



November 22, 2021

Dear Friend,

I hope you are faring well in these COVID times. None of us could have imagined when the first stories about this new virus began circulating in February 2020 what we would be living through. Fortunately, in many parts of the country, restrictions are finally being relaxed and some semblance of normality is returning. We grieve, though, for those who have died, hold gently those who have lost loved ones, and pray with those who are living with the impacts of having had COVID-19.

I write today to tell you about recent discussions and decisions about benefits for retirees of the United Church.

It is remarkable that in these volatile times financial markets have generated investment income that has improved the pension plan funding to allow for a 4% increase in pension benefits in 2020 and a 2% increase in benefits in 2021. The Pension Board will consider later next month whether there is funding to support increases in 2022. They will advise you of any changes early in the new year.

Last year it was the difficult decision of the Executive of the General Council to stem the \$1.4 million annual deficit generated by the retiree health and dental plan and place it on a five-year ramp to being fully self-sustaining. About half of our retirees elected at retirement to join this plan. I know that the increases in premiums over these years will be challenging for some of you, especially those with smaller pensions. But the difficult decision was necessary because the plan's reserves were being depleted and the denomination's ability to subsidize the plan for a portion of the retirees is exhausted. In September the Executive approved the establishment of a minimum pension threshold for eligibility to join the plan and authorized a one-time opt-out opportunity for existing members with pensions below this threshold. The benefits team will be in touch with eligible members in the next few months.

The Executive received a report in November on the viability of proposals to the 43rd General Council to improve benefits for retirees. These proposals included indexing the pension to the rate of inflation; improving and completely paying for the retiree health and dental benefits; establishing special funds, in part from the sale of properties, to support retirees; lobbying the Ontario government to allow lump sum contributions to the pension plan; requiring communities of faith appointing retired ministry personnel to pay into the plan the equivalent of active member contributions; and establishing a single pension earning across Cost of Living Group minimum salaries so as to provide a common benefit regardless of eligible income.

As laudable as the proposals' intentions are, after careful review it was concluded that the proposed actions would not accomplish the desired objectives, were not legally permissible under Canada Revenue Agency regulations, or were not affordable. The Executive affirmed its commitment to the defined benefit pension plan as the primary vehicle for supporting retired employees and ministry personnel of the United Church and decided that it could take no action on the proposals that came to the Council.

The larger principled concern is for a guaranteed livable income in retirement, regardless of years of service, accumulated pension benefits, and personal savings. This is an objective that cannot be accomplished in a private pension plan but by a societal commitment to fair, equitable, and just sharing of our national resources. For this reason, the United Church strongly supports the campaign for a guaranteed livable income and encourages all of us to advocate with our elected members of government for immediate and meaningful action. You will find resources for this campaign at united-church.ca (search "guaranteed livable income").

As we enter the season of Advent, a season of ripe anticipation of the realm of peace, goodwill, and justice for all, I hold you in prayer, I give thanks for your faithful and generous service, and I send blessings of grace and wholeness from the Executive of the General Council.

A handwritten signature in black ink that reads "Michael". The signature is written in a cursive style with a large, sweeping initial "M".

The Reverend Michael Blair
General Secretary, General Council