70-year-old Brethren Pension Plan transforms in 2013

An enhanced Web portal, daily valuation of investments, and a variety of retirement calculators are just a few elements of Church of the Brethren Pension Plan’s dramatic upgrade that are scheduled to be available to members in mid-2013.

“We think it is critical to provide our members with additional retirement planning tools, which will augment our strong lineup of investment funds, so that each member can establish informed retirement goals and easily chart their progress toward those goals,” said Nevin Dulabaum, Brethren Benefit Trust president. "Though much of the new functionality will be Web- and phone-based, Brethren Pension Plan members will continue to receive support from an enhanced customer service team, which will quickly and effectively respond to the needs of our members."

These enhancements will be made available to members through a partnership with an outside vendor, which will handle all record-keeping processes for Brethren Pension Plan beginning on June 1. During the transition, all benefit payments will continue to be sent to annuitants, and all active members’ accounts will continue to be invested.

Brethren Pension Plan will send a Transition Bulletin to all members in April explaining important dates related to the transition. Questions related to this upgrade can be directed to Scott Douglas, Employee Benefits director, at 800-746-1505 or sdouglas@cobbt.org. — B.S.

New Brethren Pension Plan features —

- A revamped Web portal that streamlines account management and asset allocation processes.
- Daily account valuation that reflects day-to-day investment changes to your account balance.
- A 24/7 phone system that lets you make changes to your account at any time.
- Online tools to help you plan your retirement — including a redesigned annuity calculator.
- An online file manager that allows you to store, save, and print statements.

Health care tax credit helps churches save

Your church or not-for-profit organization could qualify for a significant tax credit on its health insurance expenses.

If your church or employing organization provides health insurance coverage for one or more of your full-time or part-time employees through the Brethren Medical Plan or another health insurance plan, it could get a credit of up to 25 percent of total health care expenses through the Small Business Health Care Tax Credit.

To be eligible, an employer must have fewer than 25 full-time employees and cover at least 50 percent of the cost of single (not family) health care coverage for each of full-time employee. Those employees must have average wages of less than $50,000 a year.

This credit has already helped Brethren congregations and at least one camp that provide health care for their full-time employees save thousands of dollars in tax years 2010 and 2011.

Even though they do not pay taxes because of their 501(c)3 status, tax-exempt organizations

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A payment for life or until the money runs out?

What is the primary difference between Brethren Pension Plan and a 401(k) retirement plan that many employers offer today? Just what the headline says — Brethren Pension Plan will make annuity payments for your life, and perhaps for the life of your spouse, depending on which annuity type you select. A 401(k) plan, on the other hand, provides income for as long as your funds last. Once your 401(k) account is depleted, it’s gone for good.

This is an important distinction to understand when trying to compare retirement programs in an apples-to-apples manner. Other issues that also need to be compared carefully are fees, investment choices, portability, customer service, and whether your plan invests your assets in accordance with your values.

Over the past four years, we have made a number of improvements to Brethren Pension Plan to ensure that it will provide competitive service and will be able to fulfill its obligations for years to come.

We increased our customer service representatives. We added a number of new investment options. We have increased our communications to our members (and Plan sponsors) to help improve their knowledge regarding retirement planning and financial decision making. And our staff has increased its visits with Plan members, whether it be at the workplace or at denominational events where Brethren Pension Plan members are in attendance.

We have analyzed the mortality table used to calculate life expectancy, to make sure our calculations reflect the living experience of our members. We have refined the investment allocation of the fund from which our annuities are paid — the Retirement Benefits Fund — to maximize gains and to minimize risks. And we have worked diligently to grow Plan participation.

Even so, the experience of our members with Brethren Pension Plan is about to change in a profound manner. By July 1, Brethren Pension Plan is expected to offer members some new and outstanding functionality that will enhance the retirement planning experience.

New Web and telephone interfaces will provide new tools for conducting routine business, like changing asset allocations for existing and future contributions and earnings, changing beneficiaries, etc. A gap analysis of a member’s account will be available to indicate what steps a member needs to take now to help ensure they have the income they are looking for in retirement. We are also working to provide asset allocation guidance so that our members can have assistance in the fund selection process.

Beginning in May, BBT staff will visit several Brethren Pension Plan sponsor organizations for employee and employer training, to help ensure they are prepared to utilize the new functions when they go online. Pastors and other church staff members will be offered training sessions via webinar and at the Church of the Brethren Annual Conference in Charlotte, N.C.

This new functionality will come through a new partnership between Brethren Pension Plan and Great-West, the Plan’s new record keeper (read more on Page 1). Through this new alliance, Brethren Pension Plan will be able to offer its members robust Web tools, account balances that are totaled at the end of each business day, and increased customer service. All of this and an annuity for life — that’s Brethren Pension Plan, which was created 70 years ago to serve you. We hope you enjoy and utilize this new functionality. — N.D.

Important dates for Plan members and administrators

While Brethren Pension Plan transfers its records and accounts to its new record keeper, participant account access will be closed between 3 p.m. CDT on May 23, 2013, and 4 p.m. CDT on June 27, 2013. All funds designated as May deposits must be received no later than May 23, 2013. Phone access to accounts will resume on June 27, 2013, and the Web portal will become available again on July 1, 2013.
How do you quantify “good health”? How do you assign a grade or number or color to the level of wellness that a person’s body exhibits at a moment in time?

This is the task of Interactive Health, a company that provides workplaces with the opportunity to gauge employees’ health and offer them the data and resources to achieve positive health goals.

Interactive Health serves the wellbeing of both employees and employers by encouraging individuals to live healthy lives so that overall health care costs are managed more effectively. If every employee’s health improves, that reduces the cost of health care for the organization.

For participating employer groups (which include Brethren Benefit Trust), Interactive Health schedules an annual time during which a health professional takes blood samples from participating employees (or employees can have blood drawn at one of Interactive Health’s 2,300 affiliated labs across the U.S.). Interactive Health then creates a score based on the results of blood tests; that score becomes a participant’s Personal Health Score. If that score does not fall within a certain threshold, a new goal is created for the employee to improve his or her health over the course of the year.

The score is based on the results of a number of blood tests from albumin to uric acid. But the results rest primarily on six key tests that can paint a generalized portrait of a person’s health risk factors —

**Blood pressure — systolic and diastolic.** According to the National Heart, Lung, and Blood Institute, “systolic” refers to blood pressure when the heart beats while pumping blood, and “diastolic” refers to blood pressure when the heart is at rest between beats. “Normal” systolic readings should be under 120, while “normal” diastolic should be under 80.

**LDL Cholesterol.** Low-density lipoprotein is known as the “bad” cholesterol; it can form plaque on arteries, making them less flexible and prone to trapping blood clots, which can lead to a heart attack or stroke. The target LDL cholesterol level is less than 100 milligrams per deciliter.

**Glucose.** Sugar, or glucose, provides energy to your body; making sure you have the right amount of it can help you avoid diabetes. A level between 70 and 100 milligrams per deciliter is considered optimal according to the National Institutes of Health.

**Triglycerides.** Triglycerides are the chemical form in which most fat exists in food and the body. Excess triglycerides can cause coronary artery disease in some people or could be a symptom of a larger health problem. The National Cholesterol Education Program determined that normal levels of triglycerides are less than 150 milligrams per deciliter.

**Tobacco.** The best number for tobacco use is “0.” According to the Centers for Disease Control and Prevention, cigarette smoking is the leading cause of preventable death in the U.S. Interactive Health considers anyone who smokes to be below target guidelines.

Have you had your blood tested recently? Consider getting the above tests so you can keep track of your personal health. — B.S.
Your Pension and Foundation investments performed well in 2012

The S&P 500 Index rose 16 percent in 2012 — the ninth year in the past 10 that it has risen. And BBT’s investments followed suit.

What contributed to the strong returns in 2012?

According to Brethren Benefit Trust’s investment managers, a variety of factors — the stabilization of the Euro, pro-growth monetary policy by the Federal Reserve, strong corporate earnings, a slowly improving housing market, and ongoing federal stimulus spending.

For Brethren Foundation, more than half of the investments that track benchmarks posted returns that met or exceeded their benchmarks in 2012, and all investments posted positive returns for the year. (The performance of the Community Development Investment Fund is not compared with a benchmark.)

Brethren Pension Plan members had a similar experience with their funds; all Pension investing options ended the year with positive returns (with the Domestic Stock Value Fund posting an impressive 27 percent return for 2012 — nearly 10 percent above its benchmark).

These strong returns are noteworthy because most of BBT’s funds are invested in a socially responsible way, meaning they prohibit investments from companies that earn significant revenue from weapons and their components, abortion, alcoholic beverages, defense, gambling, tobacco, or pornography. The parameters for BBT’s SRI guidelines are based on historic Brethren values as presented by Annual Conference statements.

In reviewing BBT’s investment performance compared with composite portfolios of each investment manager, it is clear one can invest in a socially responsible manner and still achieve strong investment returns.

Visit brethenbenefittrust.org/socially-responsible-investing for more information on BBT’s SRI strategy. — B.S.

Get a free education in finance from BBT

Learning the ins and outs of budgeting, congregational finance, retirement planning, and planned giving takes guidance from someone who has experience in the financial industry. That’s where Brethren Benefit Trust steps in — financial experts on BBT’s staff are able to provide customized workshops for Church of the Brethren congregations, retirement communities, districts, and other affiliated groups.

New workshops for 2013 include the following —

Living and Leaving Your Legacy  
Explore the different ways that you can give a gift to one or more Church of the Brethren congregations or organizations through charitable gift funds, deferred gifts, and other gifting options.

It’s More Than Counting the Cash and Paying the Bills  
Church treasurers will receive helpful guidance and tips about how best to fulfill their duties for their churches.

Your Church as a Small Business  
Review some best practices in financial management, health care, taxation, compensation, and retirement issues for churches.

Workshops are free of charge but subject to presenter availability. Visit brethenbenefittrust.org/workshops for a complete list.

To learn more or to discuss scheduling a workshop, contact Loyce Swartz Borgmann, client relations manager, at 800-746-1505, ext. 364, or lborgmann@cobbt.org.
You might not be a millionaire or a character from *Downton Abbey*, but that doesn’t mean you don’t have an estate. In the financial and legal sphere, an estate is “the assets and liabilities left by a person at death” ([Merriam-Webster.com](http://www.merriam-webster.com)). If you have any valuables, investments, life insurance, property, or debts, you need to think about what will happen to them upon your death — otherwise, the state in which you live at the time of your death will make decisions about your estate, and your potential heirs could face costly and long-term court battles to recover your assets.

But where to begin? Here are a few suggested steps you can take while you’re living to secure your wishes after you pass on.

**Advance directives**

Even before planning your estate, it might be helpful to consider what happens when you are incapacitated to the point of not being able to make serious medical decisions for yourself. Even if you trust your family to make those decisions, you might find it helpful to have a written document that protects both your health and the liability of your medical provider.

Advance directives, also known as living wills, inform a doctor what kind of treatment you want if you cannot communicate that yourself. You might also consider creating a power of attorney, or contract that allows a named individual to make health (as well as financial and business) decisions on your behalf.

Each state has its own parameters for administering advance directives. Check with your attorney for more information.

**Your will**

A will describes how your assets will be distributed at the time of your death and identifies the person who will manage your assets after you die. That person — the executor — will inventory your property, settle your debts, pay any necessary taxes on your estate’s behalf, and distribute assets.

You should consider preparing a will once you own property, accumulate significant savings or investments, or start a family.

**Establishing a trust or charitable gift annuity**

One option for determining where your money will go after you die is a trust, or an agreement in which one party holds the property of another for a beneficiary’s financial benefit. A charitable remainder trust, for example, creates long-term trusts for your heirs and/or intended not-for-profit organizations. A charitable gift annuity is a contract that allows an individual to transfer money or property to a charity in exchange for a partial tax deduction and a stream of income. These routes reduce estate and gift taxes and protect your assets in case you become unable to manage them.

Brethren Foundation offers a variety of deferred gift options to members of the Church of the Brethren and employees of affiliated organizations, including charitable gift annuities, charitable gift funds, and more. Contact Steve Mason, BFI director, at 888-311-6530 for more information.

**Beneficiary designations**

Often, beneficiaries are named who are slated to receive assets like life insurance policies, retirement assets, and investment accounts. A beneficiary can be a person or an entity, like a not-for-profit organization. You should verify that these designations are in line with your current wishes and overall goals. Beneficiary designations typically override information in your will or trust. When was the last time you reviewed the beneficiaries indicated on your retirement account or insurance policy?

As you make important end-of-life decisions, it’s helpful to discuss your plans with the people they affect so that they are prepared to carry out your wishes. It is also highly recommended that you work with an estate planning professional on these matters. — B.S.

You should reevaluate your estate plan if —

- The value of your assets change.
- You marry, divorce, or remarry.
- You have a child.
- You move to a different state.
- The executor of your will dies, becomes incapacitated, or your relationship changes.
- One of your heirs dies.
- The laws affecting your estate change.

(Source: [USA.gov](http://www.usa.gov))
Providing health care can benefit your congregation’s bottom line — learn more inside.

Our report. Your way.

Brethren Benefit Trust’s Annual Report will be available online after June 1. Paper copies will only be mailed by request.

In This Issue

- **Brethren Pension Plan**
  A transformation is on its way for members. Important dates inside.

- **Your Money**
  Make decisions about your estate today; tomorrow is uncertain.

- **Heart, Soul, and Mind**
  Which tests are best at reporting your overall health risk factors?

- **President’s Message**
  Seventy years later, Brethren Pension Plan continues to grow and serve.

- **Workshops**
  Get the Brethren perspective on personal finance for free.

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