


In 2005, RBI developed and launched a comprehensive financial planning and education service designed to guide PCA Retirement Plan participants. . .

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The Year in Review

 The year concluding on December 31 was a year replete with significant milestones for PCA Retirement & Benefits, Inc. (RBI). After over 30 years, it became necessary to terminate the PCA Health Plan because of insufficient church participation. On a more positive note, RBI developed and launched Life Planning – a comprehensive financial planning and education service designed to guide PCA Retirement Plan participants in making the appropriate financial decisions throughout the seasons of life to align with their long term goals.

Several administrative and plan benefit modifications were implemented in 2005. Some of these changes were addressed in underwriting standards while other changes were in response to continued product growth among the benefit plans. Among the changes were:

- **Hired new Retirement Plan Coordinator, Christopher C. Stevens.**
- **Revised all marketing brochures with updated plan information.**
- **Developed and introduced Life Planning.**

Benefit Plan Milestones

PCA Health Plan

- **Discontinued the PCA Health Plan effective 2/28/05**

The least popular of all the plans offered, the PCA Health Plan did not enjoy wide acceptance throughout the denomination. While Health Plan participation had grown by almost 60% to about 865 participants in the previous two years, the average group size remained less than

two. RBI was unable to provide affordable rates and remain competitive without wider participation. The RBI Board of Directors and the RBI Staff are disappointed in the Health Plan's discontinuance. The opportunity to serve those in the denomination needing health care coverage has been a privilege and a responsibility that will be missed, as new products and ways to serve the PCA are offered.

PCA Basic Life Plan

- **Changed plan provisions to allow retention of Plan after elimination of the PCA Health Plan.**
- **Grandfathered all current participants into the Plan and closed Plan to new sales.**
- **Waived the monthly premium, beginning August 2005, for retirees who were participating in the Plan as of January 1.**
- **Held premiums level for all other participants for the 16th consecutive year.**
- **Increased death benefits.**

For the past several years, participation in the PCA Basic Life Plan had been contingent upon participation in the PCA Health Plan. With the elimination of the PCA Health Plan, RBI worked with MetLife (the carrier for the fully insured life insurance plan) to allow the PCA Basic Life Plan to continue. RBI sought this after discussions with several pastors who desired the Basic Life Plan to continue. MetLife was able to continue the product and the RBI Board voted to waive the premium for retirees (who were in the PCA Basic Life Plan as of January 1, 2005) due to their long tenure with PCA. While RBI could not waive the premium for all PCA Basic Life participants, anyone in the program as of the termination of the PCA Health Plan in February was allowed to retain the Plan.

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Benefit BULLETIN

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Retirement Plan Coordinator

PCA Retirement Plan
VOICE RESPONSE UNIT (VRU)
1-800-991-9196 (TOLL FREE)

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PCA Retirement & Benefits, Inc.
1700 North Brown Road, Suite 106
Lawrenceville, Georgia 30043;
(800-789-8765); (678-825-1260);
Fax: (678-825-1261).
www.pcarbi.org

Bill Kuh, writer/editor, **Chet Lilly**, writer,
Chris Stevens, writer, **Mark Melendez**, writer.

PCA Retirement & Benefits, Inc. is a non-profit
agency of the Presbyterian Church in America.

RBI Office Hours Schedule


The business hours of PCA Retirement &
Benefits, Inc. (RBI) are Monday through
Friday 8AM to 5PM ET. The RBI office
will be closed the following holidays:

Good Friday – Friday, April 14
Memorial Day – Monday, May 29

RBI reminds participants that the follow-
ing resources are available 24/7:

Website: www.pcarbi.org
E-mail: rbi@pcanet.org

A word FROM THE editor

 The Lord continued to bless the plans and services of the PCA Retirement & Benefits, Inc. (RBI), in 2005. This past year saw the introduction of a number of enhancements. Most notable was the Life Planning initiative that was launched in mid-year with offerings for the four seasons of life.

Despite the enormous cost in 2005 of the hurricanes and the war in Iraq, the economy and the stock market finished the year relatively flat. The Dow Jones was up 1.7% for the year, while the other major equity indices posted small gains for the year. PCA Retirement Plan assets surpassed a quarter of a billion dollars in 2005 with \$256 million at year-end. Participation in the Retirement Plan increased by 6.7% to almost 5,700 participants. All funds posted positive returns again in 2005. Eight of the eleven funds out performed the Dow Jones Industrial Average. All funds out performed the DOW and seven funds outpaced the S&P 500 and NASDAQ. PCA Standard Life Plan participation grew by 4.9% and the PCA Long Term Disability Plan saw growth of 5.3% in 2005.

The Ministerial Relief Fund awarded over \$344,000 in gifts to meet the ever-growing relief

needs within the PCA for our retired and disabled ministers, missionaries, and their widows, lay church workers and their families.

Under the Lord's will, 2006 appears to offer RBI continued growth in participation and excellence in performance. The year 2006 will also mark the conclusion of my service to RBI with my retirement at year-end. The RBI Board of Directors has formed a search committee and will name a successor later this year.

It has been my distinct privilege to serve those who serve the Lord. I am deeply grateful to the Lord for allowing me to use my professional skills to serve the PCA through plans that address the financial and security needs of his servants. RBI is well positioned, with the Lord's blessings, to continue to offer plans and services that serve the needs of participants while providing exceptional value.

On behalf of the RBI Board of Directors, staff, and myself, thank you for your participation in, support and encouragement of our ministry of service.



PCA RETIREMENT FUND UPDATE

Investment Performance:

	Average Annual Return Through 12/31/05			
	4th Quarter 05	1 Yr.	3 Yr.	5 Yr.
PCA Equity Fund	2.5%	8.5%	15.4%	2.9%
PCA Balanced Fund	1.4%	4.4%	8.4%	1.7%
PCA Income Fund	0.3%	0.5%	2.7%	4.3%
Small Cap Fund	3.9%	1.1%	22.3%	n/a
Mid Cap Growth Fund	4.4%	8.5%	17.5%	-0.8%
Large Cap Growth Fund	6.7%	15.0%	12.7%	-1.0%
Value Fund	2.7%	9.9%	16.6%	8.0%
Stock Index Fund	2.0%	4.4%	13.8%	0.1%
Foreign Stock Fund	1.8%	10.1%	18.8%	7.1%
Bond Fund	0.8%	1.0%	3.6%	5.3%
Money Market Fund	0.8%	2.5%	1.1%	1.6%

BENCHMARK INDICES

S&P 500	2.1%	4.9%	14.4%	0.5%
NASDAQ Composite	1.4%	2.5%	16.7%	-2.1%
Lehman Aggregate	0.6%	2.4%	3.6%	5.9%

*Source - Morningstar • Note: Investment returns shown are net of investment manager, custodial and administrative fees. All 2005 figures are unaudited.

SMALL CAP
Lord Abbett Small Cap Blend (LSBYX)

MID CAP GROWTH
Artisan Mid Cap Fund (ARTMX)

LARGE CAP GROWTH
Waddell & Reed Advisor Vanguard (WAVYX)

VALUE
Mutual Shares-Z Fund (MUTHX)

STOCK INDEX
Vanguard Institutional Index Fund (VINIX)

FOREIGN STOCK
Templeton Foreign-A Fund (TEMFX)

BOND
FPA New Income Fund (FPNIX)

MONEY MARKET
Vanguard Prime Money Market Fund (VMMXX)

The RBI Board of DIRECTORS

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Year in Review *(continued from page 1)*

PCA Term Life and PCA Optional Life Plans

- Retained MetLife as carrier.
- Left death benefit structure unchanged.
- Held premiums level for the 5th consecutive year for most classes.
- Changed the guarantee issue limit on the PCA Optional Life Plan (employees) from \$50,000 to the lesser of 3 x annual income or \$100,000.
- Renamed and separated Plans into PCA Standard Life, PCA Optional Life and PCA Dependent Life.
- Revised all summary plan descriptions (SPD).
- Mailed Class One SPDs and made available all other Classes.
- Continued enrollment growth to 2104 participants with over \$280 million in fully insured benefits .

All of the PCA's group term life insurance plans are reviewed annually, and RBI will strive to hold premiums while maintaining or even increasing plan benefits.

PCA Long Term Disability

- UnumProvident retained as carrier.
- Benefit structure remained unchanged.
- Premium held level for the 3rd consecutive year.
- Enrollment growth continued to 2,346 participants with almost \$10 million in fully insured benefits .

There are no anticipated changes to the LTD plan structure. RBI monitors and meets regularly with all vendors and will continue to do so in 2006.

PCA Retirement Plan

- Changed Plan record keeper from Gabriel Roeder Smith (GRS) to Omega Recordkeeping Group (ORG).
- Consolidated payment remittance operations formerly with the Pension Resource Center into ORG.
- Changed small cap fund manager to Lord Abbett Small Cap Blend Fund (LSBYX).
- Experienced an 11% growth in plan assets growing to \$256 million.
- Experienced a positive returns in all 11 investments.

Looking ahead, allowable defined contribution limits will increase, and the RBI Board voted to begin offering Roth 403(b) accounts as soon as administratively feasible (please see related articles).

In addition, RBI will be monitoring IRS activity regarding expected revisions to 403(b) plan guidelines.

PCA Ministerial Relief Fund

- Almost 1000 churches received 132,882 Christmas Relief Offering inserts distributed in December.
- Received gifts directly from a number of Churches WIC groups and the PCA Foundation Advice & Consult Fund.
- Relief giving for the year totaled \$468,269.

As financial needs (especially medically-driven financial ones) increase from eligible applicants, the PCA Ministerial Relief Fund will have the continual need to be replenished. RBI and each Relief recipient thank the many donors who have contributed to the Relief Ministry.

PCA RBI's Life Planning

- Offered initially to the PCA Agency Coordinators and a select number of ministers within the PCA.
- Offered now to all participants in the PCA Retirement Plan.
- Created Life Planning Seminary Presentation and supplemental worksheets and fact sheets.
- Acquired financial planning software that facilitates Life Planning preparation process.
- Conducted detailed analysis on net worth, retirement, investment, and insurance planning.

PCA Life Planning is a dynamic educational process that allows individuals to determine their personal goals and then implement appropriate financial plans to achieve those goals. Life Planning has already proved to be a useful resource for many participants in PCA Retirement Plan. We are ready to assist participants with a variety of financial, retirement, investment and insurance planning issues. RBI will assist participants as they evaluate their current financial situation, establish financial objectives to facilitate life goals, evaluate progress towards those goals, and adjust as opportunities arise.

As we move into 2006, RBI plans to offer Life Planning services to an increasingly larger group of participants. RBI will provide expanded tools, calculators, articles, investment and other life planning resources on our website.


In summary, RBI continues to strive to enhance benefit plans as appropriate in order to meet the needs of the growing number of PCA employees. Refer to future editions of *Benefit Bulletin* to keep apprised of the latest benefit plan information. ●

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INVESTING BASICS: *Style Drift*

 The most common reason for PCA Retirement & Benefits, Inc. (RBI) to replace an investment option in the PCA Retirement Plan is not performance. While performance is crucial to the investment decision making process it does not stand alone. A more common reason for replacement is **style drift**. An **investment style** is a method by which an investment manager approaches the market to purchase securities. Generally, equities are divided into growth and value styles as well as market capitalization. Companies are often mentioned as either growth or value stocks. A growth stock is one whose earnings are expected to grow at such a rate as to cause the stock price to rise profiting the owner of the stock. Value stocks are those that are selling at a discounted price in the market so that they are trading as a value or a bargain. Investment managers most often select one or the other of these strategies to use. Market capitalization is a measure of a company's size; companies are typically divided into small, medium, and large companies. Style drift occurs when managers depart from their fund's charter and begin including investments outside their fund's style. Investment managers are specialists and use their expertise in focused areas of the securities markets. Today's equity managers typically dedicate themselves to a particular market capitalization and investment style such as value or growth. As a result, monikers like small cap value manager or mid cap growth manager are widespread. In the effort to provide participants diversification across the spectrum of equity investments, RBI offers these highly specialized funds. All PCA fund options are selected to complement each other in terms of the types of securities owned. For this strategy to be effective RBI requires that managers stay within their area of expertise. When a manager buys outside his specialty, it can create an overlap of securities so that the fund owns too much of one sector or stock. The consequence of style drift also includes reduced coverage in the area the manager has been hired to focus his attentions.


The table below shows the broad equity market

Equity Market Capitalizations and Styles Matrix		
	VALUE	GROWTH
Large Cap	Large Cap Value	Large Cap Growth
Mid Cap	Mid Cap Value	Mid Cap Growth
Small Cap	Small Cap Value	SmallCap Growth

segments where institutional managers seek to provide coverage. RBI offers coverage across this equity matrix and speaks from a well-established body of academic work when recommending allocation across this equity matrix for participants. RBI advocates having some percentage of all of these strategies in your retirement account, depending of course on your tolerance for risk. (See the chart at the bottom of the previous column.)

As an example of how style drift occurs, suppose the Mid Cap Value manager has not found any Mid Cap Value stocks he would like to buy and starts buying Large Cap Value instead. He is abandoning his stated purpose and in so doing defeats the purpose of using the market cap and style matrix approach to investing. RBI staff and the RBI investment consultant monitor and analyze funds for the RBI Investment Committee. Once it has been determined that the manager has begun drifting from his stated course, RBI will consider this along with other important factors such as performance against the benchmark and peers, fund management, as well as risk analytics. Generally the fund will not be retained as an investment option if the manager has not stayed within reasonable boundaries of his stated investment style. ●

Roth 403(b) **TO BE IMPLEMENTED**

 The PCA Retirement & Benefits, Inc. (RBI) Board of Directors voted in November to implement a Roth 403(b) portion of the PCA Retirement Plan as soon as it is administratively feasible. RBI did not implement the option on January 1 (the earliest allowable date by law) because the IRS has not released final guidelines on how Plan record keepers are expected to account for such transactions. RBI knows of no church plan in the country that implemented on January 1. RBI will offer both the standard tax-deferred 403(b) and the Roth option 403(b) in the first half of 2006. RBI will communicate with all PCA Retirement Plan participants as well as church administrators when the Plan becomes available.

A Roth option Plan may or may not be good for pastors and other employees, depending on certain financial assumptions each participant will need to consider. RBI expects the Plan to be good for missionaries and certain younger ministers, but it will not necessarily be the best option for many others. It may be useful to have both tax-deferred and Roth-type monies in one's PCA Retirement Plan account (which will be allowed). RBI will

develop financial calculators so participants or RBI personnel will be able to “run the numbers”.


Generally speaking, if one believes that his retirement income will be *the same or more than* income while working, a Roth is the better solution. If one assumes that his retirement income will be *less than* income while working, the tax-deferred (standard) 403(b) will be the better solution. Likewise, if one thinks future federal income taxes will simply go up (for all those in the United States as government feels

the need to tax more), Roth will be better. However, if you need more tax relief now than later, the standard account will be the better option.

- **Contributions must still come through employers – directly or through withholding from the employee’s salary. This is just like the standard 403(b) – participants simply cannot mail a check and ask that the monies be added to the Roth account.** •

RBI will offer both the standard tax-deferred 403(b) and the Roth option 403(b) in the first half of 2006.

PCA RETIREMENT PLAN *Contribution Limits*

 PCA Retirement & Benefits, Inc. (RBI) administers the PCA Retirement Plan for the benefit of ministers and lay church workers of the Presbyterian Church in America. One of the primary benefits of this 403(b) plan is that it affords participants a current tax break while saving for retirement. To realize this tax benefit, participants must select a portion of their gross salary to contribute to the Plan. This portion of one’s contribution not only grows tax free (commonly referred to as tax-deferred or tax-sheltered) in the PCA Retirement Plan, but it also reduces the amount of one’s gross income that is eligible to be taxed for State and Federal purposes. Thus, the employee realizes a break from current taxes.

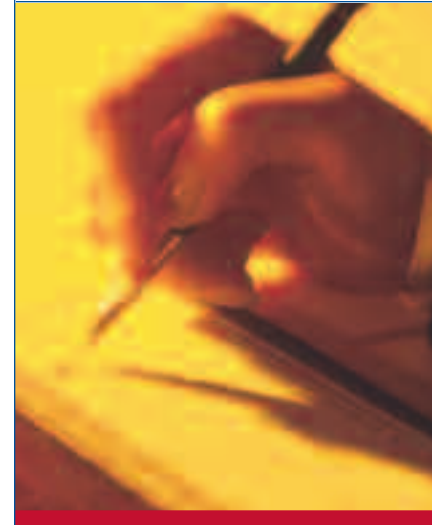
Tax deferment and reduction in taxable income are both exceptional benefits to 403(b) plans. However, the Internal Revenue Code has established limits on the amounts of money an employee and employer can contribute on a tax-deferred basis to these types of plans. The current maximum amount an employee can contribute to the PCA Retirement Plan is \$15,000. The combined employee/employer limit, including both employee and employer contributions, cannot exceed the lesser of \$44,000 or 100% of taxable compensation for the 2006 plan year.

These limits apply to the PCA Retirement Plan as well as all 403(b) plans.

As with most rules, there are a few exceptions. The first exception is often referred to as the **15-Year Catch-Up**. This exception permits employees to exceed the current employee limit of \$15,000 if they have at least fifteen years of continuous service within the denomination. Contributions under this exception may not exceed the employee limit by \$3,000 per year or the cumulative lifetime cap of \$15,000. The second exception to the employee/employer limit was recently added by federal legislation and is commonly referred to as the **Age 50+ Catch-Up**. This exception allows employees, age 50 and older, to make additional salary deferral contributions up to \$5,000 in 2006 to the PCA Retirement Plan. Both of these exceptions can be used simultaneously if eligible.

RBI does not receive the necessary compensation information from churches and related organizations that would enable a thorough testing of the employee or employee/employer contribution limits. Thus it is the responsibility of participants and employers to carefully determine whether contributions to any participant’s account comply with the limits mentioned above and to assure that they comply. If any contributions have exceeded the limits for that given year, the participant or participant’s employer must contact RBI no later than March 1st following the year the contributions exceeded the limits, and notify RBI as to the amount of the excess contributions. Upon notification RBI will distribute the excess contributions, minus any gains or losses, to the participant no later than April 15th.

Individual churches and church related organizations might require additional expertise from a competent professional to comply with the contribution limits. However, for general information, RBI is able to answer questions concerning contribution limits, catch-up contributions and the processing rules surrounding distribution of excess contributions. ●



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Limits on Employee Contributions – 402(g)		15-Year Catch-Up	
2005	2006	2005	2006
\$14,000	\$15,000	\$3,000	\$3,000

Limits on Employee/ Employer Contributions – 415 (c)		Age 50+ Catch-Up	
2005	2006	2005	2006
\$42,000*	\$44,000*	\$4,000	\$5,000*

* Is the lesser of amount mentioned above or 100% of compensation

* Maximum lifetime benefit is \$15,000, limitation apply to annual maximum



RBI considers four seasons of life within life planing:

SPRING

Getting started, Out of school, possibly single

SUMMER

Settling in career, possibly married, family started

AUTUMN

Pre-retirement, career peak, peak in earnings, possibly empty nester

WINTER

Retired, different job, or not working at all, possibly relocating

Life Planning: Are You Ready?

As the old adage states, begin with the end in mind. Visualizing God's plan for your life 5, 10, or 25 years from now can be a useful exercise. Be thoughtful and deliberate about how God wants you to spend the days of your life. Whether you intend to enjoy a life of leisure in retirement or dutifully continue to work, the time to plan for your future is now.

PCA Retirement & Benefits, Inc. (RBI) asserts that planning for tomorrow is good stewardship of God's provision. On that basis, let's explore the important financial considerations for the different seasons of life.

Those of you in the *Spring* of your lives, that is to say those who are in their 20s and early 30s, should enroll in the PCA Retirement Plan and start saving 10% of gross income today if you are not already doing so. As the denominational plan, the PCA Retirement Plan offers advantages that are not available through commercially marketed retirement savings options. Today's retirement plans require much greater knowledge and involvement on the participant's part. The days of working through your career and magically receiving a pension check at retirement are quickly disappearing. In order to successfully manage your retirement, it will be necessary for you to be informally educated in personal financial planning. Investments, retirement planning, taxation, insurance, and in some cases estate planning will all play a role in becoming prepared for your future.

During your working years, avoid withdrawing funds from your retirement account, as the IRS will penalize you 10% for withdrawals before you reach retirement age. Raiding your retirement account is akin to robbing yourself. There is great peace of mind in knowing

that God has provided a way to build a hedge around yourself and your family by saving for a time when you will need the money to support yourself.

How many people in the path of Katrina wished they had \$10,000 to \$20,000 saved to help them get through that unimaginably difficult time?

Once you reach *Summer*, which is your 30s through your 40s, it is wise to continue saving at least 10% of gross income despite the often worthy competition for your dollars. For those who have opted out of Social Security, it is recommended that you save at least 25% of gross income to have enough savings at retirement to make up the retirement income lost by opting out (PCA Retirement & Benefits, Inc. strongly recommends that pastors do not opt out of Social Security). If by this time you have not started to save, it is definitely time to begin. It will require a higher savings rate to save enough by retirement age to afford a modest retirement lifestyle. The increased rate of saving for those who have not started is determined by the age you start. If you are thirty, 10% will still work, but if you are approaching 50, it would be wise to get to 25% of gross income even if it means paring back your lifestyle noticeably. This is tough medicine, but it is a cure and better than the alternative.

It is wise to put money away for retirement before trying to pay for your children's college education. There are a number of ways for students to pay for college and limited ways to pay for retirement. Students can qualify for scholarships, grants, financial aid, and loans. There is no shortage of money to pay for college, though it

might require some effort. Early in *Summer* is the time to build an emergency fund to insulate yourself from unexpected expenses. These unexpected expenses are the most common reason people call RBI to inquire about taking money from their retirement account. The reality is that people often lose jobs, get sick, repair roof leaks, and face unavoidable car repairs. The list could be expanded to include natural disasters. How many people in the path of Katrina wished they had \$10,000 to \$20,000 saved to help them get through that unimaginably difficult time? This emergency fund can keep the ship afloat when we are learning what God has to teach us during the personal "Katrinas" faced in life. In the *Summer* season, it is also important to remember to continue to resist drawing down your retirement account and investing too conservatively.

Fall arrives once you reach your 50s and 60s. It is suggested that you increase your savings up to around 20% of gross income even if you have been saving all along. If you are reaching maximum contribution levels, remember there are catch-up provisions available that will allow you to contribute additional dollars. As you move through your fifties, begin to utilize lower risk investments to avoid putting your retirement income at risk due to a poorly performing equity market. Give some thought to retirement lifestyle and share your thoughts with your spouse. Calculate your anticipated retirement income and expenses (RBI is available to assist in this process of projecting retirement income). Ask yourself the tough questions about how long you would like to work. Begin to think of retirement in terms of a new beginning or fresh start rather than an end point. People commonly live into their 80s today, so it makes sense to take the view that there is much left to do and enjoy.

Winter usually represents retirement. Take a look around and thank God for having brought you so far in life and providing you with the opportunities to plan for the time when the last shall be first even in this world. Come to terms with how much money to withdraw from your account annually and then monthly. Invest conservatively, but don't abandon equities. Keep 3-5 years cash equivalents available. The main thing in retirement is to protect your income stream and avoid running out of money in retirement. Through Life Planning, RBI can help you plan to succeed.

Lifecycle Funds...

Simplifying your life

The use and interest in Lifecycle Funds has grown over the last couple of years to warrant consideration as an investment option in the PCA Retirement Plan. Lifecycle fund use has seen marked growth within the retirement plan community. They are not only extremely popular due to the ease of use for plan participants, but also have gained the respect of plan sponsors who must make the decision to implement these funds.

Lifecycle fund use has seen marked growth within the retirement plan community in recent years.

Interest in Lifecycle funds has been strong due to the simplification of the investment decision making process for participants. A Lifecycle fund is essentially an all-in-one fund that will monitor and manage your retirement account for you over time, eliminating the need for you to do so yourself. Additionally, these funds dovetail nicely with RBI's Life Planning initiative. Life Planning will allow use of any of our funds, but for those seeking greater guidance

and advice Lifecycle funds would be a great way to put the decision making into the hands of professional investment managers. We will continue to explore the concept of lifecycle funds in the Q&A below.

Lifecycle Funds

Q&A

Q. What is a Lifecycle Fund?

A. A Lifecycle fund is mutual fund that essentially puts your retirement investments on autopilot. There are two types of Lifecycle funds. One is called a Target Fund and one is called a Lifestyle Fund.

Q. How do they work?

A1. Target Funds are offered with a target retirement date and are managed by the fund company without any need for participant involvement. It is very easy to use. You pick the target date closest to your estimated retirement date and the fund company manages the rest all the way to the selected retirement date. They use what is called an equity glide path that slowly reduces the risk in the fund over the years to retirement. Initially the funds start out by using a higher percentage of equities and as you approach retirement the use of bonds increases, lowering your risk at the appropriate rate.

A2. Lifestyle Funds are similar to target funds but allow you to manage the risk yourself. You start out by picking the fund that has the level of risk that suits you and you stay in that fund until you need to change your level of risk, usually when reaching different brackets (seasons of life), at which point you would select the lifestyle fund that best meets your risk profile at that time. For instance, if you are an aggressive investor you would pick the Lifestyle fund with the highest percentage of equities. Once the fund is in place you don't have to

LIFE PLANNING FOR SEMINARIANS

For some, an important starting place for Life Planning is the seminary. Most graduates of the various seminaries are beginning in their ministries, and unpaid benefit from the instruction and guidance provided in the various aspects of Life Planning.

The Life Planning presentation for seminarians addresses important topics for getting started with the right information:

- Call Package
- Housing Allowance
- Social Security
- Life Insurance
- Long Term Disability Insurance
- Health Insurance
- Retirement Planning

The presentation to the seminarians includes a brochure containing material on each subject presented for immediate use and easy reference in the future. Presentations were conducted at three seminaries this past fall. The response has been most favorable and plans are underway to make the Life Planning presentations an annual part of the seminary calendar.

Please call RBI @ 1-800-789-8765 for further information.

do anything until you want to lower your risk. In both types the equity management across investment styles and market cap is managed for you by the fund company.

Q. How are Lifecycle funds best used?

A. Lifecycle Funds are best used by those who want their retirement investment decisions made by someone other than themselves, someone usually more knowledgeable in investments. Additionally, a Lifecycle fund is best used as a stand alone fund and not in concert with other investment options. They are designed to work independently; to use them with other options to defeats the purpose of using Lifecycle Funds.

Q. Which is best for me?

A. This is determined by the level of involvement one prefers in the management of the retirement account. The Target funds require the least amount of involvement. Pick the appropriate fund and you're off to do the things that are most important to you. Lifestyle

funds require you to make the investment risk decision yourself and then you are able to move on to other priorities in your life. If you are uncomfortable choosing the risk level in the funds, you might want to consider the target date funds. For those who want to retain the risk decision because they are more conservative or aggressive than their peers might consider the Lifestyle funds. The Target Date funds while simple to use, may not offer the flexibility some would prefer in terms of adjusting their levels of risk in their retirement account.

Q. Will the PCA Retirement Plan offer Lifecycle funds as an investment option in the retirement plan?

A. RBI is currently exploring the possibility of adding Lifecycle funds to the lineup of investment options. A survey will be mailed to those in the PCA Retirement Plan. The survey will include additional information on Lifestyle Funds and a questionnaire to ascertain participant interest. ●

Beneficiary Changes

PCA Retirement & Benefits, Inc. (RBI) reminds participants that it is a good idea to periodically update your beneficiary information. Births, marriages and deaths all bring potential changes in beneficiaries. Participants may request a beneficiary change form from RBI by calling 800-789-8765 or may download from the "Forms" section of the RBI website. Please note that the forms cannot be updated over the phone or on-line. The forms must be signed and mailed (or faxed) to RBI.

Employment Changes Retirements

PCA Retirement & Benefits, Inc. (RBI) announces that employees Brenda Hoyt and Bob Bishop will be retiring in March.

As Secretary-Receptionist for RBI, Brenda speaks with hundreds of participants every month and has greeted all those visiting the RBI office for 8 years. Brenda looks forward to spending time with her husband and completing many projects in her home.

As Senior Field Coordinator, Bob Bishop has visited many presbyteries, churches, pastors, schools and seminaries over the last 6 years and has counseled hundreds of participants on benefit plan offerings. In addition to spending time with his family, Bob plans to spend more time working with the youth at his church and on the mission field.

RBI values both of these employees and

greatly appreciates their years of dedicated service. The RBI staff, Board and PCA building employees will miss them.

New Hire

PCA Retirement & Benefits, Inc. (RBI) is pleased to announce the addition of Dr. Harry Cooksey to the staff as of January 3, 2006. Harry will be joining RBI as Senior Marketing & Field Coordinator designate.

Dr. Cooksey is a graduate of Reformed Theological Seminary in Jackson, Mississippi. He was ordained in the Presbyterian Church in America and later earned a Doctor of Ministry from RTS. He has pastored PCA congregations in Alabama and Georgia. Most recently he worked as a Loan Officer with HIP Financial Services.

Harry is married to Kay Cannon Cooksey and they have two daughters, Elizabeth and Emily. RBI is excited to have Dr. Cooksey's business skills and ministerial experience added to our staff.

Fifty Days of Prayer - 2006

Each PCA agency has been asked to support and publicize the Fifty Days of Prayer for 2006, which will commence on the National Day of Prayer, May 4, 2006 and end during the 34TH General Assembly on June 22, 2006. PCA Retirement & Benefits, Inc. (RBI) has supplied prayer requests to be combined with other PCA agencies and committees and placed into a devotional.

The devotional, developed in electronic and booklet format by Mike Ross, will be available through Mission to North America (MNA) and Christian Education & Publications (CE&P). Those interested in mobilizing prayer for the PCA are urged to download this material from MNA. Printed copies of "Fifty Days of Prayer" will also be available for purchase from CE&P. Please visit the MNA website for more information.

Market Closure Dates for 2006

The New York Stock Exchange specifically names the following nine holidays designated for closure each year:

New Year's Day
Martin Luther King Jr. Day
Washington's Birthday
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

If a holiday falls on a Saturday, it will be observed on the previous Friday; if it falls on a Sunday, it will be observed on the succeeding Monday. The NASDAQ and the bond markets typically follow these same guidelines. The only scheduled early close date for 2006 is for the Friday after Thanksgiving at 1 pm ET. ●