

Beneficiary Fund Wind-up Newsletter

(The wind-up only relates to the Defined Benefit section)

Number 4: June 2017

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Welcome to the fourth wind-up newsletter. This newsletter covers:

- What immediately changes when the wind up of the old scheme commences on 30 June?
- A snapshot of the new scheme...
- Do I need to do anything now?
- Getting advice on your choices
- The key dates
- What you can do to help us

Our last newsletter provided an overview of how we plan to handle the five months between when the wind-up of the old scheme commences on 30 June 2017 and when we are likely to settle with members (target - 30 November 2017). If you need to remind yourself of what was outlined in that newsletter you can view a copy of it at the web address below or can call or email us to request another copy.

http://www.presbyterian.org.nz/sites/public_files/for_parishes/17-04-20_BF_wind_up_newsletter_no_3_Apr_17.pdf

The documents we need before we can settle with members ...

As the time for the old scheme wind up process to commence draws closer, it's now urgent for us to make sure we have all the up to date proof of key facts we need about you and (if applicable) your spouse.

We need you to provide the following:

- **The Personal Information Form** which sets out the details we have about you such as your date of birth, whether or not you have a spouse and when you joined the ministry. (This form was enclosed with our indicative lump-sum letter dated 10 October 2016. If you have lost your form, please contact Kos.)
- **For your birthdate:** we need a copy of one of these documents: a birth certificate, your passport main page, or a firearms licence (not a driver's licence, sorry). We will need proof of birthdate for both you and your spouse.
- **For marriage:** we need a copy of your marriage certificate which must show the same names as the birth records. If it doesn't, you will need to give us an official paper trail that links the two names, such as a previous marriage certificate or a deed poll change of name.

Thank you to everyone who has already sent in these required documents.

It makes it so much easier for us to do this complex and difficult job.

**If you have not
PLEASE HELP US
BY DOING IT
TODAY**

It is extremely important that we receive these documents as soon as possible because without them we cannot accurately determine your wind up entitlement and pay this to you!

So, if you have not done so already, would you please send a hard copy of each of the relevant documents to **Beneficiary Fund, PO Box 9049, Wellington 6141** or a scan via email to fundfeedback@presbyterian.org.nz Please just send a copy of your birth and marriage documents (we don't need originals).

What immediately changes when the wind up of the old scheme commences on 30 June?

Annuitants: If you're currently receiving an annuity, you will continue to receive payments from the scheme during the period between 1 July and the wind up settlement date (target -30 November 2017). The only difference is that these payments are no longer annuity payments. Instead they will be made as an advance payment of some of your wind up entitlement.

Following the settlement date, which is expected to be in November, members currently receiving a pension, who elect for their settlement proceeds to remain in the reorganised scheme, will be able to specify that regular monthly payments should continue to be made from the amount held in the scheme on their behalf.

Active Ministers: All national ordained ministers who have not retired must belong to the scheme. There will be two sections of the scheme available for members, each with different rules and requirements. Most active Ministers will be able to be members of one or both of these sections.

Further information on what this will mean from 1 July for non-retired Ministers is provided below.

A snapshot of the new scheme...

Great progress has been made on getting the scheme ready for its relaunch in July. We will be providing more detailed information on the new scheme in a few weeks' time but, in the meantime, here are some things you should know about it.

- A new section is being created to allow both retired and non-retired Ministers to remain in the scheme.
- The existing complying section of the scheme will be changed to align the investment options it offers more closely with those provided by KiwiSaver schemes generally.
- It is expected that both sections of the scheme will continue to benefit from the scheme's charitable status. This factor, coupled with the scheme's relatively low operational cost

base (thanks to its not-for-profit structure), means that it will continue to have unique advantages and benefits that are not available from many other schemes.

- Both sections of the reorganised scheme will offer highly diversified conservative, balanced and growth options as well as a cash option. This will allow you to select an option that you feel is most appropriate for your circumstances.
- The reorganised scheme will implement responsible investment policies that meet and exceed PCANZ's requirements to invest only in companies that are not involved in the production of munitions, tobacco, alcohol, pornography and other industries that are not aligned with our values.
- All of the investments for the reorganised scheme will be managed by Mercer, one of New Zealand's and the world's leading investment managers. Further information about Mercer is provided below.

A few words from Mercer, the Beneficiary Fund's new investment manager...

"We have been helping New Zealanders save for their retirement for 60 years with 100 local staff and a further 20,000 staff in 40+ countries overseas. We are delighted to be able to work with the Trustees to support the evolution of the Beneficiary Fund.

The funds that we are putting in place have been built using the best fund managers from around the world. They incorporate the Church's views on ethical investment and are among the most diversified funds available in New Zealand. Our goal is to deliver good returns, when the markets are up and protection over the long term when markets struggle.

We are really looking forward to working with PCANZ in support of this charitable endeavour to protect its ministers of religion, by ensuring they are provided with sufficient financial means throughout their life in accordance with the mutual commitment of Church and minister to a lifelong undertaking."

*Martin Lewington
Chief Executive – Mercer (N.Z.) Limited*

Do I need to do anything now?

Annuitants: The good news is that you don't need to do anything yet other than provide us with the information requested on page one of this newsletter if you've not done that already.

Active Ministers: There is nothing for you to do at this stage other than making sure you've provided us with the information requested on page one of this newsletter.

In relation to ongoing contributions, the scheme's administrator will be contacting your Parish treasurer or Kindred Service employer shortly to arrange the payment of your contributions to the scheme. We will also write to you to confirm this.

As an active Minister, ongoing contributions to the reorganised scheme will initially be made into the conservative option of the scheme's new benefits section. You can make a new selection for ongoing contributions at any time, to place them into either or both of the new benefits section or the complying section of the scheme and any option within these sections. If you are a Minister in Kindred Service, the options available to you may depend on the particular arrangements the scheme has with your employer.

We will shortly send you a Product Disclosure Statement for the reorganised scheme and it's important that you read that before changing the initial selection made for your ongoing contributions. We also recommend that you take advantage of the financial advice assistance we are making available (see below) before changing the initial selection made for you.

Getting advice on your choices

Access to a windfall sum of money, such as that made available by the wind up of the old scheme, might open up many new opportunities for you. However, we encourage you to seek advice before making any decisions regarding the money you will receive when the old scheme is wound up.

As we mentioned earlier, the charitable status of the reorganised scheme, coupled with its relatively low operational cost base (thanks to its not-for-profit structure), means that it will continue to have unique advantages and benefits that are not available from many other saving schemes.

We believe it is extremely important to understand how the reorganised scheme will operate. In that regard, we cannot emphasise enough how important it is that you should receive advice from a qualified financial adviser who fully understands the reorganised PCANZ Beneficiary Fund before you make any decision about what you should do with the money you will receive.

While it is still too soon to receive personalised advice about your options, we want you to know that when the time is right to make decisions, we will be making support available. In that regard, \$1,000 has been set aside for each member and annuitant to get professional advice. This money will be available throughout the wind-up process and for a few months afterwards. You can use whoever you wish for this, but the idea is that we will pay up to \$1,000 for you to go to someone who is an Authorised Financial Adviser to help you plan for your future.

To make getting in touch with an Authorised Financial Adviser easier we have arranged for Milestone Direct to be available should you choose to use them. They have been fully briefed on the old scheme wind up and the options being made available by the reorganised scheme.

Further details about Milestone Direct are available at www.milestonedirect.co.nz and you can contact them at any time using any of the following contact methods:

Phone: 0508 MILESTONE (645 378)

Email: info@milestonedirect.co.nz

Post: PO Box 301426, Albany, North Shore 0752

Our best estimates of the key dates:

We have provided a table below of our best estimates of the key dates. At this stage, the only one that is set in stone is the commencement date for winding up the old scheme. However, we do not anticipate major changes to the other dates at this stage, although we do have to satisfy various regulatory compliance requirements which may delay us a little. Should that happen, we would let you know as soon as possible.

Personal Information Form, birth & marriage certificates	30 June 2017
The date when wind up of the old scheme commences.	30 June 2017
Notification of options to non-retired contributing Ministers	c.1 July 2017
The letter setting out your entitlements and options	c. 30 Sept 2017
The deadline for you to advise us of your choices	c. 15 Nov 2017
The final settlement date	c. 30 Nov 2017

What you can do to help us

We want to hear from you if you have any concerns. Please do contact us especially if you think anything is wrong - the earlier we know the better we can help to sort things out.

Three things you can do to help us:

1. If you contact Kos, can you please also give him your number as shown on your Annual Statement, or your full name, address and phone number. It is amazing how many people have the same (or similar) names, and it helps him to make sure he is giving the right information to the right person.
2. If you are a family member acting under an Enduring Power of Attorney (Property), then privacy laws mean that we need to have a copy of this before we can provide you with information. We will also need to have a copy before we can accept instructions under the Enduring Power of Attorney (Property) during the wind-up.
3. Please return your Personal Information Form as soon as possible and also your proof of date of birth and marriage. If you have lost your Personal Information Form please contact Kos.

If you have any queries or feedback, please contact Kos van Lier
Email fundfeedback@presbyterian.org.nz or phone 0800 773 779

The ability to keep your wind up entitlement from the defined benefit section in the Fund or become a new member of either the complying section or the new section is not currently available and contributions from new members cannot currently be made to those sections.

Any offer of membership of these sections will be made in accordance with legislative requirements, including the Financial Markets Conduct Act.