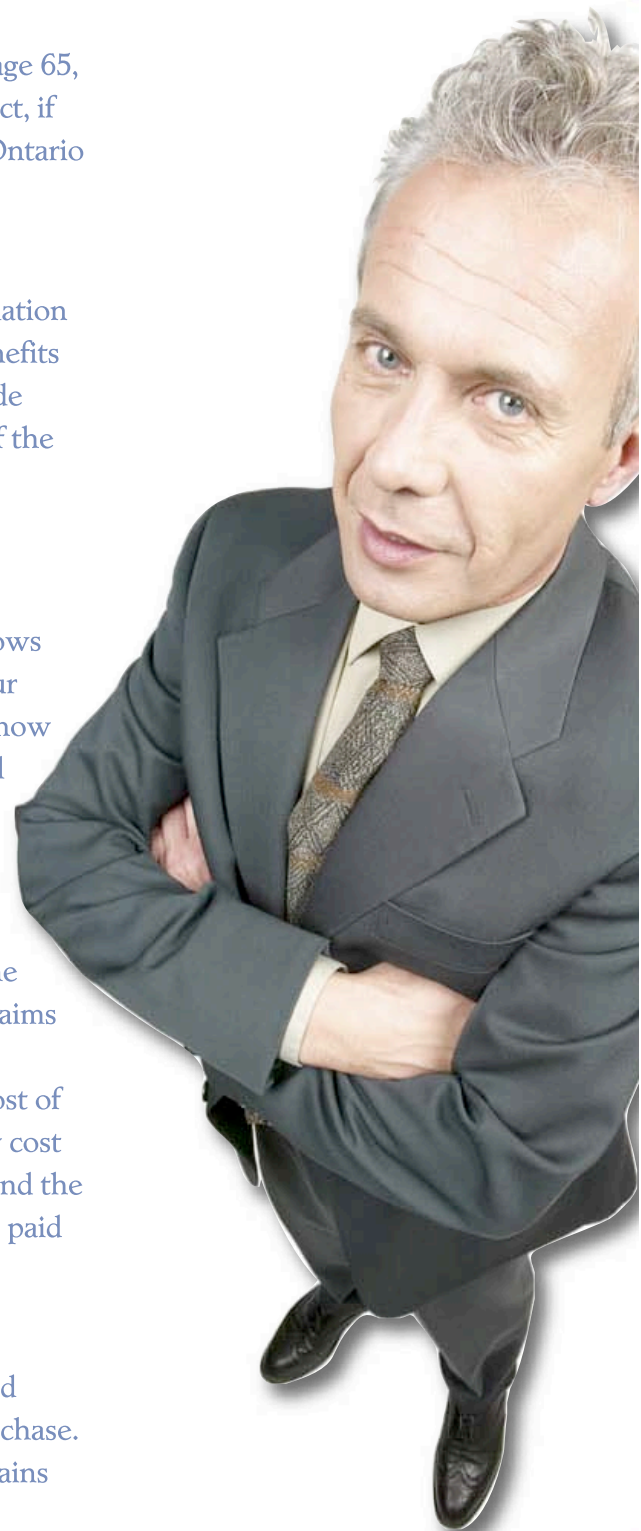
The transition for coverage under the provincial plan at age 65 is an automatic process for most provinces. Eligibility and enrolment follows your coverage under the provincial health plan. You simply take your prescription and health card to the pharmacy and tell them you are now eligible for coverage under the seniors' drug plan. The pharmacy will check your eligibility (age) under the provincial health system.

Participating in your provincial drug plan for seniors will make a difference!

Prescription drugs make up 75% of our total medical claims under the Sun Life plan. We all know that as we age, we tend to make more claims and claims for long term conditions. Therefore, participating in your provincial drug plan for seniors will make a difference to the total cost of premiums the Church pays to Sun Life. This means that the primary cost of your prescription drugs is first paid by your provincial drug plan and the remainder of the cost (usually the dispensing fee or pharmacy fee) is paid by Sun Life.

How do I process a claim?

In most cases, you will be required to pay a deductible up to a limited amount, or a dispensing or pharmacy fee (or both) at the time of purchase. Deductibles and maximums vary by province. The amount that remains for you to pay is the amount that you will claim to Sun Life.



Eye Exam Benefit Increase – starting July 1, 2011

Coverage for eye exams (services of an ophthalmologist or licensed optometrist) is increased from \$25 to \$50 per person every 24 months.

Help Us Locate Missing Members

The Pension and Benefits Office needs your help in locating Paid-up members of the Pension Plan whom we have lost contact with over the years. These members may be entitled to benefits under the Plan. If you have contact information (address, phone number, email address, family contact information of friends or relatives) for the members below, please contact the Pension Administrator at pension@presbyterian.ca or fax the details to 1-416-441-2825.

The Rev. Scott E. Carlson
The Rev. Sung-Choo Cho
The Rev. Scott Elliott
Mr. D. Rick Glass
Mr. Sheldon W. Johnston
The Rev. Young-Ky Kim

Ms. Rebecca Lenko
Ms. Deborah Huber-McBride
The Rev. Joseph Mok
Miss Jenny S. Parsons
Mr. Anthony T. Pfaff
Mr. Ippolito Paul Pincente

Mr. Jaun F. Ramos
Ms. Lucinda F. Scott
The Rev. Susanna Y. Siao
Ms. Janet R. Tremblay

Any information you are able to provide is greatly appreciated and will remain confidential.

Pension Plan Financial Status

Like most pension plans in Canada (and around the world), the Presbyterian Church in Canada Pension Plan is still recovering from the 2008 market downturn. The report received from the actuary on the estimated financial status of the Pension Fund as at December 31, 2010 indicates a solvency deficiency. A solvency deficiency means that if the Plan was terminated on December 31, 2010, there would not be sufficient assets to provide an immediate lump sum payout to all benefits earned up to this date.

The solvency deficiency is partly due to the fact that when we measure the financial health of the Plan, we spread the fund's investment gains and losses over several years instead of recognizing them fully in the year they occur. This is a common approach, which aims to reduce large swings in required contributions, but it means that the Plan is still recognizing losses from 2008 and has yet to realize all of the gains from 2009 and 2010.

It's important to understand that all pensions already earned by active and retired members to date are fully protected under the terms of the plan and the solvency shortfall has no direct impact on your pension.

Pension Plan Financial Status continued

It also has to do with the fact that pension costs have continued to rise. Pensions are paid from the pension fund, which is made up of member contributions, Congregational Assessments, the contributions made by employers, and the income generated by those contributions.

Pensions are expensive! If you were age 65 today, you would need to have roughly \$170,000 in savings to buy a \$1,000-a-month pension from an insurance company.

Contribution levels are based on the expectation that the plan will achieve a target rate of return of investments over the long term (6.0% per year). However, the average annual investment return of the PCC Pension Fund has fallen short of this goal as has annual returns on many other pension funds.

Investment returns

2006	2007	2008	2009	2010	5-year average (compounded)
11.3%	-2.1%	-11.7%	15%	9.3%	4.0%

Interest rates have a big impact on solvency results because when interest rates are low (and interest rates have been hovering at record lows for a few years), a bigger dollar amount results when calculating the pension fund liabilities. The combination of low investment returns (smaller pension fund) and low interest rates (higher pension value) creates the solvency shortfall we anticipate.

Under current pension law, the Plan must file a funding valuation with pension regulators as of June 30, 2011 at the latest. The valuation report provides an update on the financial status of the Plan and typically includes a strategy for paying down any shortfall over a specified period.

Fortunately, because so many pension plans in the province are facing a similar situation, the government has introduced several funding relief measures - one of which extends the period for paying down any shortfall. That said, even with the relaxed rules and even if our financial results improve by the time we have to file our next valuation report, it's clear that a change is still in order.

Looking ahead

Your pension plan is an increasingly important component of your total compensation, and maintaining the plan's financial health is the Board's top priority. With that in mind, we will continue to monitor the plan closely and provide the best possible stewardship every step of the way. We will also explore all funding relief options available, and keep you posted on the financial status of the plan.