



PAOC PENSION PLANS

A MESSAGE FROM LEN HUMMEL, EXECUTIVE DIRECTOR OF THE PENSION FUND

We are very grateful and appreciative of the many pastors, global workers and staff of The Pentecostal Assemblies of Canada (PAOC) who have served so faithfully in Canada and throughout the world. Upon retirement from full-time service, they often continue to serve in whatever capacity they can. We want to ensure that they will be adequately taken care of during their retirement years.

The PAOC has a Defined Benefit pension plan (DB) that provides a fixed and reliable income upon retirement. We now also offer a Defined Contribution pension plan (DC) for those churches and organizations that are not able to participate in the DB pension plan. Please take a few minutes to read on and learn about these two plans.

WHY PAOC PENSIONS?

Participation in a PAOC pension not only benefits your employee(s) in retirement, it currently supports local churches and ministries. Strategic investments in mortgages, which include a large portion of church/ministry mortgages, account for at least 50% of the DB plan investment portfolio. Offering mortgages to our churches/ministries allows them to make necessary building repairs and/or needed extensions to current properties or to purchase property and build new facilities uniquely designed for expanded community outreach and future growth. Over the years, hundreds of churches have benefited by receiving a pension plan mortgage!

WHICH IS THE BEST PENSION PLAN TO CONSIDER?

Participation in either pension plan, the DB or DC, would be beneficial to your pastor and/or other staff members, as both plans provide an excellent means of saving towards retirement.

COMMON FEATURES OF BOTH PENSION PLANS

MEMBERSHIP – Open to all full-time credential holders and employees of local affiliated assemblies and ministries, and to part-time persons in the same categories under certain conditions.

PORTABILITY – Contributions can continue if a DB member moves to another ministry position with a participating DB pension plan employer. Similarly, contributions can continue if a DC member moves to another ministry position with a participating DC pension plan employer.

SUPPORT PAOC MISSION – Through investments in church ministry pool. (For the DC plan, this will take place once the DC portfolio achieves critical size threshold).

COMPARING THE DIFFERENCES

DB PENSION

Administered by PAOC.

Established at the 1938 General Conference.

Predictable retirement income, guaranteed for the life of the member, that is not subject to market fluctuations.

An option, at retirement, to make provision for a lifetime spousal pension for an eligible spouse.

Minimum percentages of contribution start at a combined (member + employer) 5%, increasing to a combined 10% in year 5 and thereafter of plan membership.

Maximum percentage of contribution at any time is a combined 20%.

Investments made at the direction of the Board of Trustees.

Transfers in are not permitted.

Ancillary benefits include a disability benefit, if needed, and early or postponed retirement options.

DC PENSION

Administered by BMA Benefits, yet overseen by Board of Directors which is expected to be the same as DB Pension.

Newly launched in May 2020.

Retirement income based on amount invested and the investment interest during the years the funds were invested.

Any remaining funds at the death of the member go to their designated beneficiary or estate as an inheritance.

Minimum percentage of contribution remains at a combined (member + employer) 5% indefinitely.

Maximum percentage of contribution at any time is a combined 18%.

The member invests their RRSP contributions in a well-diversified fund menu. Employer contributions are invested at the direction of the Investment Committee.

Transfers in are permitted.

No ancillary benefits, but no-cost professional financial advice available from BMA Benefits to members and their families.

HOW DOES THE EMPLOYER PARTICIPATE?

Both pension plans (DB & DC) require employer participation. The agreed-upon percentage (within the minimum and maximum allowable) is deducted from the employee's pay and is considered a tax deduction. The employer matches the employee contribution and then remits the total amount to either this office (DB plan) or to BMA Benefits (DC plan) each month.

CAN PENSION PLAN PARTICIPATION REALLY BE AN OPTION FOR A SMALL CHURCH?

Absolutely! While we are sensitive that some Church Boards may feel that pension plan participation is simply not a financially viable option, it is important to note that even participation at the minimum allowable percentage of contribution with either pension plan can grow over the years into an eventual pension that will be a great blessing to a pastor or staff member, and is a way to show your appreciation for their years of service with you.

REQUEST A ZOOM MEETING WITH A DB PENSION PLAN REPRESENTATIVE

We would love to connect with you! If you would like someone to be available to answer pension plan questions at a future Board meeting, we would be happy to arrange a mutually convenient time for an informal "Zoom" chat.

WANT MORE INFORMATION?

Further information about both the DB & DC plans is available on our website:
www.paocpension.org



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For the DC pension plan:

www.bmabenefits.com/paoc
BMA Benefits: 306-986-1357; 1-844-242-9642
Email: admin@bmabenefits.com