



## EDITORIAL NOTE:

PCA Retirement & Benefits, Inc. (RBI) recently mailed a new retirement plan brochure to all Plan participants. Since much of the material in the cover letter contained information useful for others who may not currently have a PCA Retirement Plan account, but who do receive the Benefit Bulletin, (church administrators, insurance plan participants, etc.), RBI decided to include an edited version of the letter in the cover article.

## Inside this Issue:

**Exciting News & Benefit Plan Changes**

**Thoughts about when to retire**

**2007 WIC Love Gift**

**PASTORS CORNER:  
PCA— On the Move**

**and more...**

## Exciting News and Benefit Plan Changes



The changes described in the new PCA Retirement Plan brochure (available from the RBI office or online at [www.pcarbi.org](http://www.pcarbi.org)) are in direct response to the many suggestions we receive every year from our participants. We want you to know we are listening to you and will continue to work diligently to make sure our available investment options and services assist you in achieving your retirement goals. The PCA Retirement Plan is *your plan* and the staff of RBI is deeply committed to doing whatever it takes to assist you over the course of your employment and retirement.

In addition to implementing the enhancements detailed in the brochure, RBI has been very busy over the last year working on strategic changes which we believe will greatly benefit participants. These changes are as follows:

- During the second quarter of 2006, RBI made **key changes to the PCA Mid-Cap Growth and PCA Mid-Cap Value Funds**. Two highly respected managers (TimesSquare Capital Management and Integrity Asset Management) were hired to manage these funds. Both of these managers have agreed to utilize the PCA's moral screening process. RBI was able to make these significant improvements and negotiate materially lower management fees with these managers.
- RBI's Investment Committee recently decided to replace our former international manager

with State Street Global Advisors. State Street is an impressive investment organization and RBI was able to negotiate further fee reductions that will be passed on to our participants via higher investment returns in the future.

- We are presently working on many other initiatives which include an **improved statement design, personal rate of return calculation, annual ability to reduce your loan interest rate to prevailing rates (should rates decrease)**, improved **calculators on the RBI web site** and access to interpretation services for non-English speakers.
- RBI will continue to augment its **investment-advice-giving services** to plan participants. Because of the special circumstances of a church plan and our role as your plan sponsor, we are able to give each participant personalized advice about your PCA Retirement Plan account designed to help you reach your financial goals.
- During the summer of 2007, RBI will offer a **self-directed brokerage window** for plan participants who possess a higher level of investment knowledge. This option will be offered at a fee through the Charles Schwab organization and you will be able to invest a portion of your PCA retirement assets in your own brokerage account and choose from 7,000 mutual funds.

## Key Enhancement to the PCA Retirement Plan

In April 2007, RBI added thirteen new PCA Target Retirement Funds to the retirement plan

PCA RETIREMENT  
& BENEFITS, INC.

## BenefitBULLETIN

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PCA Retirement & Benefits, Inc. is a non-profit  
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### RBI Office Hours Schedule

The business hours of PCA Retirement & Benefits, Inc. (RBI) are Monday through Friday 8am to 5pm ET, following a devotional on Monday mornings at 8am. The RBI office will be closed the following holidays:

- Labor Day – Monday, September 3
- Thanksgiving – Thursday and Friday, November 22 and 23
- Christmas – Monday and Tuesday, December 24 and 25

RBI reminds participants that the following resources are available year-round :

www.onlineretirement.org  
RBI website: www.pcarbi.org  
RBI e-mail: rbi@pcanet.org

## A word FROM THE president



The second quarter of 2007 has been much more satisfying than the same quarter last year. As you may recall, major concerns about inflation and interest rates sent the equity markets into a tail spin creating losses for most of us with investments in these areas. To make matters worse, the majority of institutional money managers had a very difficult time outperforming their 2006 benchmarks given the limited number of outperforming sectors and securities.

Well, we have come full circle. Those who like to “pick my brain” from time to time would find that I actually appreciate days when the markets are down. I’d rather climb the so-called “wall of worry” than find myself barely hanging on to markets as they go straight up. The gravitational forces typically at play in over-confident markets always seem to result in serious “paper” losses for those with no fear of heights.


The practice of abiding patience in the management of our retirement portfolios is a virtue to which we should all aspire. Through the deliberate and careful diversification of your assets, you will be pleasantly surprised by the results. PCA Retirement & Benefits, Inc. is here to serve and encourage you as well as give you the help you need to be successful with your retirement assets. RBI is *your* agency and we need feedback from you to make absolutely certain we are meeting your needs.

Beginning this summer, RBI will begin an important long term strategic planning project. Since the beginning of the year I have asked our staff and the RBI Board to pray consistently that God would open our



Gary D. Campbell,  
*President*

hearts to dream big dreams and to allow us to listen to you very carefully that we may clearly discern the direction God would want us to go. I can’t tell you how much I have appreciated those of you who have taken the time to call me or to talk to someone from our staff. We need your input now more than ever.

I’m thankful that God has blessed me through the experience of either participating in or leading strategic planning efforts in several organizations. One of the best definitions of strategic planning I’ve found says the following, “Strategic Planning is the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future.” (from *Applied Strategic Planning* by Goodstein, Nolan and Pfeiffer) I must tell you I get very excited to think about this definition in the context of God’s providence in the planning process. Each of us knows it is God who ordains and we are called to be his servants and ambassadors to fulfill his great purposes. I think our confession brings great hope and confidence as well because our “guiding members” must go in prayer to God as the only “Vision” for our future. I would certainly covet your prayers during the summer months as RBI begins this Strategic Planning process. 

Gary Campbell, CFA— *President* (678) 825-1276

To arrange an appointment, please contact:

Sally Kaplan: (678) 825-1278

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### Benefit Plan Changes *(continued from page 1)*


options. Target Retirement Funds are age-based funds designed to establish the most optimal allocation of assets based on a person's age, while maintaining constant diversification with a gradual reduction in stocks as retirement approaches. The PCA Target Retirement Funds are a terrific option for the person who wants to delegate most of the key investment decisions to investment experts who understand how to allocate funds to various markets and implement timely adjustments when appropriate. We believe this group of funds will become an extremely attractive option for the participant who desires ongoing supervision of his or her account by the RBI Investment Committee and investment experts on the RBI staff. This product will eliminate most of the burden associated with managing your own retirement plan assets.

RBI is committed to providing our plan participants with all of the basic investment building blocks needed for growing a safe and secure retirement portfolio. Our eleven Core Funds together with our thirteen new PCA Target Retirement Funds plus the soon-to-be-available Self-Directed Account confirm this intention.

### Other Benefit Plan Changes

The recent changes have extended to other plans as well. Earlier this year, we named a new agent of record who will consult and service the PCA insurance plans. Also, as was communicated in the last *Benefit Bulletin*, rates for the Long Term Disability Plan were decreased. Later this summer, the maximum monthly benefit for long term disability will increase; and, while there will be an increase in premium for those impacted (those with higher levels of compensation), there will be no increase in the premium rate for the denominational policy. Lastly, Ministerial Relief, also administered by RBI will soon introduce a new program, *Survivor Assistance*, enabled by seed funding graciously provided through the 2007 WIC Love Gift (please see separate article).

### Final Remarks


All RBI participants should expect and will receive a high level of service, answers to your questions and help reaching your goals. Thank you for your participation in this important ministry, and please feel free to call us with your questions. We are eager to help you. 

*RBI is committed to providing our plan participants with all of the basic investment building blocks needed for growing a safe and secure retirement portfolio.*



*If a retirement candidate believes that he can live on less in retirement than during his working years it would be wise to begin living on less before retirement to see how it goes.*

## Thoughts About When to Retire

 Back in the days of the defined benefit plan, the employer designated the number of years employees worked and often the age at which they could retire and begin receiving retirement income. With today's defined contribution plans, an individual determines his own retirement timing, provided he has saved enough to cover retirement expenses. Consequently, it is essential to carefully examine retirement expenses.


Health care insurance premiums and deductibles are often overlooked when planning for retirement. Additionally, Medicare is not available until age sixty-five. Those planning to retire before sixty-five should be prepared to purchase private health insurance for the interim. Private health insurance is costly and should be priced well before the retirement decision is made.

If a retirement candidate believes that he can live on less in retirement than during his working years it would be wise to begin living on less before retirement to see how it goes. Many participants find that they spend as much in retirement as they did while they were working, especially if the retirement years will include travel.

It is also worthwhile to consider income

sources. Social Security retirement income benefits are available at age sixty-two for those who have not opted out. However, for those considering part-time work drawing Social Security may be a mistake. If one is under full retirement age and earns more than \$12,960 per year, the federal government will take \$1 for every \$2 earned over that amount. Once one achieves full retirement age, there are no longer any restrictions on working and full benefits may be received.

If someone is concerned about outliving retirement assets, feels led by the Lord to continue in ministry, or desires to undertake another employment pursuit, he should consider waiting until age seventy to begin taking Social Security Benefits. The longer a person waits before beginning to receive benefits, the higher the payout will be.

Only the Lord knows how long we will live. The longer a person waits to retire the shorter the amount of time available to pursue things he may have been waiting a long time to see or do. Those who are reluctant to retire due to a variety of concerns may benefit from easing into retirement by gradually taking more and more time off from work over an extended period of time. This may provide an opportunity to get involved in some new endeavors and allow one to test the retirement waters. 

W I C L O V E G I F T 2 0 0 7

**The 2007 Women in the Church Love Gift benefiting the PCA Ministerial Relief Fund**

The grieving process is the most intense, emotional experience we can endure. Grief is painful and at times seems unbearable. It's a combination of many emotions that come and go, sometimes without warning. Because grief can be a confusing and overwhelming experience, it is hard for many people to ask for help. That's why we are taking the initiative in reaching out as Christ's agents in the healing process. Now, PCA Ministerial Relief is offering a new service to active, disabled, or retired PCA Teaching Elders and their wives who have experienced the loss of a spouse, bringing immediate transitional assistance to grieving survivors. This new Relief service, "Survivor Assistance," is an added benefit to existing Relief services and operates in addition to the PCA Christmas Offering. This gift is initially funded separately from the Christmas Offering and is used in conjunction with other Relief services. Upon notification of the death of a PCA Teaching Elder or his wife, Survivor Assistance will fund and immediately send a check for \$1000 to the surviving spouse and any dependents, regardless of their income, to help alleviate immediate Financial pressure that may accompany the death of a spouse. Please help us to help the ones who serve us so faithfully. Give generously to Survivor Assistance.



*Ministerial Relief is offering a new service to active, disabled, or retired PCA Teaching Elders and their wives who have experienced the loss of a spouse, bringing immediate transitional assistance to grieving survivors.*

**Thank you for your support of the 2007 WIC Love Gift.  
Questions? Call 1-800-283-1357 (press 1)**

PCA RETIREMENT FUND UPDATE

Investment Performance:	Average Annual Return Through 3/31/07			
	1st Quarter 07	1 Yr.	3 Yr.	5 Yr.
PCA Mid Cap Growth Fund	1.5%	5.1%	10.0%	7.1%
PCA Mid Cap Value Fund	3.1%	10.4%	12.3%	9.7%
PCA Equity Fund	1.6%	5.6%	8.6%	6.0%
PCA Balanced Fund	1.6%	6.9%	5.5%	4.5%
PCA Income Fund	1.8%	5.9%	2.6%	3.8%
Small Cap Fund	4.8%	0.3%	5.9%	7.9%
Int'l Stock Fund	1.9%	14.3%	14.8%	12.2%
Large Cap Growth Fund	1.9%	1.4%	8.1%	3.1%
Stock Index Fund	0.5%	11.2%	9.5%	5.7%
Bond Fund	1.3%	4.9%	2.6%	3.5%
Money Market Fund	1.2%	4.7%	2.8%	1.9%
<b>BENCHMARK INDICES</b>				
S&P 500	0.64%	11.83%	10.06%	6.27%
Lehman Aggregate	1.50%	6.59%	3.31%	5.35%


\*Source - Morningstar • Note: Investment returns shown are net of investment manager, custodial and administrative fees. All 2007 figures are unaudited.

<b>SMALL CAP</b> Lord Abbett Small Cap Blend (LSBYX)
<b>LARGE CAP GROWTH</b> Waddell & Reed Advisor Vanguard (WAVYX)
<b>STOCK INDEX</b> Vanguard Institutional Index Fund (VINIX)
<b>INT'L STOCK</b> 85% SSgA Int'l Stock Selection Fund (SSAIX) 15% SSgA Emerging Markets Fund (SSEMXX)
<b>BOND</b> FPA New Income Fund (FPNIX)
<b>MONEY MARKET</b> Schwab Value Advantage Fund (SWAXX)



*If you are now over forty, it is time to get serious about planning for your future. There is no need to panic; there are many resources available to help you get your financial house in order.*

## Better Late than Never

 If you have your retirement savings in the bag, this article may not be for you. But those of us who find it a challenge to save for retirement should consider this a wake-up call.


If we all started saving for retirement in our twenties we would miss the “excitement” of trying to make up lost ground in our forties and fifties. There is nothing like a little pressure to motivate you. If you are now over forty, it is time to get serious about planning for your future. There is no need to panic; there are many resources available to help you get your financial house in order. However those of us who are late-start investors need to give serious attention to the matter to be prepared for the time when we may no longer be able to work and provide for our families.

### Here are some simple steps to get moving in the right direction.

1. Determine where you stand today. This means essentially assessing your current budget and deciding how to make room for retirement savings as it is now a top-tier priority.
2. Set your retirement goals. Estimate how much you need to save monthly in order to fund your retirement years.

3. Stay on track. Once you begin saving, you will want to learn to manage your accounts, monitor your investments for performance, and make sure you remain on target to achieve your goals.

If this is something you don't have the time, interest, or expertise to accomplish, then it should be at the top of your list to seek out qualified professionals to help you get this done. It is no longer an option to take a wait-and-see approach. Taking action is critical to stewardship in this area of life.

RBI is an excellent resource and is willing to provide guidance in investment and retirement planning. There are also multitudes of books, websites, and television shows dedicated to the subject. Here are some of the better websites. 

#### Mutual Fund Analysis

[www.morningstar.com](http://www.morningstar.com)

#### Finance News

[finance.yahoo.com](http://finance.yahoo.com)

[www.msnmoney.com](http://www.msnmoney.com)

[www.smartmoney.com](http://www.smartmoney.com)

#### Investment Encyclopedia

[www.investopedia.com](http://www.investopedia.com)

#### Investor Education

[www.investoreducation.org](http://www.investoreducation.org)

[www.aaii.org](http://www.aaii.org)

[www.cfp.net/learn](http://www.cfp.net/learn)

[www.daveramsey.com](http://www.daveramsey.com)

## PCA: ON THE MOVE! —

This time of year is busy for most PCA churches, pastors and staff as General Assembly arrives, vacations are planned and Vacation Bible School or camps occur. This is also a time for hiring new pastors and personnel in churches and schools. Below are some helpful hints for those on the move to new employment.

**Insurance Needs** If you are currently enrolled in the RBI insurance plans (Long Term Disability, Standard Life, Optional Life and Dependent Life) and are moving to a new ministry location, you will need to *re-enroll* in those plans. The insurance plans are not portable and are based on full-time service at your place of employment. Be sure to enroll within thirty days to have guarantee issue of the insurance (no medical questions for insurability). Ask your Administrator for an enrollment form, or download on the RBI website ([www.pcarbi.org](http://www.pcarbi.org)).

**Retirement Participation** To continue your retirement contributions, ask your Administrator to remit contributions to your PCA Retirement account. Your employer may contribute to your account (ER contribution), but you may also request a Salary Reduction and remit this amount (EE contribution) to your account as either pre-tax or after-tax (Roth). Some churches and schools have a matching contribution for retirement savings. If so, take advantage of these additional dollars offered for your retirement. If you do not have a retirement account, you may enroll by completing the Enrollment Form found on the RBI website and mailing to RBI.

**Retirement Planning** RBI has recently introduced a new Retirement Plan feature called the *Target Date Retirement Fund*. This fund is designed to maximize performance and reduce risk to your retirement account. In addition, this fund is set up to re-allocate and re-balance your account, relieving you of this concern. It is an ideal fund for those who do not have the time or inclination to manage their retirement portfolio. For more information visit the RBI website and enroll today in the *Target Date Retirement Fund*.

**Document Move** If you are moving to a new location (from a church, seminary or school) keep good records of the cost incurred. Your new employer may agree to reimburse these expenses. Any portion not reimbursed, may qualify as a tax deduction from the Adjusted Gross Income under "Moving Expense" (using Form 3903). Deductible expenses include the cost of packing and moving your personal belongings, storage (up to thirty days), transportation, lodging and meals




while in transit. In order to reimburse moving expenses, the new work location must be 50 miles further than the combined distance from your former home and work place. Consult your tax preparer or the IRS website ([www.irs.gov](http://www.irs.gov)) for more details on deductible expenses.

**Ordained Clergy** Ministers moving to a new church or ministry are afforded the opportunity to take a housing allowance (non-taxed earned income) recorded by the Session (or governing body). It would be prudent to have the Session approve the housing allowance amount prior to the starting date so you can take advantage of the remaining calendar year. The housing allowance cannot apply to expenses retroactively. Also, pastors can save many tax dollars by asking their church to structure their ministry call package properly. Please contact RBI for more information.

**Administrator responsibility** The church or school administrator can be helpful in your transition to the new job. They can answer your questions concerning benefits paid by the employer and what you need to pay. After you fill out the RBI Enrollment Forms for the PCA Retirement Plan (if you do not have an account) and insurance plans, your administrator will need to sign them and mail these in for you. The administrator will also have other employment forms for you to complete.

**Notify RBI** When moving to a new home ministry location, call RBI (1-800-789-8765) to change your address and work address. It is helpful for RBI to know your current ministry location, plus it may be a great opportunity to ask questions about your insurance and retirement plans.

Transition from one location to another can be difficult and time consuming. RBI will support you during this time by answering your employment benefit questions and helping you make sure your finances are in order. Please call RBI with your concerns and we will be pleased to assist you. 

## New Distribution, Transfer, and Rollover Form

Recently PCA Retirement & Benefits, Inc. (RBI) redesigned the form that participants complete prior to distributing, transferring, or rolling funds from RBI. The form now requires the signatures of both the participant and the spouse (if applicable) to be notarized. This has been designed for the safety and security of both parties. In addition, RBI has updated the language and formatting and has added a number of additional disclosures to the form that must be acknowledged prior to a request being approved.

## New Retirement Plan Amendments

The RBI Board approved four amendments to the Presbyterian Church in America Tax-Sheltered Annuity Plan (PCA Retirement Plan). Amendments 27 through 30 add functionality, update older wording, and add sponsor flexibility. The amendments were approved by the Board and the PCA General Assembly.

- **AMENDMENT 27** – Adds Designated Roth Account Contributions as an eligible source account within the Plan.
- **AMENDMENT 28** – Allows the flexibility for RBI to begin charging search fees to a lost individual's retirement account in order to recoup the costs involved in finding the lost participant.

- **AMENDMENT 29** – Updates the language of the Plan to allow for transfers from a church retirement income account (such as the PCA Retirement Plan) to another such account.
- **AMENDMENT 30** – Adds the ability for a participant with a retirement plan loan to request the new prevailing interest rate on loans once each year and for a small fee. This will be helpful for participants in a declining rate environment.

## RBI Hires Receptionist & Administrative Assistant



RBI welcomes Vickie Poole as Receptionist and Administrative Assistant. Vickie greets visitors to the RBI office and those who press "0" when calling RBI. Vickie also assists Debby Brown with the Relief Ministry and Chet Lilly with various office administrative functions. Vickie is a delightful and helpful addition to the staff.

