

# Beneficiary Fund Wind-up Newsletter

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

Number 2: February 2017

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Welcome to the second Wind-up newsletter. We got a lot of positive feedback from our first one, and we are now following up with answers to some commonly asked questions. If you would like something discussed or clarified, please let us know.

This newsletter covers:

- A quick update of what is happening
- Date of birth and marriage documents we need
- Answers to some common questions
- What you can do to help us

## An update on what is happening ...

Last time we explained that there are four different but inter-related things that have to be finalised before we can wind up the old scheme and pay out to members. We are making progress on all four.



## The wind-up

The wind-up is to take effect on 30 June 2017. However, while this is the “strike date” when everything is calculated, it is still a little unclear how quickly we will be able to release the money after that date. We indicated to the General Assembly that we anticipated it would be completed by November 2017, and this is still our expectation, but as we said last time, there are a lot of moving parts that need to be in place first. The one thing we can assure you of is that everyone is working as hard as possible to make this happen as soon as it can.

## Determining what everyone is entitled to ...

The Beneficiary Fund Committee has been working through the issues people have brought to our attention and the Trustees are writing to each person as their case is resolved.

We are also updating everyone’s records as we get their Personal Information Form so that we have all the right information for the final calculations.

78%

of your colleagues  
have returned their  
form.

Get yours in now!

**If you have not returned your Personal Information Form confirming your details, can you please do so as soon as possible. We need to have confirmation from every member even if your details are correct**

**Date of birth and marriage documents - A heads-up:** We thought that the Personal Information Form would be sufficient documentation to pay out to you ... but we have been advised that we will also have to have official proof of your birthdate (for you and your spouse) and marriage.

So, would you please send a hard copy of the following documents to **Beneficiary Fund, PO Box 9049, Wellington 6141** or via email to [fundfeedback@presbyterian.org.nz](mailto:fundfeedback@presbyterian.org.nz) Please just send a copy (we don't need originals).

- **For your birthdate:** we need a copy of **one of these**: a birth certificate, your passport main page, or a firearms licence (not a driver's licence, sorry). We will need this for both you and your spouse.
- **For marriage:** we need a copy of your marriage certificate and this must show us 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).

Please include your birth and marriage documents when you return your Personal Information Form. If you have already returned your Form, you will need to send the additional documents separately. We are sorry for the confusion, but we hope you understand the importance of correctly identifying each person and their entitlements.

### **Setting up the new defined contribution scheme...**

We now have a formal document to go out for quotes from the companies that manage savings options for schemes like the ones we want to offer you. The work is moving on at pace and we hope to soon be able to report some real progress. We are looking to offer a range of options that you can choose from, and we are seeking funds that comply with our responsible investment policy.

### **Getting all the regulatory approvals...**

We have all the approvals to keep running the existing scheme for existing members. We have attached to this newsletter the formal notification of the registration of the fund which, by law, we must send to all members. This is the registration of the existing scheme as a closed scheme. We cannot obtain any more regulatory approvals until we have the new scheme design finalised.

### **Setting up the Charitable Fund...**

The Council of Assembly have appointed a workgroup, with Mrs Anne Edgar as convenor, and has confirmed its terms of reference. A specialist trust lawyer has been appointed to assist. This committee will be recommending how the new Charitable Fund will operate.

### **Answers to common questions ...**

We had some questions more than once, so we thought it might help to circulate these questions and answers to everybody. If you have a question that you would like us to answer, please do get in touch with Kos.

### **How long will independent financial advice be available for?**

As part of the wind-up process, \$1,000 has been set aside for each member and annuitant to get professional investment advice. This money will be available right through 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 for you to go to someone who is an Authorised Financial Advisor. We have arranged for Milestone Direct to be available should you choose to use them. Further details of how to contact them and the services they offer are available on the Church website here:

[www.presbyterian.org.nz/sites/public\\_files/cpt/2016/18\\_Oct\\_Accessing\\_Financial\\_Advice\\_Factsheet\\_final.pdf](http://www.presbyterian.org.nz/sites/public_files/cpt/2016/18_Oct_Accessing_Financial_Advice_Factsheet_final.pdf)

## **I have a spouse, when will I be advised of the re-calculated amount?**

We will be sending out the final calculations before the wind-up payments are made. Right now, we cannot tell you exactly when, but it will be in enough time for you to take financial advice and consider your options. If you have a life event which means that it is important for you to know the likely amount earlier than this, please contact Kos who will be able to tell you what we can do.

## **What will happen to my pension payments?**

The wind-up means that we are turning your expected future stream of pension payments into a lump sum. You will be offered the option of transferring this straight to new scheme.

We know that many retired people want a regular income, so if you are over 65, we are looking to enable you to nominate an amount that is automatically withdrawn from your lump sum each month if you choose to invest your lump sum payment in the new scheme.

We are also very mindful that these are new and significant decisions, and so we will ensure you have good explanations and adequate time to make them. This is also where the financial advisors may be most useful. Over the wind-up time, we will set a “default” that means you get paid the same as your current pension but this will effectively be drawn from your lump sum payment. When you receive your final payment it will be the amount at the “strike date” reduced by the amount you have already received in the meantime.

## **If I, or my spouse, dies will my/their estate be entitled to a lump sum payment?**

It depends on the date of death. The Trustees have set a “strike date” of one minute to midnight on 30 June 2017. This is the exact time when the wind-up of the defined benefit section of the fund commences and the new arrangements come into being. It is the date to be used in the calculation of the wind-up amounts.

*Any deaths before the strike date* will be dealt with in line with the current Trust Deed. For example, if a member dies before the strike date, a pension will become payable to his or her surviving spouse in the normal way and, provided the spouse lives until the strike date, she/he will be entitled to a wind-up payment in her/his own right as an annuitant member of the fund.

*The gap between the strike date and when the lump sum is paid:* There will be a gap, probably of about four months, between the strike date and when the actual wind-up payments are made. If a member dies during that gap, their estate will be entitled to the wind-up payment. However, as we indicated in the previous question, during the gap we will be ensuring that members will continue to be paid the equivalent to their annuity. This will be a draw-down from the wind-up payment, and so the amount at the strike date will be reduced by all payments paid after the strike date.

There are many other possible examples, depending on individual personal circumstances and the order and timing of deaths. If you want to know what would happen in any specific circumstance, please contact us.

## **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) privacy laws mean that we need to have a copy of this before we can provide them with information.
3. Please return your Personal Information Form as soon as possible and also your proofs of date of birth and marriage.

**We expect to send the next newsletter around Easter (i.e. early April)**

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