

Thinking About Retiring?

**A Pre-Retirement Syllabus
For the Adventist Employee**

The purpose of this booklet is to provide an orientation to the application process, required decisions and calculations for an employee of the Seventh-day Adventist Church who is approaching Retirement.

Every effort has been made to ensure that this booklet is an accurate summary of the policies governing the North American Division's various retirement provisions. Examples shown in this booklet make assumptions which may or may not apply in every situation. No example should be construed as a promise to provide specific benefits in every situation. The pre-retiree may wish to contact his current or last employer's human resources office and seek an estimate of monthly benefits.

2012

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Introduction to Retirement Issues

In 1910, with the urging of Ellen White, the Seventh-day Adventist Church voted to begin a 'Workers' Fund' designed to provide "sustentation" for an employee who, because of health problems was no longer able to earn a living. Initially this plan was not age or formula based. It required proof of disability, and benefits were granted at the discretion of a 'sustentation committee.'

Ultimately the plan evolved into a tax-deferred earned benefit, determined by the Internal Revenue Service to be a 403(b) pension plan. As such, the plan is required to have a plan document which clearly states the benefits and eligibility requirements without any benefits discretion vested in the plan administrator.

From the beginning, the pension plan was designed on a 'pay-as-you-go' basis. In order to avoid tying up significant church dollars, the plan pioneers determined to only fund estimated expenses as they came due, with a small cushion for year to year variances in costs.

In 1981, the hospital portion of the plan was separated from the church plan, and due to vigorous contributions and excellent investment returns, by 1997 the hospital pension and healthcare plans were determined by independent actuaries to be fully funded.

In 1998, the North American Division took action to 'freeze' the unfunded pension plan in place effective on 1/1/2000 and to replace it with a defined contribution tax deferred retirement savings account plan under section 403(b)(9). Service earned pre-freeze would be held in place until retirement, but post 1999 service would, with limited exceptions, be fully funded by the new plan. The current Adventist retiree usually retires with parts of two plans, including a pension from the pre-freeze career, and a lump sum from the post-freeze career.

Various bridges were designed to provide smooth transition between two very different philosophies, and these are described in this book.

At various times the church has taken action to split out various portions of the plan due to convenience, expediency or legal requirements. These include:

- Retirement plans for employees of Adventist hospitals: Hospitals froze their pension plan effective 1/1/1992. Service in Adventist hospitals after that date are not a part of the church's pension plan. Service prior to that date generates a pension operated by the church but funded by the hospitals. Individuals with mixed pension service will receive one payment, but calculations will be made according to specific years of service.
- Retirement plans for employees of the church in Canada and Bermuda: In 1993 the church took action to initiate a separate retirement plan in Canada, and in 2000 in Bermuda.
- Retirement plans for employees of Regional Conferences: In 2002 The church took action authorizing initiation of a separate pension plan for Regional Conferences.

This booklet does not deal with benefits or service credit earned in Canada, in Adventist hospitals after 1992, in Bermuda after 1999 or in a Regional Conference if employed by conference on 12/31/1999. Information for such service can be obtained from the employers under which such service was earned. Although some of these plans enjoy reciprocal vesting accrual, actual benefits will be determined by the terms of the specific plan document.

Approaching Retirement

Adventist employees approach retirement in different ways. Some anticipate idleness. A close friend once told me, "When I retire, I'm going to sit on this side of the table in the morning, and on that side of the table in the afternoon! I'm going to read and write articles and books I never had time for when employed."



Others are surprised: "What? 65 Already?" that

Others embrace The Faith Factor: "When I retire, I know the brethren are going to take care of me." Or "I don't need to think about retirement. I can't believe I'll ever reach retirement age before the Lord comes."

In 1947, my dad, mom and sister moved to Asia as missionaries, just two years after the close of WWII. After only six months in a country which had been devastated by war, Dad concluded, "We'll never go home on furlough. Jesus will have come by then." Dad worked in Asia for 23 years. He passed away in 2008 at age 92, but was grateful for prudent retirement planning.

What is a Prudent Retirement Plan for the Christian truly looking forward to an imminent Advent and an eternity in Heaven?

Most Adventist employees approaching retirement want to:

- Maintain their pre-retirement standard of living
- Continue to tithe, and generously support their local church, ADRA, AWR, VOP, IIW etc.
- Enjoy retirement, not just maintain
- Maintain health with quality and affordable healthcare
- Remain financially independent, not relying on family or church for charity.

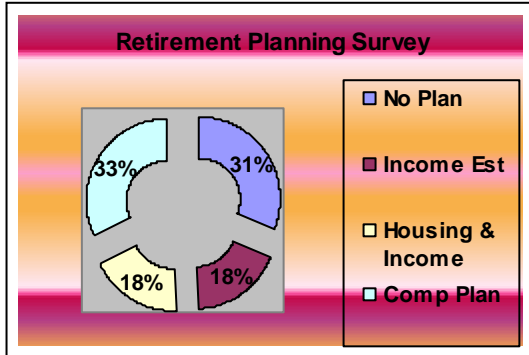
Few retirees would say: "I sure wish I'd saved less when I was employed." Instead retirees have told us to urge employees to plan for retirement by:

- Targeting a mortgage-free retirement home.
- Saving early and continuously.
- Planning to be completely debt free in retirement.

In summary,

- A prudent financial, housing and healthcare plan
- Knowing what to expect

- Avoiding obsession with wealth accumulation
- Mission Driven – not Retirement Driven

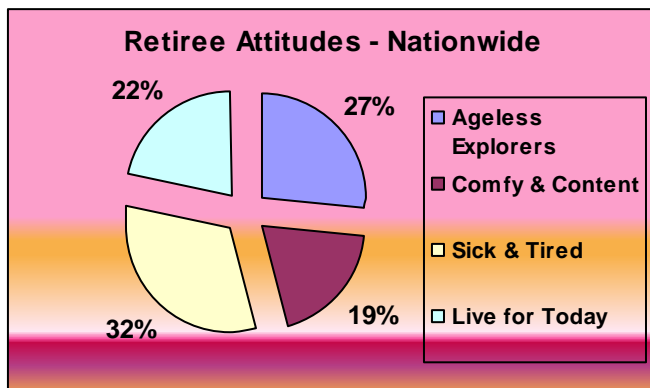
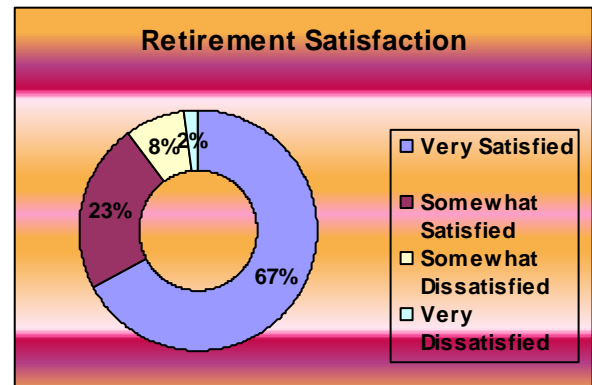


Surveys: We recently performed a simple survey of Adventist retirees. While the sample was quite small, responses provided interesting insights into Adventist approaches to retirement.

When we queried Adventist retirees about satisfaction in retirement, the responses were very positive. Interestingly, those who had indicated careful preparation for retirement, irrespective of

their wealth or income, tended to be the most satisfied. This was not exclusively so, however. Some retirees stumbled without a plan into Retirement and declared themselves to be very satisfied!

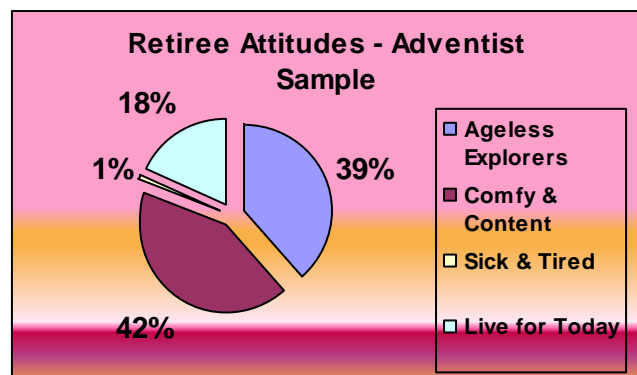
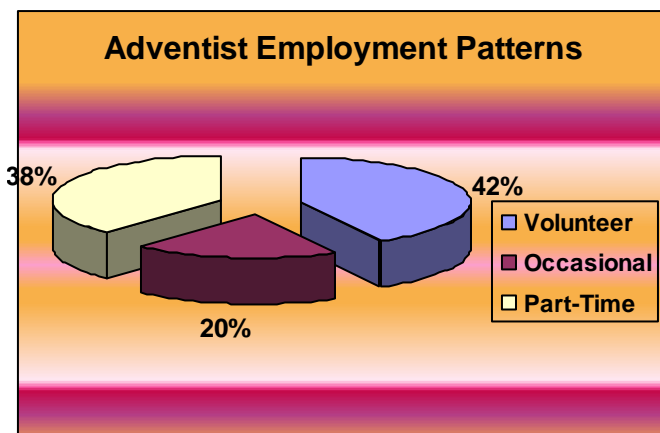
A recent survey by AIG SunAmerica/Harris Interactive asked retirees to label themselves, using one of four options as shown in the graph. We used the same labels and asked our



small sample of Adventist retirees for the same responses, which seemed to indicate a higher level of vigor and interest in life among Adventist retirees.

We also asked retirees about post-retirement employment patterns. Assuming that everybody does something in retirement, we asked them to define their activities as regular part-time employment, occasional employment, or

volunteerism.. We discovered that Adventist administrators were more inclined to find



remunerative employment in retirement, while pastors and teachers tended towards volunteerism.

We asked retirees to give us advice that we could pass on to pre-retirees. We asked for a sentence or two. Most could not contain themselves, and responded with paragraphs!

Advice from a Bored Retiree!

Have something in mind to do after you retire. After 90 days of doing all the little things needed doing around the house, I needed something to do. I could wished the church had some idea of things we could of chosen from to continue to spread the message. It seems like when you retire other than your newsletter the church forgets you are alive. I have been shocked how fast the church moves on without you. The conference where retired could use some retired Pastors but no calls I think that is a waste of 40 years experience. I offered my time to the church first, no takers so I went to work for the government and never felt so appreciated. Such is life. All the best.

The Financial Plan

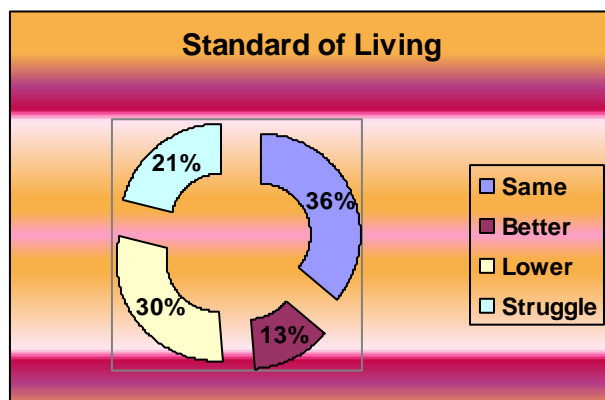
We don't do retirement simply in this country or in this church. Retirement planning usually requires considering at least three sources of income, including:

- Social Security
 - From your SS Annual Statement
- Frozen DB Pension
 - From Human Resources & Service Record
- ARP DC Accumulation
 - From your quarterly VALIC Statement



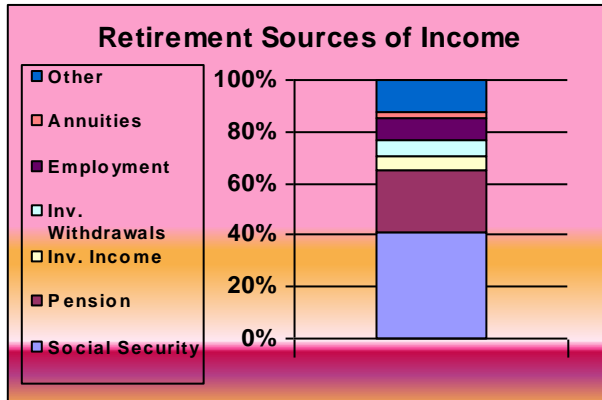
For most of us, much in life is set in concrete. We can't change our date of birth, or whether or not we have opted out of Social Security, or how many years we worked or what our pay levels were, or how much we saved. Most of us are limited to decisions such as:

- Determining a savings goal.
- Determining a retirement date.
- Determining a retirement location.



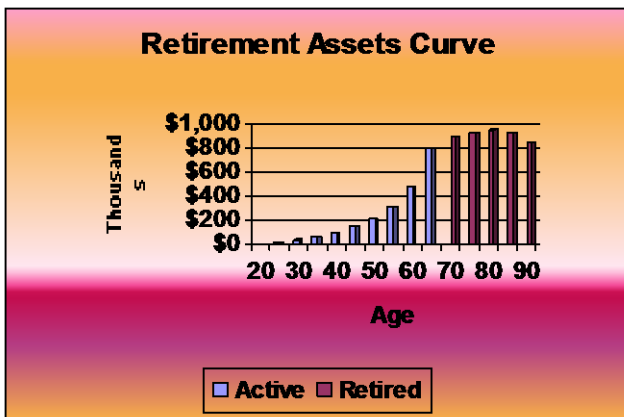
Putnam Investments performed a nationwide Quality of Life Survey of recent retirees. Among other questions they asked retirees to compare their standard of living prior to retirement with after retirement. After retirement were they financially better off, about the same, comfortable but not as well, or struggling to make ends meet?

Putnam also surveyed retirees for their income sources. The following graph shows the



range of income types making up the total retirement income picture. It appears to imply that many retirees have many sources of income, which for most of us is simply not the case.

The Retirement Assets Curve shows the theoretical growth of a Retirement asset value during the working years, and the possible decline of the asset as the retiree may begin to 'invade the principal' in later years. The graph shows a modest decline by age 90. A more precipitous drop in value may result in fund depletion before death.



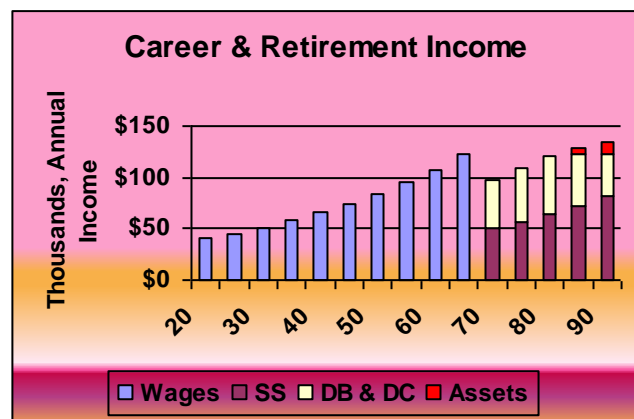
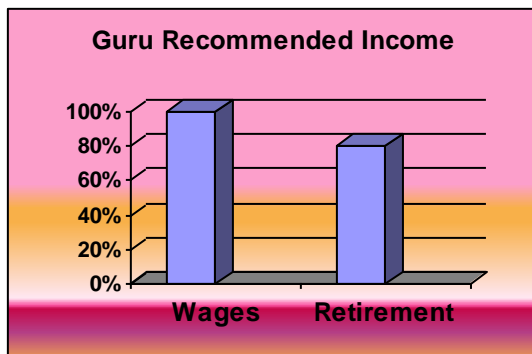
The "Career & Retirement Income" graph displays the growth of career annual income, and the make-up of retirement income, including Social Security, plan benefits or earnings, and ultimately income from asset depletion. Again, the quicker the red-ink begins to flow, the quicker the asset

is depleted.

How Much Retirement Income Do I Need?

Retirement income needs depend on a number of items, not all of which you can predict.

- Where are you going to live?
 - High or Low Cost of Housing
 - High or Low Cost of Living
- How Long do you plan to Live? We have retirees who don't see 70, and



we've had retirees live as long as 108.

- Are you planning on working?
 - Over 80% of baby boomers say they plan to work part time in retirement.
 - Only around 30% actually find regular employment.

- How Expensive are your Retirement Activities?
 - Expenses for hobbies and other retirement activities can vary greatly. Daily golf and frequent cruises will significantly raise the expense of retirement. Gardening is cool.
- Are You Planning For Early Retirement?
 - Reduced Social Security and pension income due to early retirement penalties, coupled with longer income demands on your retirement savings could result in a reduction of your standard of living.

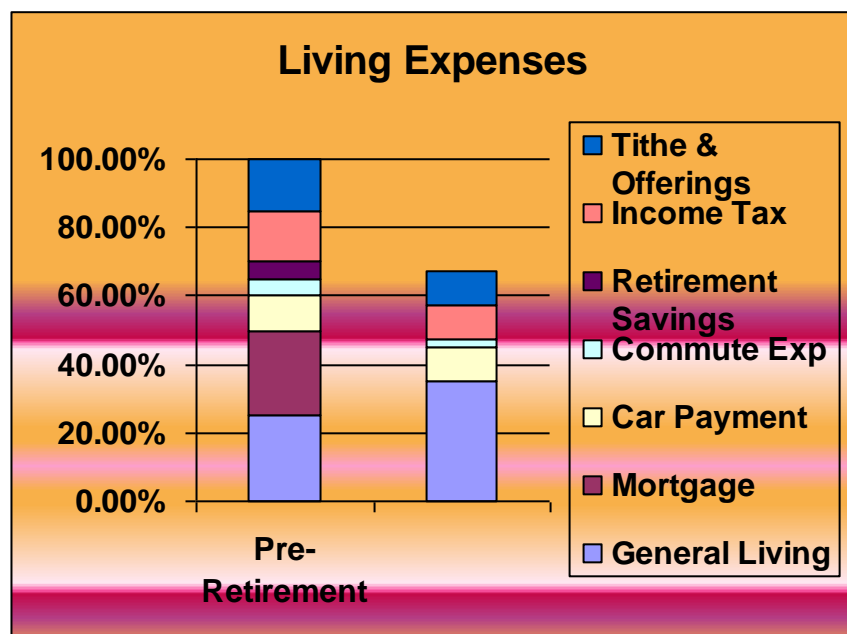
The 70-80% Rule

While every situation is unique, and generalities should be treated with skepticism, much of the literature suggests that you should have 70%-80% of your pre-retirement employment income in retirement in order to maintain the standard of living to which you have become accustomed. For the Adventist employee this would generally be provided by a combination of Social Security, pension from the pre-2000 frozen defined benefit plan and income from the post-1999 defined contribution plan.

Why should you be able to live on less in retirement than when you are employed? After all, you will spend more time at home, so utilities may go up. Some of the perks of employment may require personal expenditures now. And you now feel compelled to purchase a casual retiree wardrobe since you probably own all the suits and ties you'll ever need.

There are a number of expenses which might be reduced in retirement.

- Many Adventist employees have carefully targeted a debt-free retirement home and car, so mortgage and car payments are just a bad memory.
- The daily commute comes to an end, resulting in reduced transportation expenses, and possibly a reduction in the number of vehicles. Check with your insurance company. You may see a reduced premium if your annual mileage is significantly reduced.
- Because of your reduced income, your federal and state income tax bill might be significantly reduced.
- Adventist retirees tend to be among the most generous contributors in their church. Many calculate their tithes and offerings on a percentage of their income. Since income is reduced, this payout may be reduced in actual dollars.
- Most retirees quit saving towards retirement when they retire. If your Salary Reduction Agreement under the defined contribution



retirement plan set your savings at say 5%, you have learned to live without that money.

The Living Expenses graph may provide an example of a retiree maintaining a standard of living with reduced income. From our conversations with retirees, for the 70% rule to work, housing should be free and clear at retirement.

A Retirement Target

Most employees assume that they will be able to maintain their standard of living in retirement. This section describes three models that may best describe where most are actually headed.



- **Bequest Model:** This requires an asset large enough to generate adequate retirement income by withdrawing only 4% per year. In most years this will enable the retiree to maintain, or even increase the size of the retirement asset to protect against inflation. This model will sustain itself and will leave a sizeable bequest at death. Unfortunately few are able to reach

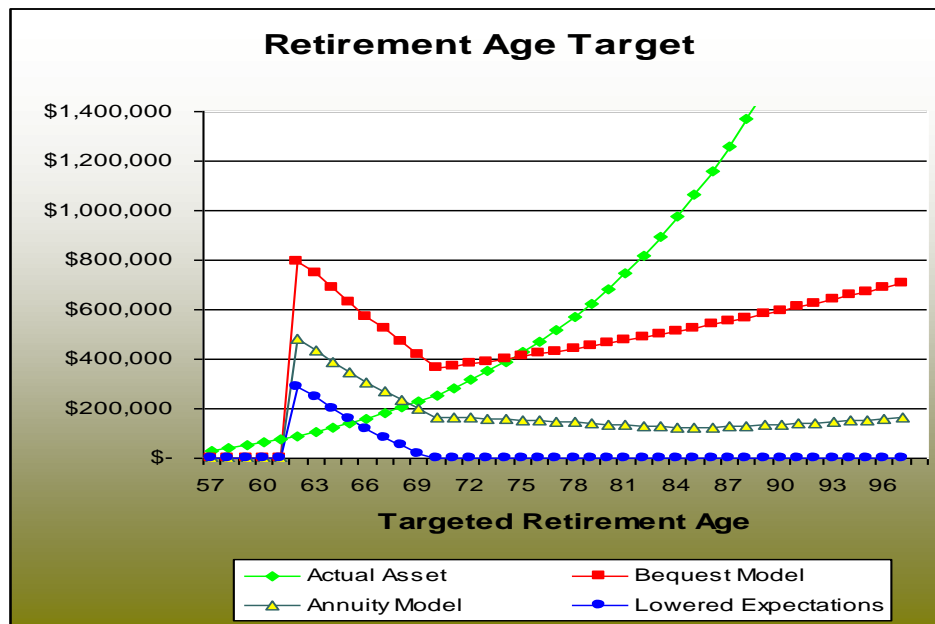
this target.

- **Annuity Model:** This requires an asset large enough to purchase a fixed annuity designed to plug the income gap. The annuity dips into the principal of the retirement account, and at death the asset will in most cases be depleted. Since the income is fixed, there will be some loss of purchasing power due to inflation.



- **Lowered Expectations:** This model recognizes that the total retirement income is going to be only about 80% of what the required living allowance would be, after retirement adjustments, in order to maintain the pre-retirement standard of living. This is where some retirees are headed, particularly if the home is not paid for, or if they have few years of service credit.

The Retirement Plan has prepared a Retirement Income Calculator to assist employees with planning for retirement. It is in an Excel format and can be downloaded from www.adventistretirement.org. Go to the HR Personnel link, and then click on "Downloads." Two primary tools are available. The Frozen Pension Calculator will assist you in estimating your monthly pension. The Retirement Income Needs Calculator will yield the following graph designed around your situation:



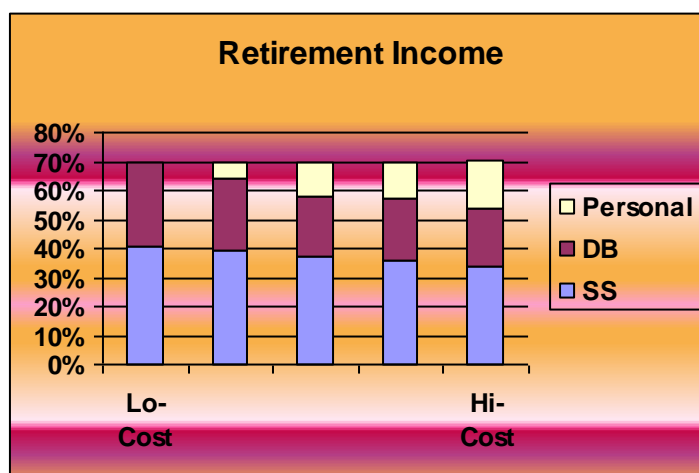
In the example given, a 57-year old employee is considering when she can retire and meet her retirement goals. After entering information about personal income, savings rates, current retirement asset values, etc. the graph shows that her personal asset graph (green line) will cross the three different models at

different times.

She will reach the "Lowered Expectations" model at around age 66, if she makes no changes in her current savings rate. If she continues to work until age 68, she will cross the "Annuity Model." In order to reach the "Bequest Model" she would have to work until around age 74. By making changes in her savings rate and/or investment model she may be able to accelerate the time when she can meet her retirement target.

Sources of Income

The typical Adventist career employee with thirty-five or more years of participation in Social Security can expect to receive between 34% and 41% of the last regular wages at your normal retirement age. If an employee lives in a high-cost of living area, and thus receives a cost of living adjustment, the 'replacement ratio' from Social Security will be at the lower end of the range. Social Security participants should receive annual statements from Social Security which predict what your monthly SS benefits will be in retirement. Retirement prior to normal retirement age results in a penalty from Social Security.



The frozen defined benefit pension plan will provide some replacement income for qualifying employees. An employee with thirty-five years of pre-freeze service can generally expect between 20% and 25% of the last regular wages at your normal retirement age. If an employee lives in a high-cost of living area, and thus receives a cost of living adjustment, the 'replacement ratio' from the plan will be at the lower end of the range.

Retirement prior to normal retirement age results in a penalty from the plan.

The Retirement Income graph illustrates a range of replacement ratios provided by the frozen pension plan and Social Security. An Adventist pastor with thirty-five years of both pension plan and Social Security participation should expect to receive approximately a 70% combined replacement ratio of the denomination's low-cost wages. Fewer years of qualifying service, a higher replacement ratio target or higher wages will require income from personal sources in order to reach the 70% target.

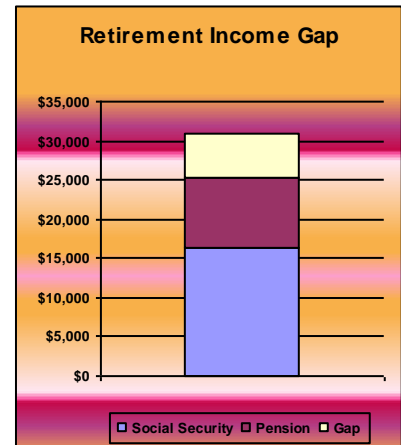
Estimating the Income Gap

The 'income gap' is the gap between your estimated income from Social Security and your income target.

If, for instance, you use 70% of your last wages as your income target, subtracting from that amount the known income will leave you with an estimated annual income gap.

Filling the Gap

Once the income gap has been estimated, a strategy for plugging the gap needs to be established. Depending on how close retirement age is, the options may be limited to:



- **Delaying Retirement**

This will increase the value of your DC Plan account. It will also increase your Social Security income, and may decrease any early retirement penalty under the frozen defined benefit plan.

- **Reduce Target Replacement Ratio**

If, for instance, the retiree moves to a lower cost of living area, she may be able to reduce her target replacement ratio. An alternate is to downsize housing, living in a less expensive home and investing the home equity to provide additional income. Reaping \$130,000 from a house downsize may fund an income annuity of \$10,000 per year at age 65.

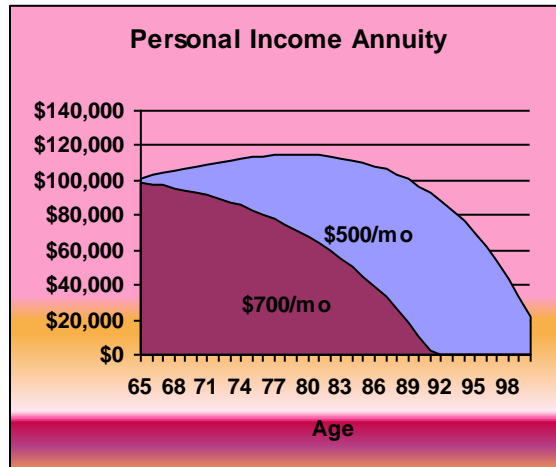
- **Increase Retirement Savings**

Any increases in retirement savings will result in an increased ability to plug the income gap. However this takes time, and if the employee is close to retirement, this strategy is of limited value.

Annuity – How It Works

An annuity converts a lump sum into a stream of funds. It can be a product sold by an insurance company, an offering by a trust services department or a personal method of drawing income on a regular basis. In theory, an annuity declines to a zero value when you 'reach room temperature.' While actuaries can tell you when that will happen statistically, the range we've experienced is age 65 to age 108!

The graph shows how an uninsured annuity of \$100,000, with inflated monthly withdrawals, will perform given two different withdrawal levels. The assumptions are 7.5% investment return, 2.5% inflation of monthly withdrawal.



The \$700 withdrawal will deplete the fund by around age 91. While that is past the statistical life expectancy for a person reaching retirement age, it is also quite likely that the retiree will out-live the fund. This is called 'Longevity Risk.'

Insurance companies and philanthropic organizations would be happy to take the 'Longevity Risk' off your shoulders by selling you a Single Premium Immediate Annuity or a Charitable Gift Annuity. This instrument guarantees an income stream – usually a fixed amount – until you pass away, whether that be at age 66 or 108. The amount of the monthly withdrawal will depend on interest rates, age of retiree and organizational policies.

Retirement Income Gap Worksheet		
	Sample	Yours
Current Annual Wages	\$44,000	
Target %	70%	
Target \$	\$30,800	
Est. Social Security	\$16,300	
Est. Frozen Pension	\$9,000	
Total Income	\$25,300	
Est. Income Gap	\$5,500	
Gap x 15 ~ Desired Asset	\$82,500	

Plug the Income Gap

So how much cash do you need to fill the income gap? A rule of thumb, given current prices of commercially available Single Premium Immediate Annuities, is to multiplying the annual Income Gap by fourteen. The example on the Worksheet illustrates how this works. Remember to use Annual figures, not Monthly. The sample shows a \$5,500 annual income gap between known income and the desired 70% target. $\$5,500 \times 15 = \$82,500$. This is the approximate asset required to purchase an annual fixed income annuity of \$5,500. This figure will change from time to time, and should be treated with respect. This rule of thumb should not be used with Charitable Gift Annuities.

The Frozen Defined Benefit Plan

The original 'workers' fund' was designed to provide discretionary benefits to an employee whose health broke. A 'sustentation committee' managed the benefit. It was not age based, and from the start, it was deliberately funded on a 'pay-as-you-go' basis.

Today the frozen defined benefit plan has been certified by the IRS as a plan within the terms of 403(b) in the Internal Revenue code. As such, it is a plan which carefully spells out eligibility requirements and a formula by which the benefits may be granted. There is no room for discretion by the employer or the plan administration.

Monthly benefits depend on:

- Vesting – 10 Years of qualifying Service Credit
- Total number of years of service credit
- Level of earnings during ten highest years service credit years
- Eligibility for spousal benefits
- Specific policies in place at the time of retirement

Years of Service Credit

Years of qualifying service credit for most employees are limited to pre-2000 years. A handful of employees were eligible for and applied for the Career Completion Option, a bridge which allowed qualifying individuals to complete their careers under the frozen plan, adding up to five additional years of service credit. That bridge terminated on 12/31/2004.

In order to qualify for service credit, the employee must have been an employee of a participating organization, which would generally include any U.S. based non-hospital employer listed in the SDA Yearbook. However the following non-employee years may qualify for years of service credit:

- Approved graduate study for MDiv/PhD
- Some Military Service
- Chaplaincy of Prison etc.

The following years do **not** count for service credit:

- Years with less than 1000 hours worked
- Volunteer Work
- Unvested years lost due to a break in service exceeding the pre-break unvested years, unless recovered by working a total of 25 years of full service
- Employment where the employee is paid directly by church or church school, which is not considered a participating employer.

Calculating the Benefits

The Single Life Benefit is the foundational benefit calculated for all retirees, whether married or not. It is the basis upon which all other calculations are made. The initial basic formula for all Retirees is:

$$\text{Service credit} \times \text{Benefit Rate Factor} \times \text{Pension Factor} = \text{Single Life Benefit}$$

The service credit is the number of qualifying years, based on the service record maintained by the employee. The Benefit Rate Factor is the average of the ten highest years of pay, not in dollars but in the church's remuneration percentage system, converted to a percentage using the attached table. As an example, a pastor's Benefit Rate Factor (BRF), based on ten highest years' Remuneration Percentage of 150% is 1.3%. The table uses the pre-2000 remuneration percentage system prior to the re-indexing done by the NAD in 2003.

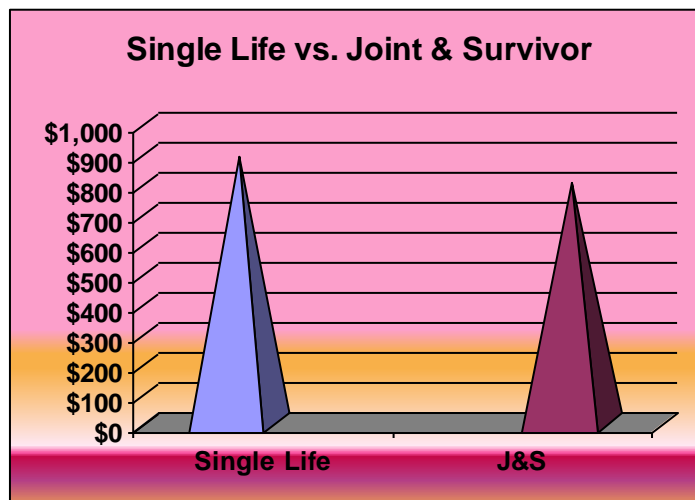
How the Calculation Works

Meet Pastor Joe Bozinski. Joe is a fictitious character. We'll use him as an example, but fear not, he truly does not exist. Joe has pastored for the church for thirty years. The Church pension factor in 2011 was \$2,277. So the formula works like this:



$$30 \times 1.3\% \times \$2,277 = \$888.03$$

This is the monthly benefit, historically inflation protected, that Pastor Joe will receive if he selects the Single Life Benefit. However if Joe is married and has been married for at least one year before retirement, he will probably select



- Retirement Healthcare Assistance
- Spouse Death benefit
- Spouse Survivor benefits (1/2 J&S rate)

Rem %	Yearly Rate Factor	Rem %	Yearly Rate Factor
165% +	1.60	123	1.12
164	1.58	122, 121	1.11
163	1.56	120	1.10
162	1.54	119, 118	1.09
161	1.52	117	1.08
160	1.5	116, 115	1.07
159	1.48	114	1.06
158	1.46	113, 112	1.05
157	1.44	111	1.04
156	1.42	110, 109	1.03
155	1.40	108	1.02
154	1.38	107, 106	1.01
153	1.36	105	1.00
152	1.34	104, 103	.99
151	1.32	102	.98
150	1.30	101, 100	.97
149, 148	1.29	99	.96
147	1.28	98, 97	.95
146, 145	1.27	96	.94
144	1.26	95, 94	.93
143, 142	1.25	93	.92
141	1.24	92, 91	.91
140, 139	1.23	90	.90
138	1.22	89, 88	.89
137, 136	1.21	87	.88
135	1.20	86, 85	.87
134, 133	1.19	84	.86
132	1.18	83, 82	.85
131, 130	1.17	81	.84
129	1.16	80, 79	.83
128, 127	1.15	78	.82
126	1.14	77, 76	.81
125, 124	1.13	75 or below	.80

the Joint & Survivor Benefit. This monthly benefit is smaller than the Single Life Benefit. This reduction 'purchases' the following benefits for an eligible spouse:

If Joe's wife passes away before he does, Joe's benefit does not revert to the Single Life benefit.

The amount of the permanent reduction for J&S is:

- Single Life rate less 10% per month
- Greater reduction if spouse is 5+ years younger
- Smaller reduction if spouse is 5+ years older

The married retiree may opt for higher Single Life Rate, but no spouse benefits will be provided. And the decision is irreversible.

So the formula is: $30 \times 1.3\% \times \$2,277 = \$888.03 \times 90\% = \$799.23$.

This is the amount provided to Joe Bozinski as a Joint & Survivor benefit. While not mandated by policy, the NAD usually votes to inflation protect this benefit.

The Spouse Allowance

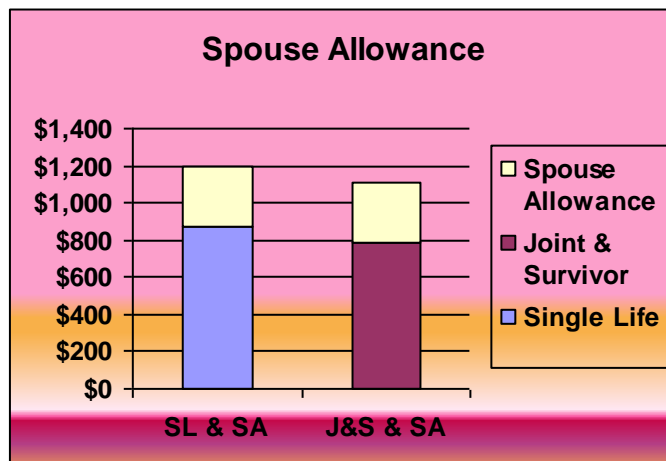
The Spouse Allowance is an additional "welfare" benefit granted to qualifying retirees. This benefit recognizes that the church moves its employees around, uprooting spousal careers, and that some spouses have chosen to not work in order to assist the employee in ministry. The spouse allowance is reduced by any earned spouse retirement benefits provided by an employer.

In order to be eligible for a Spouse Allowance, the following eligibility requirements apply:

- 20+ years of qualifying service credit by employee
- Married to current spouse at least 1 yr prior to benefit effective date
- Spouse received/receives no employer-provided pension of his/her own.
 - SA is reduced by the amount of any such benefit.
 - Social Security does not count against SA
- Remains married—discontinued at death of spouse or divorce.



The spouse allowance does NOT restart at post-retirement re-marriage.



Once again, we use Joe Bozinski as an example. Joe is married to Tina. Joe is eligible in that he has more than 20 years and has been married to Tina for more than one year at retirement. Here is the formula:

$$\text{Total Years Service Credit} \times .0125 \times \text{Single Life benefit}$$

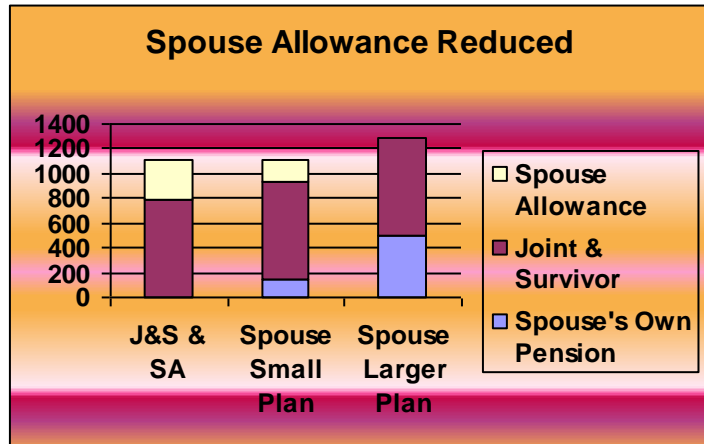
$$\text{Or, } 30 \times .0125 \times \$888.03 = \$333.01$$

This is the amount added to Joe's Single Life or Joint & Survivor benefit as an enhancement because Tina does not have a retirement plan of her own. If Tina worked a few years for the state educational system and is eligible for a state pension of, say, \$150 per month, the benefit would be reduced by that amount. If the spouse's personal benefit is, say, \$500, the spouse allowance would be reduced to zero.

Coordinating Spouse Pensions

If both Spouses have church service credit, should they take their own benefits, or should the one with lower benefits waive those benefits in favor of a spouse allowance?

Generally the plan prefers to calculate benefits for each individual employee. Exception: A retiring minister may opt for benefits under his/her name in order to maximize parsonage allowance exclusion by capturing all church pension income under the minister's retirement benefit.



Don't Confuse SA with J&S

Retirees often confuse the Joint & Survivor with the Spouse Allowance. They are very different policies.

Joint & Survivor

Available to all married (1 yr) retirees.
'Paid for' by monthly benefit reduction.
Provides healthcare, death benefit and survivor benefits to spouse.

Spouse Allowance

Requires 20 yrs credit
Provides additional conditional 'welfare' benefit.
Reduced by amount of spouse's employer-provided benefit.
Belongs to Retired Employee, not spouse.

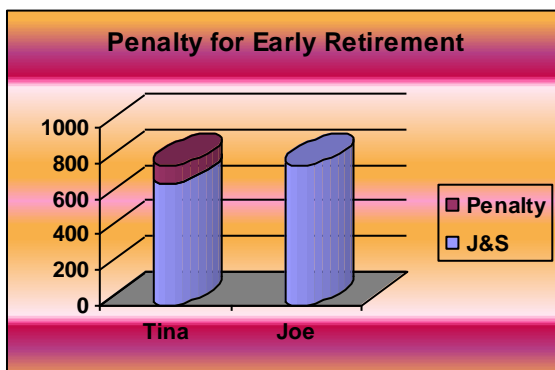
Normal Retirement Age

For retirees born in 1937 or earlier, the normal retirement age was 65. Beginning for retirees born in 1938 both Social Security and this plan began to move the normal retirement age towards age 67. For a person born in 1941, for instance, the normal retirement age is 65 and 8 months.

The following table shows the sliding normal retirement ages (years/months) based on the year of birth.

YofB	NRA
1938	65/2
1939	65/4
1940	65/6
1941	65/8
1942	65/10
1943-1954	66
1955	66/2
1956	66/4
1957	66/6
1958	66/8
1959	66/10
1960+	67

Current policy allows a church employee to retire as early as 59 ½ years of age, but there will usually be a permanent penalty. The benefits reduction for early retirement is .5% for each month the employee is short of either 40 years of service, or for each month the employee is short of normal retirement age, whichever provides the least penalty.



Using Joe and Tina as our examples, let's assume that both have 30 years of service at the same pay levels, and both choose to retire when Joe

reaches his normal retirement age. However Tina is 24 months shy of her normal retirement age and 10 years short of 40 years of service credit. Thus she suffers a benefits reduction for early retirement.

Parsonage Allowance Exclusion

According to the IRS, retirement benefits earned in ministry are eligible for Parsonage Allowance Exclusion. This means that actual expenses used in maintaining a retirement home, subject to limits, can be excluded from retirement income for purposes of federal income tax reporting.

The law stipulates the following limits, the lowest of which applies:

- Actual Expenses – retired minister must be able to document actually spending the money.
- Fair Rental Value – reported expenses must not exceed what it would cost to provide your home if you rented it.
- Voted Amount – each year we vote that up to 100% of church pension can be excluded.

When we report a minister's income to the IRS, we state that we have not determined the taxable amount, and provide only the total amount we provided. It is up to the minister to report the reduced income when filing, and to be able to document if questioned by the IRS.

Our experience is that many retired ministers do not maximize this tax benefit because they do not actually spend their total pension income on housing. If the mortgage has been paid off, the annual expense is usually limited to property maintenance, property tax and utilities. The retired minister may wish to consult a qualified tax preparer.

Post-Retirement Employment

Many retirees find opportunity to continue to serve the church in retirement, working on a part-time basis. The church retirement plan prohibits full-time employment with a participating employer while receiving retirement benefits from that employer's plan. There is no prohibition for working for a non-denominational organization.

Part-time employment is defined as based on the expectation of the employer. If the employment documentation shows that the retiree is expected to work more than 75% of what the employer would normally consider full-time employment, then the employer is required to inform the plan, and retirement benefits will be suspended until such time as the employee retires again.

Pension law requires the plan to recover benefits paid in violation of the policies. A number of retirees have had to return thousands of dollars provided to them inappropriately.

Retirement Denominational Employment Pitfalls

A retiree who accepts post-retirement employment from a denominational employer should be aware of some of the following issues:

- Your employer retires you and offers to pay you a 'top-up' stipend if you will continue to work full time. This violates NAD policy and probably your state's wage and hour laws.

- Your employer retires you, pays you part time, but with expectation that you will work full time, 'volunteering' the time beyond your wages. This violates NAD policy and probably your state's wage and hour laws which generally prohibit 'volunteering' for your employer. Such laws are designed to avoid abuse of employees by employers who demand that they work uncompensated hours if they wish to be employed.
- Your part-time denominational employment should be negotiated without reference to your retirement income. You are not required to provide any personal pension income information to your employer.
- Some employers do not provide accidental death and dismemberment insurance for part-time employees. If your part-time employment requires travel, you may wish to negotiate that such coverage be provided.

The Death Benefit

A death benefit is provided if a retiree has at least ten years of church service credit. The Joint & Survivor spouse is also eligible for a death benefit.

The formula for calculating the death benefit is to take the current pension factor (2012, \$2,277) and pro-rate it based on years of service. A retiree who dies with 40 or more years of service credit in 2012 will receive a death benefit of \$2,277. However if the retiree has, say, 24 years of service, then $\$2,277 \times 24/40 = \$1,336$. The death benefit is given to the spouse if living, or to the person responsible for funeral costs only if the retiree is not married upon death.

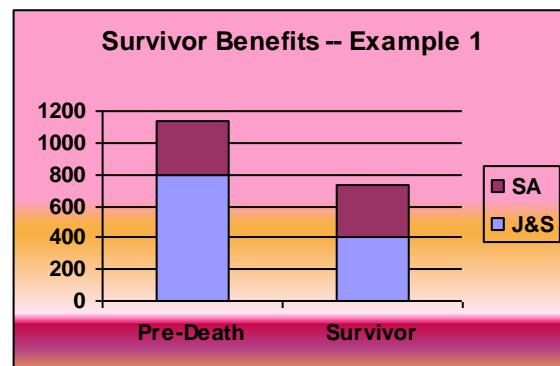
The family member applying for the benefit must produce a copy of the death certificate. It is not necessary to provide copies of funeral expenses. The death benefit is provided without proof of actual expense.

The Survivor Benefit

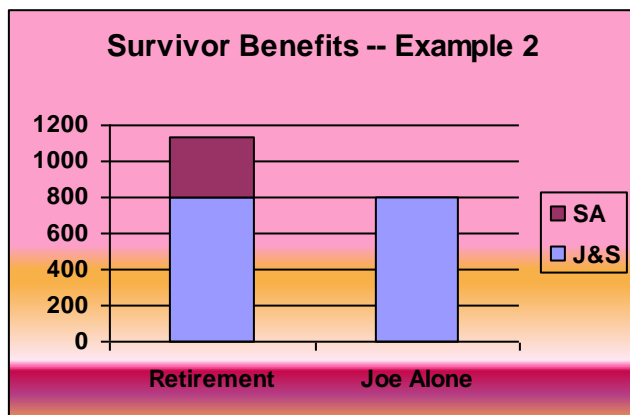
Perhaps one of the most common questions we receive from retirees is, "What happens to the benefits at death?" It depends on who died, and what selections were made at retirement. Here are several examples, again using Joe Bozinski and his wife, Tina.

Example 1. Joe Bozinski passes away a few years after retirement. Tina shared all 30 of his years of service credit, and receives no retirement allowance of her own. Thus Joe is receiving a Spouse Allowance. Tina will receive the following 'survivor benefits'.

- 1/2 of Joe's Joint & Survivor benefit
- Full continuation of Spouse Allowance.
- Continuation of Healthcare assistance at the same rate
- These benefits would not change if Tina re-marries.



If Tina had only been married to Joe for, say, twenty of his thirty years of service credit, the survivor spouse allowance would be pro-rated – $20/30 \times$ pre-death Spouse Allowance.



As mentioned earlier, Tina's survivor benefits are not considered by the IRS to be eligible for parsonage allowance exclusion and are therefore fully taxable.

Example 2. Joe Bozinski's Spouse Dies, with Joe (not dead after all!) surviving her. Joe receives the following benefits:

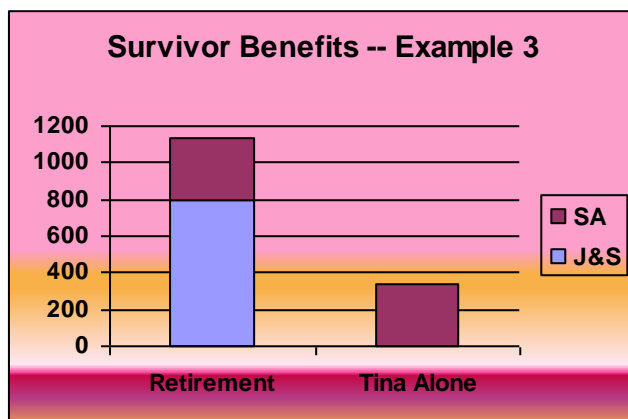
- Full monthly Joint & Survivor benefit.
- Continuation of healthcare assistance @ same rate
- Spouse Allowance ceases

If Joe re-marries, the new spouse is NOT eligible for Joint & Survivor status, and is therefore ineligible for survivor benefits, healthcare assistance, death benefit or spouse allowance.

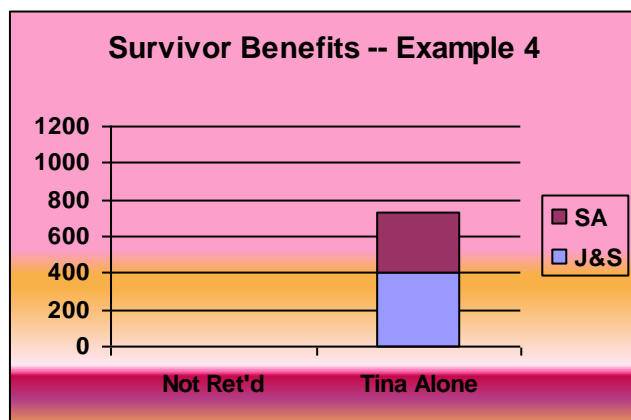
Example 3: In this example, Joe selected Single Life benefit when he retired. Joe Bozinski dies, leaving Tina as a survivor.

Upon Joe's death:

- Joe's death benefit goes to Tina.
- All Single Life Benefits Cease
- No Survivor Benefits
- Pro-rated Spouse allowance continues if there were at least ten years shared service
- No Survivor Healthcare



Example 4: Prior to retirement, Joe dies. He is 66, eligible to retire, but was an active employee, and now Tina is his survivor. Upon Joe's death:



- Joe's retirement benefits are calculated as if he was applying for J&S plus Spouse Allowance (if eligible.)
- Survivor benefits, as per example 1 above are immediately calculated.
- Tina qualifies for healthcare assistance, and death benefit.

If Joe passed away prior to Retirement eligibility, Tina would still be eligible for Survivor Benefits based on when her

deceased employee spouse would have reached age eligibility for retirement. She can wait until the spouse would have reached his normal retirement, or she can apply for his benefits prior to normal retirement eligibility after age 59 ½, with the resulting penalty

for early retirement. One of the tricky issues in this case would be her eligibility for Joe's lump sum Retirement Allowance. She would be eligible for the Retirement Allowance (see following section) only if the effective retirement benefits date would be within thirty-six months of his termination from employment due to death. Thus she may be forced to make a decision between a permanently reduced early survivor benefit with a full lump sum Retirement Allowance, or an un-reduced monthly survivor benefit without the lump sum Retirement Allowance.

The Retirement Allowance

The Retirement Allowance is a one-time lump sum benefit provided to employees who go directly from employment into retirement. It is not available to employees who cease employment with a participating employer prior to retirement application, whether that termination was voluntary or involuntary.

The Retirement Allowance is calculated based on eligibility and years of service credit, and the wages paid just prior to retirement.

In order to be eligible for the Retirement Allowance, an employee must have worked at least half-time for a participating employer for the two years prior to retirement termination.

There are exceptions to the requirement that the employee go directly into retirement from employment. If, for instance, an employee terminates because his/her spouse is retiring, and the employee is within thirty-six months of retirement, the employer can recommend that the employee's Retirement Allowance not be forfeited, but be held pending the employee's application for benefits. In all cases, however, the effective date for benefits would have to be within thirty-six months of termination, or the Retirement Allowance will be forfeited.

The calculation of the Retirement Allowance is done using the following formula:

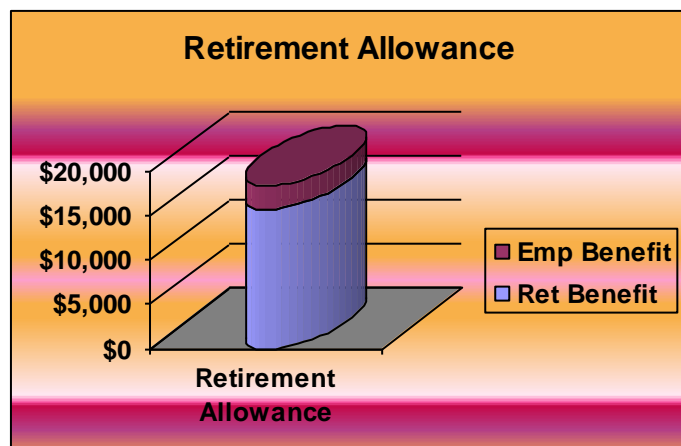
Full time equivalent monthly pay X years qualifying service credit X 12.5%



Using our sample pastor again, assuming Joe's last monthly wages at \$4,200, and service credit at 35 years, the calculation would be:

$$\begin{aligned} \$4,200 \times 35 \times 12.5\% = \\ \$18,375 \end{aligned}$$

The benefit counts years under the frozen pension plan plus years under the defined contribution plan. However due to legal constraints, the Retirement Allowance earned prior to 1/1/2000 is granted as a retirement benefit, by the retirement plan, although ultimately paid for by the employer. As a retirement benefit, it can be tax deferred by instructing us



to send it to an Individual Retirement Account set up by the retiree, or to the defined contribution plan account.

The Retirement Allowance earned after 12/31/1999 is paid directly to the employee by the employer, and is considered an employee benefit. If desired, this benefit can be tax deferred by instructing the employer to withhold it under the terms of a Salary Reduction Agreement which authorizes the employer to put the money into the tax-deferred defined contribution retirement plan. In most cases FICA will have to be paid, but income tax is deferred.

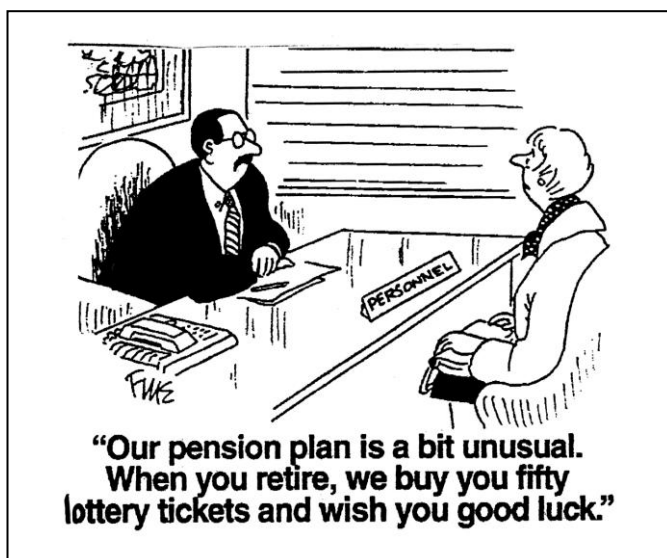
Lump Sum Retirement Allowance Pitfalls:

- RA is based on last pay. If you receive a cut in pay before retirement, your total RA will be calculated on your last lower pay.
- If you terminate prior to retirement eligibility, you will probably lose eligibility for a Retirement Allowance. Exceptions are limited by policy.
- A Pre-2000 Retirement Allowance can be rolled over – thus deferring tax
- Post 1999 RA cannot be rolled over, but can be deferred via ARP deduction if you request of your employer.

Special Pay

In 2012, a new provision was invoked, allowing employers to elect 'Special Pay.' This provision, if adopted by the employer, requires the employer to send 100% of the post-1999 employer provided Retirement Allowance directly to the employees Defined Contribution plan account. The benefit is considered a retirement benefit, and is thus not subject to employee deferral limits, and perhaps more importantly, is not subject to payroll taxes, such as FICA. Thus both the employer and the employee save money. Not all employers have adopted 'Special Pay.' Your employer can inform you if the necessary adoption resolution has been taken.

Adventist Retirement Plan



The Adventist Retirement Plan is tax-deferred retirement savings account plan. Technically it is a 403(b) non-ERISA qualified church controlled plan. The philosophy of a defined contribution plan is to 'define the contribution' the employer makes throughout the career of the employee. The 'formula' determines how much goes into the plan.

Beginning in 2008, the Plan began ratcheting the contribution models up. Employees are urged to contribute at least 3%, which results in a 1:1 match: 5% + 3% + 3% by July, 2011.

The contribution model most participating employers are using, as a percent of wages, is:

Employer Basic Contribution: 5.00%

Applied regardless of employee contributions.

Employee Voluntary Contrib.: 3.00%

Recommended Minimum Voluntary

Employer Match Contribution 3.00%

Match becomes 100% of voluntary up to 3% effective 7/1/2011.

Employees may wish to contribute more than 3%, depending on retirement goals, but the employer match caps out at 3% of wages.

At the end of the career, the employee will have access to the account to generate retirement income. In most plans the career employee is encouraged to contribute personal tax-deferred income into the plan, and it grows along with the employer-provided funds.

The above contribution rates are the standard rates. However some employers have adopted a resolution which allows for an equalization mechanism, particularly where pastors and teachers work and live in the same conference with significant divergence of costs of living. Also some employers have adopted a resolution which authorizes them to pay part-time employees on a different model. Your employer can provide information to you on what contribution model has been authorized.

Asset Allocation Models

The plan's investment consultants have designed various investment plans, or 'asset allocation models.' These models provide an investment plan for various risk tolerance and time horizons. Enrollment materials provided by the third-party administrator of the plan, VALIC, provide a more detailed explanation of the five models. Essentially, contributions are invested in funds whose managers invest in vehicles of varying volatility and return targets. The primary investment vehicles used in this plan are mutual funds.

Dollar Cost Averaging

If a mutual fund is trading between, say \$15 and \$25 per unit, and the total monthly combined contribution is \$200, the number of units of the mutual fund purchased will vary – more will be purchased at the lower rate, fewer at the higher rate. Since each unit has the potential for long-term growth, the more mutual fund units purchased should result in greater long-term growth. Thus when markets are down, your \$200 is purchasing more potential growth than when markets recover.

Two Classes of Investments

Simply stated, investment vehicles in a retirement plan are divided into two classes: Income and Equities.

Income funds are made up primarily of debt, usually referred to as a bond. You loan your money to the government or to a corporation, and that organization promises to pay interest and to repay the loan at some future date. Income investments are generally considered low risk, low return. There are of course exceptions. It is possible to buy high-

return bonds which have a less than stellar promise of repayment at maturity. Retirement plans tend to have fairly stable value bond funds.

Equity funds are made up of actual ownership of shares of stock in a company. In a retirement plan these are usually set up as pools of investments referred to as mutual funds. Risk and return ranges significantly depending on the sub-class within the equity class:

- Large Domestic Companies – moderate risk
- Small Domestic Companies – higher risk
- International Companies – higher risk
- Emerging Markets – highest risk

Diversification

“Don’t put all your eggs in one basket.” Good advice from long ago. The Enron story is a good example of failure to diversify. According to news reports, one Enron employee was approaching retirement age. He had approximately \$1.3 million in his 401(k) tax deferred retirement savings account. Unfortunately, all of his investments were in Enron corporate stock. When Enron went down the tubes, the unhappy employee value dropped from \$1.3 million to essentially no value.

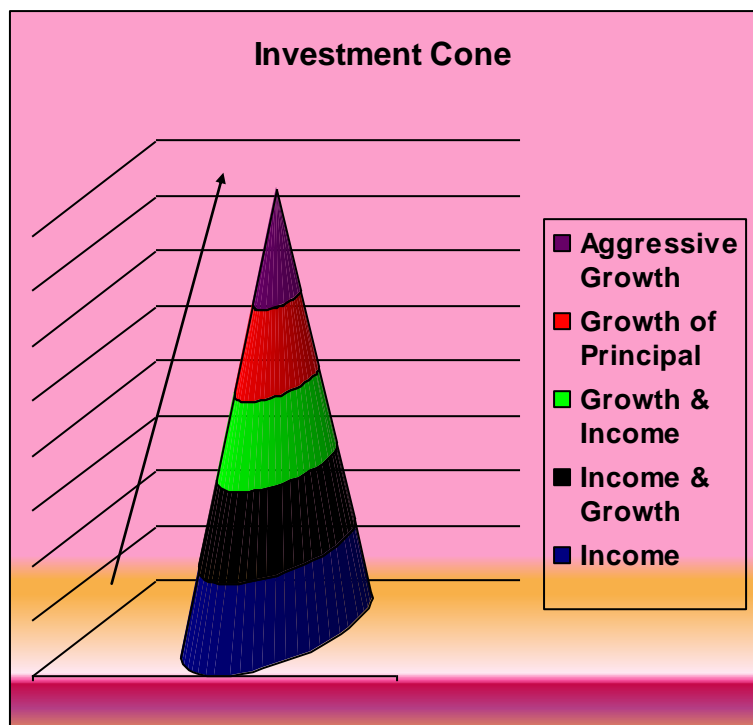
Adventist Retirement Plan does not allow employees to put money into individual corporate stock. The plan requires all money in this plan to go into mutual funds or equivalent instruments. This forces a certain level of diversification. For instance, if you put one dollar into the SDA Large Cap fund, you essentially are purchasing a piece of 467 of America’s largest companies.

Risk vs. Return

Investment involves risk. Investment theory says that, over time, higher risk, reasonably managed, will be rewarded by higher returns. But it may provide a wild ride. Using the funds currently offered by the Plan, our consultant has provided us with a risk cone.

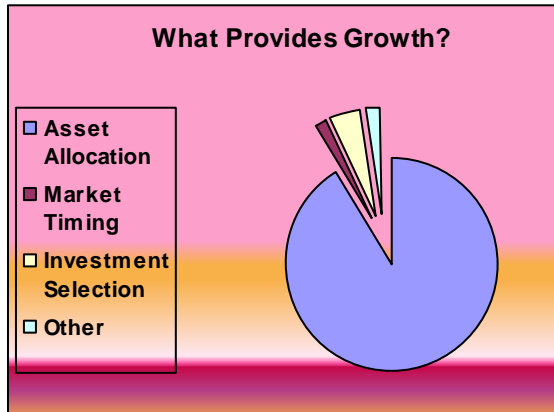
The Risk Investment Cone

-
- T Rowe Price International
- Amer Funds Europac
- Dodge & Cox International
- SDA International
- Columbia Small Cap
- SDA Small Cap
- Munder Midcap
- Invesco Cap Development
- SDA Large Cap
- Dreyfus Appreciation
- Vanguard G & I
- American Century Equity Inc
- Dodge & Cox Stock
- PIMCO Treasury



- Vanguard Treasury
- Vanguard Corporate
- PIMCO Real Return
- SDA Bond
- Stable Value Trust

The colors of the funds tie directly to the level of risk or volatility shown in the Investment Cone. Most investment gurus will advise employees approaching retirement to be aware of the potential for increased volatility in the investments in the upper part of the cone.



Historically downs have sometimes taken more time to 'ride out' than a retiree is able to wait before needing to cash out his/her investments for retirement use. We urge those approaching retirement to consult with an investment counselor in order to help determine an asset allocation model which is appropriate for age and risk tolerance.

What Provides Growth?

A study quoted in Financial Analysts Journal, May/June, 1991 by Gary Brinson, Brian Singer and Gilbert Beebower, and confirmed by updates since that time has shown that selection of a reasonable asset allocation model is far more important than market timing, investment selection or any of the other favorite tricks of investors.

Socially Screened Investments

The following funds are socially screened, in that they have blacklisted companies with significant exposure to objectionable products:

- | | |
|-----------------|---------------------|
| • SDA Bond | • SDA Small Cap |
| • SDA Large Cap | • SDA International |

The objectionable products selected by the board are a set of four commonly accepted "sin stocks" and two uniquely Adventist "sin stocks".

- | | |
|-----------------------|-------------------------|
| • Pornography | • Gambling |
| • Tobacco | • Meat Packing |
| • Alcoholic Beverages | • Caffeinated Beverages |

None of the other funds provided in the Plan claim to be screened.

Vesting

Prior to 2011, all employer contributions were subject to a three year vesting schedule. After 2010, vesting requirements for this defined contribution retirement plan have been eliminated.



Quarterly Statement

The quarterly statement you receive from VALIC can provides information as to gains and losses, and asset allocation, quarterly and from inception. The statement can tell you if your asset allocation model has drifted from its original balance.

Rebalancing

VALIC and ARP have put in place 'Targeted Maturity Funds.' These self-balancing funds target your expected retirement year and move incrementally towards a retirement-appropriate investment strategy as the years go by. Professional managers adjust the

asset allocations for everybody in the SDA 2015 fund as the year 2015 approaches. There is a fee for this service amounting to .08% or eight

hundredths of 1% in addition to regular fees.

To select this option, log in to your VALIC web site, select your 403(b) plan, and on the left, choose "Asset Allocation Model." If you are a 'default' employee, that is if you have never told VALIC where to invest your funds, we have selected an age appropriate Target Maturity Fund for you.

VALIC Investment Summary

Generally, investment advisor's suggest that as you approach retirement age, you should be moving into less aggressive investment positions. Market swings can take years to ride out, and at age 62, you may not have years before you will need to draw down your funds. You may wish to discuss Your Asset Allocation Model with an Investment Guru today!

Getting Investment Help

- VALIC's Phone Line 888-568-2542
 - To talk to a certified advisor, press 0 and ask for Advice Line
- VALIC's Web Site www.aigvalic.com/adventist
- VALIC Representative Name of your Rep is on your Statement

Your employer also has contact information, or you can call 888-568-2542 to get your representative's name

Distribution

Upon reaching age 59 ½, even if still denominationally employed, you may begin to access all funds in your account. Unlike the defined benefit retirement plan described previously, there is no prohibition for 'in-service distribution' for the defined contribution plan.

Distribution of your account balances usually is done by one of three ways:

- Cash-out – not usually a good option because of tax implications
- Rollover or Transfer – moving these funds to another tax-deferred account
- Annuitization – purchasing an annuity from an insurance company or a charitable gift annuity from a trust services organization, which guarantees a flow of funds no matter how long you live
- Scheduled withdrawal – instruct VALIC to send a certain dollar amount, or a percentage of your funds to you on a regular basis. This is most useful for ministers in that it allows them to set up their withdrawals with VALIC to be eligible for parsonage allowance exclusion
- Leave it alone – funds do not have to be removed from the VALIC account. Retirees can withdraw funds as needed from time to time.

Bridges Between Plans

On December 31, 1999, the previously described pension plan was frozen in favor of the previously described defined contribution retirement savings plan. There were several bridges which were put in place to provide assistance during the transitional period between the two plans.

Transitional Enhancement

The Transitional Enhancement is a policy that recognizes that transitional employees may suffer retirement losses because of two facts:

- They haven't met all of the thresholds of the frozen pension plan
- They don't have enough time before retirement for the new defined contribution plan to maximize its potential.

The Transitional Enhancement policy 'tops-up' the frozen pension plan by an amount calculated at retirement and intended to make the retiree 'whole' for potential losses over what the benefit would have been, had there been no freeze of the pension plan.

Pastor John Bozinski is our sample employee. He's Joe's brother. Here is his situation:

- 25 Pre-2000 Years of US Service Credit
- 10 Post-1999 Years of US Service
- Retires at age 66
- In 10 post-freeze years his moderate plan would have grown to an employer provided account of say \$40,000.

John Bozinski's Transitional Enhancement Calculation		
	Actual	No-Freeze
Single Life Benefit	\$723	\$1,012
DC Estimated Annuity	\$238	
Total Combined Single Life Annuity	\$961	\$1,012
Transitional Enhancement	\$51	
Total Single Life Benefit	\$1,012	\$1,012

Had we never frozen the pension plan, John would have received a single life benefit based on 35 total years of service. However since the last 10 years were under the defined contribution tax-deferred retirement savings plan, we estimate what the annuity would be based on the employer contribution account value. By combining the frozen pension, and the theoretical annuity from the employer contributions to the DC plan, we discover that John has been 'transitionally disadvantaged' by approximately \$51. This amount becomes a permanent enhancement to his frozen pension plan.

Other Bridges Between Plans

Vesting: The two plans have vesting reciprocity. Years in the pension plan count for vesting in the retirement savings plan and vice versa. As noted above, since 1/1/2011 the vesting requirement for the defined contribution retirement plan no longer exists, thus the vesting reciprocity allows post-freeze service to count towards vesting in the frozen defined benefit pension plan.

Let's use Heather Bozinski, John's wife, as an example. Heather started working for the church late in life during 1997. After only 2 ½ years of service, the pension plan under which she was working was frozen. Does she thus lose the unvested 2 ½ years of service credit?

Plan provisions allow for Heather to continue to work under the new tax-deferred retirement savings plan and complete the ten year vesting requirement for the frozen plan. She has until December 31, 2014 to complete ten full years of employment with a participating employer in order for the 2 ½ years of pre-2000 years of service to apply.

Other Thresholds

Post-freeze years under the tax-deferred retirement savings account provision count towards meeting initial thresholds required by the DB plan

- Healthcare Eligibility – 15 years

- Spouse Allowance Eligibility – 20 years
- No-penalty Early Retirement Eligibility – 40 years

The Legal Plan

The Retirement Plan is not qualified to give advice on matters of legal documentation in retirement. However we urge retirees to ensure that they do not enter retirement without reviewing with competent legal counsel the possible need for the following documents:

Last Will & Testament: Many conferences have a Trust Services Department that will assist a member with preparation of such a document at nominal cost or without a charge. The will ensures that the individual's wishes are carried out in the case of death as to the disposition of personal belongings.



Trust: Some individuals find a trust to be of value in managing sizeable estates. A trust is particularly useful when making provision for a spouse or relative who is unable to manage funds in case of death of the retiree. It has the advantage of confidentiality, probation avoidance, timeliness and a trust may be revocable.

Advance Directive: This document is "Your voice if you are alive, but not able to speak or act for yourself."

For model forms approved for use in your state, contact your healthcare provider, or on the internet go to www.caringinfo.org. Generally there are two steps: Selecting a healthcare advocate to speak for you, and making your wishes known given various possible scenarios.

The Healthcare Plan

The retirement plans operated by the North American Division have developed a supplemental healthcare plan for beneficiaries of those plans. SHARP stands for Supplemental Healthcare, Adventist Retirement Plan.

This is a summary of SHARP. A current SHARP booklet provides plan details.

SHARP is not a continuation of the employer's healthcare assistance plan. It is a unique plan designed for Retirees. Deductibles, co-pays and limits differ from the employer provided plan to which an employee has become accustomed. SHARP operates on a January to December plan year.

Isn't Medicare Enough?

Medicare provides eligible Retirees with healthcare assistance for approved

Inpatient and Outpatient services. However Retirees sometimes incur significant expenses not covered by Medicare:

- Outpatient Prescription Drugs
- Dental, Vision, Hearing
- Medicare Outpatient

- Co-Pay

- Deductible

- Medicare 'B' Premium¹

- Medicare Inpatient Deductibles & Co-Pays

- Admission deductible

- Days 61-90 Daily Co-Pay

- Days 91+ Daily Co-Pay

2012 Medicare Co-Pays/Deductibles

20%

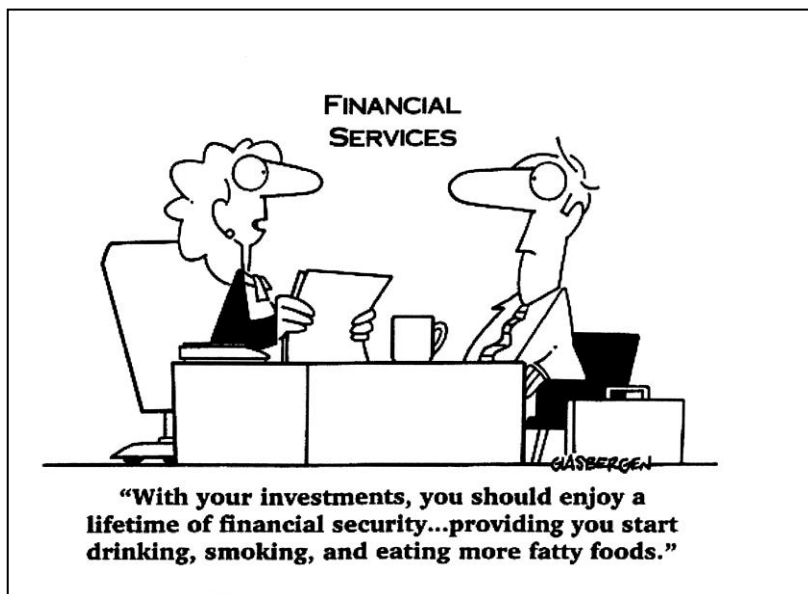
\$140/year

\$99.90 per month

\$1,156/admission

\$289/day

\$578/day



Standard SHARP is designed to 'wrap around' the provisions of Medicare, to provide assistance in years of catastrophic medical costs, and to provide modest assistance for certain categories of healthcare expenditures not covered by Medicare.

¹ In 2010 & 2011 Medicare increased the monthly 'B' premium for new retirees only, resulting in three different premiums. At this point, it appears that Medicare has consolidated, but has also means-tested these rates. Few of our retirees have exceeded the income test which would modify the B rate.

Eligibility

In order to be eligible to participate in SHARP you must be a beneficiary of one of the retirement plans managed by the North American Division in the U.S. or the spouse of such a beneficiary under Joint and Survivor (J&S). The beneficiary must have at least fifteen years of church Service Credit.

In most cases employment with service years at an Adventist hospital receive a cash "Accrued Pension Supplement" in lieu of access to SHARP

Medicare 'Premiums' Reimbursement

Years	%
15-19	50%
20-24	60%
25-29	70%
30-34	80%
35+	90%

If eligible for healthcare under SHARP a retiree is also eligible to receive partial reimbursement of standard premiums paid to Social Security for Medicare Part B. Depending on years of qualifying service, reimbursement will range from 50% to 90% as shown in the table. The retiree must send a copy of the Medicare card showing eligibility for Part B.

How SHARP Works

There are options available on the SHARP 'menu' that an eligible retiree and spouse can 'order' based on perceived needs and financial resources. The plan provides an 'Earned Credit' based on years of qualifying service. If the cost of the "order" exceeds the earned credit, the retiree will pay the excess via payroll deductions. If the cost of the "order" is less than the earned credit, there is no refund. The Earned Credit is used only to offset the cost of the "order" and is not a cash benefit.

SHARP Options

Each option has a cost, to be compared with the earned credit explained later. Costs and earned credits are Per Member Per Month (PMPM).

Option	Monthly Cost
Base	\$35
MCx	\$155
DVH	\$60
Rx	\$115

Base Option:

- Provides one annual dental checkup paid at 100%.
- Provides International Travel Emergency Medical with a \$1,000 deductible and a \$50,000 maximum
- Catastrophic Medical Assistance after \$2,100 annual deductible for personal share of Medicare-approved expenses. After the annual deductible is met, this provision allows for Medicare Part B Annual Deductible and 20% Co-Pays; and provides for Medicare Part A Admission Deductible and Excess Days Charges.
- Should not be selected if MCx is selected. Choose one or the other.

MCx (Medicare Extension)

- Provides one annual dental checkup paid at 100%
- Provides for Medicare Part B Annual Deductible and 20% Co-Pays
- Provides for Medicare Part A Admission Deductible and Excess Days Charges
- Provides International Travel Emergency Medical with a \$1,000 deductible and a \$50,000 maximum
- Should not be selected with Base option. Choose one or the other.

This option essentially provides 'first dollar' healthcare coverage, similar to 'Medigap' plans available commercially. It ONLY provides for Medicare approved services.

DVH (Dental, Vision, Hearing)

- Provides dental assistance up to \$2,200/yr payout with 20% coinsurance
- Provides vision assistance up to \$400/yr payout with 20% coinsurance
- Provides hearing aid assistance up to \$2,200/yr payout with 20% coinsurance. Provides for a one-year 'look-back' for hearing aid assistance not claimed in the previous year.



Rx (Prescription Drugs)

- Provides assistance on prescription drugs
- No deductible, no annual maximum payout, but subject to some formulary limits and rules
- Pharmacy Co-Pay is \$12/\$24 for generic/brand up to 30-day prescription
- Home Delivery Co-Pay is \$27/\$54 for generic/brand up to 90-day prescription

Medicare Part D

Effective 1/1/2006 Medicare has made provisions for beneficiaries to participate in a Prescription Drug Plan (PDP) provided in most cases by commercial entities. The Rx option has been actuarially determined to be at least as generous as Medicare D's provisions on average. The Retiree may choose to participate in a Medicare approved PDP, but may not participate in both a PDP and SHARP's Rx option at the same time.

At the end of this section is an important notice required by Medicare which attempts to inform those approaching Medicare eligibility of their options regarding prescription drug coverage.

The Earned Credit

The Earned Credit is the amount that the Retirement Plan contributes to the retiree's healthcare options. The Earned Credit is provided as a credit, not a cash benefit and

Years of Church Service Credit under both DB & DC Plans:	Retiree Category	Standard Earned Credit PMPM	Pre-Medicare Earned Credit PMPM	Non-Medicare Earned Credit PMPM
15 to 19 Years	E	\$125	\$200	\$69
20 to 24 Years	D	\$145	\$249	\$86
25 to 29 Years	C	\$170	\$299	\$104
30 to 34 Years	B	\$190	\$349	\$121
35 plus Years	A	\$210	\$399	\$138

can only be spent on the options provided under SHARP. The amount of the Earned Credit depends on the years of qualifying service credit available. SHARP uses five-year steps to move from one level to another.

In order to be eligible for an Earned Credit, a retiree must be age eligible for Medicare (currently age 65) or have forty or more years of qualifying service.

Putting It Together

SHARP Standard Application Form			
Retiree:		Joe Bozinski	
Joint & Survivor Spouse:		Tina Bozinski	
Options & Costs		Retiree	J&S Spouse
Base		\$35	\$35
Medicare Extension			
Dental, Vision, Hearing (DVH)		\$60	\$60
Prescription Drugs (Rx)		\$115	\$115
Total Cost of Selected Items		\$210	\$210
Less Your Earned Credit (If any) (25-29 Years)		\$170	\$170
Net Monthly Retiree Contribution	(Enter 0 if "Earned Credit" exceeds "Cost.")	\$40	\$40

The application form included in the SHARP booklet is where it all comes together. Our pastoral example, Joe Bozinski once again illustrates how this works. Joe has (in this example) 29 years of qualifying service credit, including pre-2000 years and post 1999 years. This qualifies him as a category "C" retiree. Joe and Tina decide to select the Base, DVH and Rx option, but to eschew the MCx option. Total cost for each is shown. Joe's Earned Credit leaves a balance per member per month to

be withheld from Joe's monthly benefit.

Changing Your Mind

Insurance companies protect themselves from "Adverse Selection" in a number of ways. "Adverse Selection" is where the healthy people don't buy insurance, and the sick people do. Although SHARP is not an insurance company, it must also be protected from Adverse Selection. This protection is provided by limiting changes the retiree can make in the options selected.



SHARP options can be selected at the following times:

- Initial Open Enrollment – at retirement
- 3-Year Anniversary Open Enrollment – one-time 3-year anniversary of retirement effective date, regardless of date of SHARP enrollment
- Documented Loss of Coverage
- Other Discretionary Changes – such as a major SHARP change in options.

Other than these, most retirees will select the coverage that makes sense for them, given their perceived long-term needs and their financial resources, and those will be the options they will have for the duration.

Pre-Medicare/Non-Medicare Plan

If an Employee retires prior to Medicare Eligibility (age 65), SHARP provides no Earned Credit unless the retiree had 40 or more years of qualifying service credit, or was eligible to retire prior to 2003. However a pre-65 retiree CAN purchase bridge coverage until he/she becomes Medicare eligible. Here is an example using Tony Bozinski (this family does get around!) and his wife, Hannah. Since Tony has 40 years of qualifying service, he and his family are all eligible for earned credits based on 35+ or Category "A" service.

If an Employee retires and is Medicare Eligible (age 65+) but the spouse is Pre-Medicare, SHARP anchors the eligibility of the spouse based on the employee's eligibility. For instance yet another Bozinski is Medicare Eligible at retirement but his wife, Andrea is not yet 65. Andrea will sign up for the Pre-Medicare option until she reaches age 65. The Earned Credit is based on her husband's twenty-six years of qualifying service credit. The example shows the balance that will be due each month.

Note: The Pre-Medicare option is only a replacement for Medicare's Inpatient and Outpatient provisions. Andrea will want to consider enrolling in SHARP's standard options if she wants prescription drugs and/or dental/vision/hearing during the bridge period.

The Pre-Medicare and Non-Medicare plans provide for a 20% co-pay. Both plans are Preferred Provider Organizations, limiting selection of physicians and hospitals to the PPO system. Non-emergency out of system healthcare assistance may be denied or paid at a lower rate.

Pre or Non-Medicare Person	Relationship	Date of Birth	Social Security #	Cost/Month
Tony Bozinski	Retiree	1943	222-22-2222	\$399
Hannah Bozinski	J&S Spouse	1942	333-33-3333	\$399
Sandy	Dependent Child	1989	444-44-4444	\$138
George	Dependent Child	1990	555-55-5555	\$138
Thomas	Dependent Child	1991	666-66-6666	
	Dependent Child			
Total Cost per Month				\$1,074
Retiree Pre-Medicare Earned Credit (if eligible) 40 Years SC				\$399
Spouse Pre-Medicare Earned Credit (if eligible)				\$399
Non-Medicare Earned Credit, Dependent Children				\$276
Total Pre-Medicare & Non-Medicare Earned Credit				\$1,074
Monthly Contribution by Retiree				\$0

Non-SHARP Healthcare Options

The Coordination of Benefits section in the SHARP booklet discusses the relationship between "SHARP and Other Plans" such as Medicare HMO's, Medigap plans, Veterans Administration benefits and other commercially available plans. Any retiree considering utilization of such alternate options needs to understand the potential of overlaps and inter-relation of plans.

Summary

This has been a summary of SHARP The complete booklet is designed to provide greater details and is available from denominational employers, or the retirement plan, or can be downloaded from www.adventistretirement.org

Pre or Non-Medicare Person	Relationship	Date of Birth	Social Security #	Cost/Month
	Retiree			\$399
Andrea Bozinski	J&S Spouse	1945	777-77-7777	\$399
	Dependent Child			\$138
	Dependent Child			\$138
	Dependent Child			
	Dependent Child			
Total Cost per Month				\$399
Retiree Pre-Medicare Earned Credit 26 Years SC				
Spouse Pre-Medicare Earned Credit (if eligible)				\$299
Non-Medicare Earned Credit, Dependent Children				
Total Pre-Medicare & Non-Medicare Earned Credit				\$299
Monthly Contribution by Retiree				\$100

**Important Notice from SHARP
About SHARP's Prescription Drug Coverage (Rx Option) and the Medicare
Prescription Drug Coverage**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Supplemental Healthcare, Adventist Retirement Plan (SHARP) Rx Option (SHARP's Rx Option is the only coverage available to participants in SHARP that offers prescription drug coverage to persons eligible for Medicare.) and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage under the Rx Option, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is provided at the end of this notice.

There are two important things you need to know about your current SHARP Rx Option coverage and Medicare's prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. This coverage is sometimes referred to as Medicare Part D prescription drug coverage. In general Medicare Part D provides coverage for prescription drugs not covered under Medicare Part A and Part B. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some Medicare plans may also offer more coverage for a higher monthly premium.
2. The Supplemental Healthcare, Adventist Retirement Plan has determined that the prescription drug coverage offered under its Rx Option is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage under Medicare. Because your prescription drug coverage under SHARP's Rx Option is, on average, at least as good as standard Medicare prescription drug coverage, you can keep (or enroll in) S.H.A.R.P.'s Rx Option coverage (instead of enrolling in a Medicare prescription drug plan) and not pay a higher premium (a penalty) if you later decide to enroll in a Medicare prescription drug plan.

When Can You Join a Medicare Drug Plan?

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from November 15th to December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide To Join a Medicare Drug Plan?

If you do decide to enroll in a Medicare prescription drug plan and drop (or decline to enroll in) SHARP Rx Option coverage, be aware that you will not be able to get the SHARP Rx Option coverage back unless and until the next open enrollment period occurs for you under SHARP that allows you to add coverage. There are very few open enrollment periods under SHARP, and you may not be eligible for one.

Under SHARP, you are not allowed to receive prescription drug coverage under both Medicare prescription drug coverage and the SHARP Rx Option. You must choose one or the other. Therefore, it is important to make an informed deliberate decision. Do not enroll in Medicare prescription drug coverage "just in case."

You have the following two options concerning prescription drug coverage in the SHARP:

1. You may stay with SHARP's Rx Option coverage and not enroll in the Medicare prescription drug coverage at this time. You will be able to enroll in the Medicare prescription drug coverage at a later date without penalty, either (1) during a Medicare prescription drug open enrollment period; or (2) if you lose coverage under SHARP.
2. You may drop your SHARP's Rx Option coverage (when allowed to do so under SHARP), or decline to enroll in the Rx Option, and instead enroll in Medicare prescription drug coverage. If and when you enroll in a Medicare prescription drug plan, you become ineligible to participate in SHARP's Rx Option, and SHARP will not assist you with the premium you will pay to participate in a Medicare prescription drug plan. You will not be able to enroll or reenroll in SHARP's Rx Option coverage until the next open enrollment period for such coverage, and you will only be able to enroll or reenroll if you drop your Medicare prescription drug coverage. If you do decide to enroll in a Medicare prescription drug plan and decline or drop SHARP Rx Option prescription drug coverage, be aware that you may not be able to get SHARP Rx Option drug coverage until the next open enrollment period. If you have chosen not to participate in the SHARP Rx Option, you may continue to participate in other SHARP options provided, such as Dental/Vision/Hearing and Medicare Extension.

If you have questions, please contact us for more information about what happens to your coverage under the Rx Option if you enroll in a Medicare prescription drug plan.

The standard Medicare prescription drug plan has the following features. The threshold amounts are subject to annual adjustments by the Centers for Medicare and Medicaid Services. The thresholds are shown below.

- Annual Deductible of \$310
- After you have met the annual deductible, Medicare pays 75% and you will be responsible for paying 25% coinsurance.

- After you have incurred \$2,840 in prescription drug costs, Medicare will pay nothing and you will pay 100% until your prescription costs for the year reach \$6,440. This gap in Medicare coverage is referred to as the "donut hole."
- After you have reached the \$6,440 threshold, Medicare pays most of the cost of your drugs.
- Premiums are expected to be approximately \$30-\$50 per month for standard Medicare prescription drug plans. You should consult the Medicare prescription drug plans in your area for the exact premium amounts.

In making this comparison, please also consider the following: (1) Rx Option has no gap in coverage similar to Medicare's "donut hole"; (2) Rx Option provides prescription drugs on the plan's formulary in by you paying a co-pay of \$11 (generic) or \$22 (brand name) for a 30-day supply and a co-pay of \$25 (generic) or \$50 (brand name) for a 90-day supply; (3) many retirees receive an Earned Credit which assists them or fully pays for their SHARP Rx Option costs; and (4) the formulary used by the Medicare prescription drug plan may differ from the formulary for the Rx Option.

As stated above, if you enroll in a Medicare prescription drug, SHARP will drop your Rx Option (or not allow you to enroll in the Rx Option) and will not assist you with the premium you will pay to participate in a Medicare prescription drug plan. Although SHARP cannot state that in all cases its Rx Option prescription drug coverage is more advantageous than Medicare prescription drug coverage, in most cases you will have better prescription drug coverage under SHARP Rx Option than under Medicare prescription drug coverage and you will not benefit from enrolling in Medicare prescription drug coverage. One situation in which Medicare Prescription drug coverage may be more advantageous is if you qualify as a low-income retiree. If you have received an application to apply for low-income Medicare prescription drug coverage, you should carefully review our plan and Medicare Prescription drug coverage and judge for yourself.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You also should know that if you drop or lose your coverage with SHARP's Rx Option, and don't enroll in Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription drug plan later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium for Medicare prescription drug coverage may go up at least 1% per month of the base beneficiary premium per month for every month that you did not have that coverage. For example,

if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next November to enroll.

For More Information About This Notice Or Your Current Prescription Drug Coverage:

Read the S.H.A.R.P. booklet carefully. Then, for further questions, contact our office (email and phone listed below) for further information regarding SHARP Rx Option. However, please note that our office cannot assist you with information about a Medicare Prescription Drug Plan.

E-mail: SHARP@nad.adventist.org (preferred method).

SHARP Healthcare Enrollment line: (301) 680-5036 9-5 Monday-Thursday and 9-12 Fridays, Eastern Time.

NOTE: You will receive this notice every year. You will also get it before the next period you can join a Medicare drug plan, and if the SHARP Rx Option coverage changes. You also may request a copy at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage:

More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You" handbook. You'll get a copy of the handbook every year in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit Social Security on the web at www.socialsecurity.gov , or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to

provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and whether or not you are required to pay a higher premium (a penalty).

Date: April 1, 2011
 Name of Entity/Sender: Supplemental Healthcare, Adventist Retirement Plan
 Contact--Position/Office: Administrator
 Address: 12501 Old Columbia Pike, Silver Spring MD 20904
 Phone Number: 301-680-5036

The Countdown

Perhaps one of the most common questions employees in their late fifties ask is: When should I Retire?

- As Soon As Possible? Under both the frozen pension plan and the current defined contribution plan, the earliest retirement age is 59 ½. But there may be significant Healthcare & Pension Penalties
- At constituency?
- When forced out by health challenges?
- As part of a carefully developed plan?



Some critical issues to consider when looking at retirement are:

- NRA = Normal Retirement Age
- No Tuition Assistance in Retirement
- 40 Years Service
 - For Pre-Medicare Eligibility
 - For No-Penalty Early Retirement
- Age 59 ½ Years age Earliest Benefits Eligibility under Pension Plan
 - Early Retirement Penalty
 - No Pre-Medicare Healthcare

The following Biblical Injunction was brought to retirement by an employee looking forward to retirement: **Numbers 8:24** *"This is what applies to the Levites: from twenty-five years old and upward they shall enter to perform service in the work of the tent of meeting. 25 "But at the age of fifty years they shall retire from service in the work and not work any more. 26 "They may, however, assist their brothers*

in the tent of meeting, to keep an obligation, but they themselves shall do no work. Thus you shall deal with the Levites concerning their obligations."

Starting the Process



There are specific steps required to begin the retirement application process. For the frozen Defined Benefit pension plan it is important to plan ahead. The Retirement Plan requires at three to four months from the time the application is received until the time that payroll distribution begins.

Initiate the process by contacting your current or last denominational employer. That organization has your service record. You will make some important decisions as you fill out the forms:

- Healthcare Options (SHARP)
- Joint and Survivor or Single Life
- One-time Lump Sum Retirement Allowance
 - Rollover
 - Cashout

Monthly benefits are paid preferably by direct deposit, on or around the 27th of each month.

For the Defined Contribution plan, the process is generally straightforward. Upon your termination at or above 59 ½, your employer will send a code to the Plan which will be forwarded to the third-party administrator. Once completed, the retiree can simply contact VALIC and request a termination/withdrawal packet. Standard procedure requires a ninety-day waiting period between termination date and release of funds.

Decisions you will consider include:

- | | |
|-------------|-----------------------------|
| • Cash-out | Creates 'Tax Incident' |
| • Rollover | Protect Tax Deferred Nature |
| • Leave It | Continue to Manage |
| • Annuitize | Guaranteed Flow till Death |

The Last Three Years

Assuming that you are planning ahead, what should you be thinking about during the last three years of your employment in order to be best prepared for retirement? Many employees have more discretionary income just prior to retirement than at other times

in their career. The children are gone, perhaps the house is paid for, or mortgage payments have been deflated. Retirees have suggested to us that employees should consider where they want to be in connection with:

- Consumer Debt
- Retirement Automobile
- Major Household Equipment
- Housing

Consumer Debt

The Goal: Don't Go Into Retirement With Consumer Debt

You Can't Consistently Earn Credit Card Finance Charge Rates (16% to 22%). If you can't keep up with your credit cards while employed, how will you keep up with them when on a pension? Plan to be debt free in retirement.

The Retirement Vehicle

The Goal: Don't Go Into Retirement With A Super-Annuated Vehicle

2nd Goal: No vehicle payments in Retirement

An unreliable vehicle becomes a major stressor for anybody, but for retirees it can be dangerous. There are as many theories on car-buying as there are people. Many retirees have found



success in buying low-mileage vehicles from super-dealers such as CarMax.

Large inventories of vehicles with less than 30,000 miles and still under warranty can be found at such sites as www.carmax.com.

Appliance	Est. Mid-Range	Yours?
Washer	\$500 to \$650	
Dryer	\$400 to \$500	
Refrigerator	\$500 to \$1300	
Freezer	\$300 to \$600	
Stove/Range	\$500 to \$1300	
Dishwasher	\$300 to \$600	
Microwave	\$300 to \$650	
TV/Audio	\$500 to \$1000	
Computer	\$600 to \$1200	
Totals	\$3900 to \$7800	

Major Household Equipment

The Goal: Enter Retirement with New Major Appliances

The table includes examples that are mostly from Sears' Kenmore mid-range products. You can obviously spend more or less! The table can serve as a worksheet to estimate your target savings.

Three Year Savings Plan

Now it is possible to estimate a target to go into retirement without consumer debt, with new appliances and with a relatively recent-model vehicle. Again, the table provides an opportunity to set some personal savings goals between now and retirement.

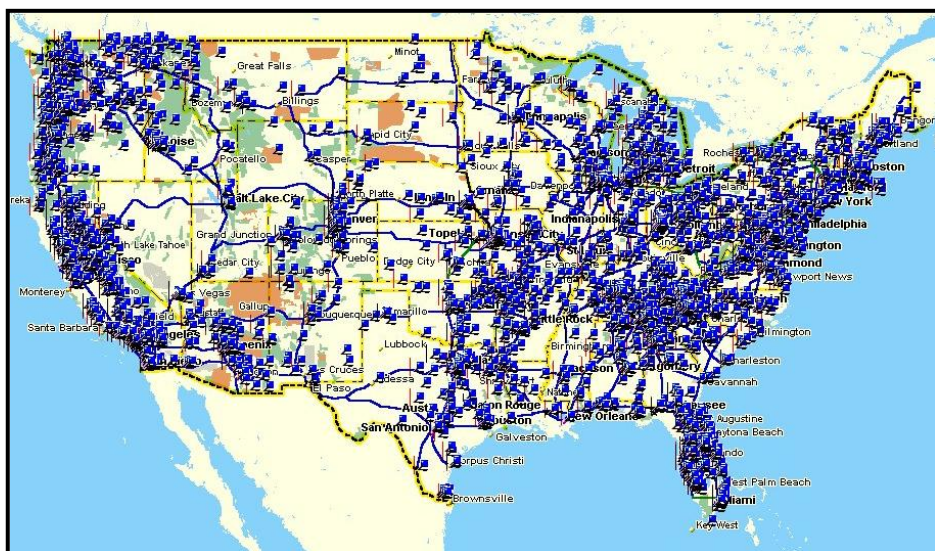
The Dream Home

Unfortunately many retirees move out of their dream home within a few years of retirement. Reasons may include proximity to quality healthcare or children or special climate needs, or the need to downsize.

Estimated Pre-Retirement Expenditures	Yours	Example
Consumer Debt	\$	\$6,000
Automobile	\$	\$14,000
Household Equipment	\$	\$6,000
Total	\$	\$26,000
Divided by 36 Pay Periods	\$	\$722
Divided by 78 Pay Periods		\$333

In brief, many retirement dream homes are not what the market wants. Then the Retiree takes a bath on the sale of the house. In addition to location criteria in popular books, consider roots, family, lifestyle. Some advice from Retirees:

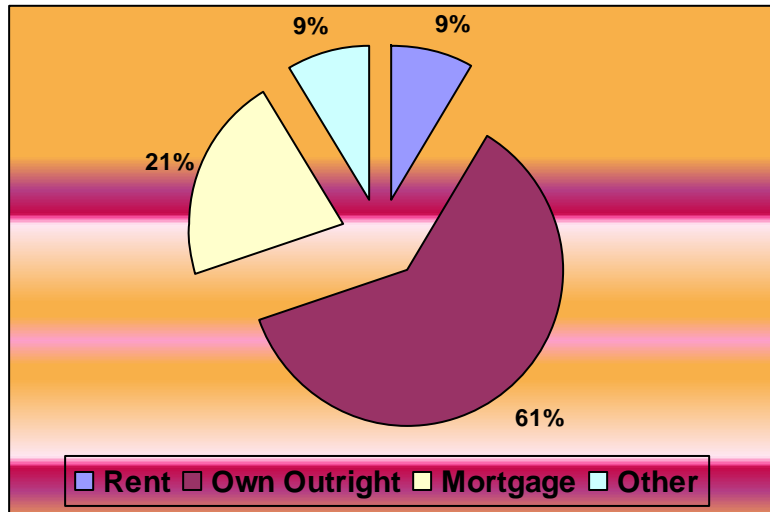
- *Don't buy too much land around your home. In a few years it gets too much to take care of and then the need for another move.*
- *If you are moving, rent at first, and if you are moving to be with your kids, don't plan on them staying there forever!*
- *You will need to have your house paid for, car paid for and look for low cost of living areas where you want to retire.*
- *Try very hard to pay off your home mortgage before you retire. Life is comfortable in retirement when you do not have a mortgage to deal with.*



Where do Adventist Retirees live? They live everywhere! The map shows the population distribution of Adventist employees living in retirement.

Home Ownership Survey

In a limited survey of Adventist retirees, most responding retirees own outright!



Retirees repeatedly told us, "Have your home paid for!"

Retirement Move

Denominational policy makes provision for a Retirement Move, if the denomination has moved the employee during his/her career. The policy grants significant employer discretion in managing this benefit.

- If 30+ years of service credit, a full move of 'reasonable' household

goods & travel expense within NAD

- If less than 30 years of service credit, employer may pro-rate
- Must be within five years of retirement and limited to one move!
- Value of move is taxable to retiree. The IRS does not consider this move to be an employment move.

Summary

Today's employee has a complex task in planning for retirement. While there are tools and advisors aplenty, the decisions on how to prepare are the responsibility of the retiree. Major pieces of the planning puzzle include:

- Social Security
 - Medicare
 - Monthly Benefits
- Frozen Defined Benefit Plan
 - Monthly Pension
 - Healthcare & Welfare Supplement
- Defined Contribution Plan
 - Retirement Savings Plan
- Countdown Thoughts

The following pages include some reading suggestions and web-sites which may be of assistance in looking forward to retirement.

Bibliography

- ***Retirement Places Rated***
 - By David Savageau
 - Profiles 187 retirement areas, rating for living costs, climate, services, crime, work opportunities, recreation, state tax structure
- ***The Healing Journey Through Retirement***
 - By Rich, Sampson & Fetherling
 - “This comforting journal encourages you to examine the impact retirement will have on your life, invoking the healing power of writing to allow you to reflect upon and interpret your feelings.”
- ***The New Retirement Mentality***
 - By Mitch Anthony
 - Breaking the ‘RetireMyths’ for boomers
- ***America’s 100 Best Places to Retire***
 - By Richard L. Fox
 - Analysis of aspects of a good retirement location
- ***How to Retire Happy*** (bad title)
 - By Stan Hinden
 - The 12 Most Important Decisions Before Retirement
- ***Breaking the Watch*** (philosophy of retirement)
 - By Joel Savishinsky
 - Author follows a group of women and men as they make the transition from work to retirement.
- ***Common Sense Retirement***
 - By Paul Pelley, *Money Management Books*
 - Includes CD



Web Guide

- www.adventistretirement.org This is the Retirement Plan’s web site. There are a number of downloads and links which might be of value. By going to the Employee link, and clicking on “Downloads” a retiree can access the Retirement Income Calculator, SHARP document and other documents.
- www.seniors.gov This is the Federal Government’s consolidated web site for Seniors. It has information on various subjects including:
 - Health
 - Consumer Protection

- Pending Legislation
- Retirement Planning
- Tax Assistance
- Travel & Leisure
- Volunteerism

- www.ssa.gov Social Security Administration
 - Apply for SS
 - Estimate your future check
 - Q&A
 - Links to Medicare
 - Replace a SS Card
 - Direct Deposit

- www.medicare.gov Senior Medicare site.
 - Q&A
 - Medicare Plan Choices
 - Locate Medigap coverage in your State
 - Find a physician who accepts Medicare
 - Prescription Drug Assistance Programs
 - Nursing Home Comparison
 - Medigap Comparison
 - Dialysis Facilities Comparison

- www.aarp.org
 - Official Web site of AARP. Huge range of subjects regarding legislation, litigation, health etc. for seniors.
- www.healthfinder.gov
 - Links to a broad range of health info
- www.volunteermatch.org
 - Find a project you'd like to volunteer with.