

THE BENEFIT PLAN FOR EMPLOYEES OF THE SEVENTH-DAY ADVENTIST CHURCH WITHIN THE TERRITORY OF THE INTER-AMERICAN DIVISION

Z 05 05 Introduction

- 1 The following policies constitute the –Benefit Plan of the Seventh-day Adventist contributing organizations for employees of advanced age who qualify for assistance. Such employees should have given continuous service to Seventh-day Adventist Church in the territory of any of the contributing organizations or have been sent as missionaries with the official status of Inter-Division employees and have reached the age at which they qualify for benefits
- 2 The plan will be managed through the Fund Balance of each owner_organization by the Custodian and Verification Committee.
- 3 The *Custodian and Verification Committee* ÷ This committee shall be appointed by the Board of Owners of Fund Balance at the beginning of each quinquennium to:
 - a Interpret the policies of the existing Plan
 - b Act to administer the corresponding benefits in harmony with the recommendations of the various Owners of a Fund Balance.
 - c Keep records of the accounts and the recommendations made by the Owners of Fund Balance and measure the impact of these recommendations on the Fund Balance of the Fund Balance of said owner.
 - d Will submit recommendations to the owners of the Fund Balance for any

policy adjustments

The actions taken by this committee shall not be considered as precedence for any other case.

- 4 With the approval of the executive committee of the owner of a Fund Balance, any contributing employing organization within the territory of any Owner of Fund Balance, which for political reasons cannot contribute to the respective fund, will assume the responsibility of creating its own fund.

Z 10 Organization

Z 10 05 Definitions– The meaning of the following terms used in the Benefit Plan, will be explained herein, unless a different meaning is clearly required in a different context.

- 1 ***Participant:*** A person who receives the benefits provided for by the Plan.
- 2 ***Dependent child:***
 - a An unmarried child of a participant who is not older than 24 years, or who has not completed a Bachelor's degree, whichever comes first.
 - b A child who is born, or becomes disabled before the age of 18 years and is unable to support himself.
- 3 ***Beneficiary:*** The surviving spouse or dependent child (according to the definition of 2b) of a deceased participant.
- 4 ***Candidate:*** An employee who has attained the minimum requirement of service credit.
- 5 ***Eligible:*** An employee who meets age and years of service requirements to

become a candidate.

- 6 *Contributing Organization:* An employing organization that regularly and consistently contributes to a Fund to support the benefits of its participants, candidates and eligible employees.
- 7 *Fund Balance:* The difference between the total accumulated funds through the contributions of the Contributing Organizations and the benefits paid out to its participants.
- 8 *Active service:* An employee is considered to be in active service when he is currently employed and receives remuneration from an organization contributing to the Plan.
- 9 *Employment:* The period during which a contributing organization employs an individual.
- 10 *Full-time employee:* A person employed by a contributing organization and whose regular work week consists of a minimum of 38 hours.
- 11 *Hours of service:* The total number of hours for which an employee receives remuneration.
- 12 *Basic remuneration:* Monthly salary or hourly remuneration according to the existing salary structure.
- 13 *Service credit:* Time of service expressed in years, and percentage of years used to calculate the benefits of a participant.
- 14 *Years of service:* A period of 12 months in which an employee receives credit for at least 50 percent of service credit for a year.
- 15 *Categories of Employee:* The categories on which the official salary structure of

the Inter-American Division is based.

- 16 *Factor of percentage of salary:* The average of the percentage of salary of the 10 years of service during which the employee received the highest percentages of salary.
- 17 *Denominational Salary Scale:* Salary scale for employees of contributing organizations which is authorized by the corresponding owner of Fund Balance.
- 18 *Principal Financial Support:* The spouse who received the higher remuneration during his time of active service.
- 19 *Spousal Allowance:* An allowance that is granted per household in the case of a married couple.
- 20 *Allowance for Dedicated Service:* A one-time allowance from the Fund Balance, based on the years of service, that is given to the employees when they retire from active service in the territory of any of the contributors.
- 21 *Pension Factor:* The constant that determines the base figure for the benefits of the participants, established by an owner of Fund Balance and updated at least once every five years.
- 22 Pension: Frozen monthly amount.
- 23 “*Conference:*” The organization of the local field. It also includes missions, fields, and sections in the territory where the contributing organizations operate.
- 24 *Country of Benefit:* Place that determines the base for the calculation of the participant’s **benefit**.
- 25 *Inter-America:* Territory comprised of Mexico, Central America, Colombia, Venezuela, the Caribbean Islands, Guyana, French Guiana and Surinam.

- 26 *Private Non-denominational Institutions;* Private institutions which support the program and the mission of the church and are approved by the committee of the owner of the corresponding Fund Balance.
- 27 ***Plan:*** The financial system for providing benefits to employees who have attained the age and years of service for receiving benefits and coming from active service of the Seventh-day Adventist Church in the territory of Inter-America.
- 28 *Beginning date of payment of benefits:* The first day of the first period in which the benefits become payable after approval by the verification and custodian committee.
- 29 *Termination of benefits:* Benefits will end with the death of the participant or beneficiary.
- 30 *Custodian and Verification Committee:* The committee appointed by the board of the organizations owners of a Fund Balance.
- 31 *Basic Wage Factor:* Base amount defined by a specific economic and financial environment within the territory of a contributing organization, and authorized by the corresponding Owner of a Fund Balance, in order to set the wage scale for the salary and benefits of an active employee of the said organization.
- 32 Gender: All expressions in the masculine gender shall apply to either masculine or feminine gender.
- 33 Conditional bonus. Benefits for the participant of the Plan coming from active service, based on the pension factor. These benefits include monthly bonus, rent allowance and spousal allowance.

Z 10 10 Determining the Fund Balance in order to define the benefits

When an employee meets the requirements for being a participant in the Plan, he shall have several options according to the following parameters, with the understanding that the decision which he makes is irrevocable.

- 1 Coming from active service within the territory of one of the contributors:
 - a Country where the employee was born, provided he has a service record in that country, and provided that the country is located within the territory of one of the Owners of Fund Balance, or
 - b Denominationally adopted country, within the territory of one of the organizations owner of a Fund Balance, provided that the employee has served there for a minimum of 10 years, or
 - c The last country of employment, within the territory of the contributors, or
 - d In the case of various Owners of Fund Balance in the same country, the Fund Balance which pertains to the last place of employment, or
- 2 ***Candidates not in active service.*** When a former employee, who is not in active service, meets the age requirement to receive the benefits of this plan, he must apply in his country of origin within the territory of an Owner of Fund Balance, and will receive benefits based on the country of birth, provided that that country is located within the territory of an Owner of Fund Balance..
- 3 A participant who is admitted to the Plan and moves to any other country after leaving the active service will continue to receive benefits according to the

currency of the country and benefits where he had originally chosen to receive the benefits. Under no circumstances shall he receive benefits based on the basic salary and conditions of the country to which he has transferred after being admitted to the plan.

Z 10 15 Requirements for receiving the benefits provided by this Plan

1 *Age and years of service, coming from active service in the territory of any of the contributors.*

a When a candidate has dedicated a minimum of thirty (30) years as an active employee in the territory of any of the contributors, and/or in combination with years of service as a missionary sent by the contributor, he may receive the benefits provided by this Plan if he has reached the age of 60 (sixty) and requests it while in active service. (cf Z10-60 #4)

b Any eligible employee, after having served continually for fifteen (15) years in the territory of any contributor, and/or in combination of years of service as a missionary sent by the contributor, may request the benefits provided by this Plan, when he has reached the age of **63** years.

2 *Special Cases.*

a Employees, who due to special financial situations and/or administrative decisions, are not remunerated as full time employees, even though they work fulltime, their service record will be considered as full time employment for benefit of this plan only. The officer responsible for the

management of service records shall attach a clarification regarding this agreement.

b Under conditions as expressed herein, it is understood the employee comes from active service.

- 1) The service is interrupted because no denominational employment has been offered where the spouse has accepted or has been assigned, or if the spouse, after receiving the benefits of this plan, moves to another area.
- 2) Is left without employment after a constituency session
- 3) Is left without employment due to an organizational restructuring
- 4) Has not been re-employed due to financial problems of the employing organization, as long if they have applied in writing for a new position
- 5) If an interruption has occurred in order to care for a sick parent, spouse, or child.
- 6) If the employee becomes disabled to perform any denominational employment.

3 *Age and years of service coming from permanent interruption of service*

All independent transfers shall be considered as a permanent interruption of service.

a *With less than 30 (thirty years of service.* Any candidate who is eligible, after having served continually for a minimum of 15 years in the territory of any of the contributors and has attained the age of **65** (sixty-five) years,

may request the benefits provided by this Plan; through the contributing organization of his place of origin.

- b** *With more than 30 (thirty) years of service.* The ex-employee with 30 or more years of services *in the territory of any of the contributing organizations* and is not en the active service of any of the contributing organizations, may apply for the benefits of this plan in his country of origin, when he reaches 65 (sixty five) years of age.

4 *Re-employment of an Ex employees in order to qualify as coming from active service*

- a** *An ex-employee with less than 15 years of service in the territory of any of the contributors*

- 1) Employment of such person may be possible, only with the approval of the Committee of _Owner of a Fund Balance
- 2) Such persons must serve twice the number of the years lacking to become a candidate (15 years) Example; If the ex-employee had 12 year of service and lacking three years to be vested, he must serve an additional six (6) years (2x3) to become vested and receive benefits as coming from active service.
- 3) All benefits shall be frozen at the same level as when they begin participating in the plan
- 4) Benefits of such employee cannot be inherited by a Beneficiary.

- b** An ex-employee with more than 15 years of service

- 1) His Service Record may be activated and ratified only by the

Organization Owner of a Fund Balance from where he will be receiving benefits.

- 2) He must serve at least three years before being able to apply for the benefits of this Plan.
- 3) These three years shall not be taken into account for early benefit consideration- (60 years of age and 30 year of service.)
- 4) Benefits of such employee are not inheritable

Z 10 20 Employees excluded from receiving the benefits of this Plan

Organizations owners of a Fund Balance, through committee vote, may make provision to grant benefits for certain employees; from sources other than those provided by this Plan. Such sources may be those provided by governments, social security systems, insurance coverage, or any other form of ~~benefits~~ benefit.

- 1 Employees, with more than 15 years of service but less than 30 years, at the time that their contributing organization registers them in another system of benefits different from this Plan, and continue to serve in any of the contributing organizations, will have their years of service in this plan frozen, and will receive benefits from this Plan for the years of service given before they were transferred to the other source(s) of benefit previously mentioned.
- 2 They will also receive the Bonus for Dedicated Service for the combination of all the years served, including the years before they were transferred to the other

plan.

- 3 Employees, with less than 15 years of service at the time of enrollment by the contributing organization in a benefit system different from the one identified in this Plan and who have continued in the service of any of the contributing organizations, will have his years of service frozen, and will receive his benefits for the years served before passing to the other source previously mentioned. Upon reaching the required age they can receive the benefits defined by this Plan for the frozen years. They will also receive the Bonus for Dedicated Service.
- 4 When an employing organization and/or an organization Owners of a Fund Balance, decides to transfer any class of employees to any other system of benefits, but there are employees, who because of their advanced age, cannot be admitted to the new plan, these employees shall automatically remain covered by this Plan.

Z 10 25 This Plan is not a Charity Fund

The purpose of the Plan for Retirees of the Seventh-day Adventist Church in the Inter-American Division territory is to provide assistance to the employees who have spent their lives in service within the territories of the contributing organization and to provide help to their beneficiaries, but not to provide assistance to other relatives. Therefore, parents, brothers, sisters, adult and/or married children, and other relatives who are not candidates to receive the benefits provided by this Plan, even though they may depend totally or partially on the participants of the

Plan, will not be recognized as dependents; and special assistance or increased benefits will not be given to participants to help such relatives.

Z 10 30 Limitation of Responsibility

In the administration of the Plan, neither the *Custodian and Verification Committee* or any other committee that intervenes in the process of making a decision, nor any person who can be properly delegated with any responsibility in connection with the administration of the Plan, shall be responsible for any act, or for not having acted, provided that the Committee and the person to whom responsibility was delegated have proceeded with care, ability, prudence and diligence under the existing circumstances, and that they exercised similar judgment that a prudent person; acting in the same capacity and familiar with this type of matter; would have used in the management of an operation of this nature.

Z 10 35 Final Settlement

When an employee, by decision of the Contributing Employing Organization, is terminated; the following condition applies:

1. The Contributing Employing Organization, in consultation with its Owner Organization of a Fund Balance, will draw up a legal document for the employee to receive final settlement, provided it is required by the law of the country.
 - a. In such a case, the employee loses his right to receive any benefit provided by

this Plan and his service record will be cancelled. His employing organization and/or any other organization are free of any responsibility.

Z 10 40 Continuity of Service

For employees who have interrupted their service in the territory of any of the contributing organizations, the following provisions will apply:

- 1 ***Medical Personnel.*** When medical personnel are invited to serve in a country and are required to provide service to the government in order to obtain a license, service credit will be granted for the period of time that he must serve the government to obtain a license
- 2 ***Military Service.*** Full-time employees who are recruited to military service directly from denominational service will be granted service credit for the time they were in active military service provided that the following conditions are fulfilled:
 - a ***Minimum service.*** The time he serves was the minimum required.
 - b ***Re-entry into denominational service.*** The employee returns to denominational service within one year after having been discharged from military service or having been dedicated to acquiring additional preparation for denominational service, and re-enters into full-time denominational work within one year of having completed these studies.
- 3 ***Service in private non-denominational institutions.*** A denominational employee

who is assigned by a contributing organization to serve in an Adventist institution in the territory of the Inter-American Division, but the institution is not operated by the denomination, such employee may continue to accrue denominational service credit provided that he fulfills the following conditions:

- a *Contributing Organization Payroll.* The employee is on the payroll of the contributing organization and is paid on the same basis as other employees of the contributing organization. The private non-denominational institution may give an appropriation or contribution to the contributing organization to cover all or a portion of the remuneration of the employee.
- b *Type of institution.* The employee's service will be limited to organizations that operate on the basis of educational, medical or evangelistic programs whose objectives are similar to comparable denominational organizations.
- c *Category of service.* The employee will be limited to one of the following categories of service, with the understanding that the contributing organization cannot assign more than three employees simultaneously in one organization:
 - 1) A minister who serves as pastor, chaplain or Bible teacher.
 - 2) Chief administrator of an institution or its principal components
 - 3) Teacher or educator.
 - 4) Physician.
 - 5) Other employees. Coverage will be granted to employees similar to those in categories A and B, according to what is specified in this

regulation.

- d *Demonstrated need.* The organization must show the need of obtaining the services of an employee who has the background of denominational experience.
- e *Procedure.* The assignment of the employee to serve in a non-denominational organization is recommended by the Organization Owner of the Fund Balance.
- f *Contributions.* Service credit may be given to an employee of this category with the condition that the non-contributing organization making the call pays the respective Fund Balance according to what is established in this policy.

Z 10 45 Post-Graduate Studies

- 1 Employees who interrupt their active service will be granted service credit for the time dedicated to postgraduate studies, or in the case of physicians and dentists, for specialization or postgraduate studies, according to the following provisions:
 - a *Full remuneration.* Full remuneration received during the time of postgraduate studies from an employing organization.
 - b *Less than full remuneration.* Less than full remuneration, or no denominational remuneration, received by a person during time spent obtaining an advanced degree, above the level of Bachelor of Arts or Sciences, and who has returned to full-time denominational service within

two years of having been granted the degree.

2 **Service credit for time needed to receive a graduate degree**

- a **Doctoral degree.** When the employee studies without denominational financial assistance, he will be granted service credit for the actual time required to complete the degree, or up to a maximum of four years, whichever is the lesser of the two.
- b **Masters Degree.** The employee will be granted the actual time required for whatever Master's degree he obtains or a maximum of two years of service credit which ever is the lesser of the two
- c The degree must be conferred before receiving service credit
- d This service credit may not be taken into account to achieve vesting
- e This service credit will be added only at the time of calculating his benefits, and only if he is coming from active service within the territory of one of the owners of a Fund Balance.
- f This service credit is only for those employees who finish their active service in the territory of any one of the Owners of Fund Balance

Z 10 50 Undergraduate Studies

- 1 Those employees who interrupt their service to dedicate themselves to obtaining an undergraduate degree will be granted service credit according to the following provisions:
 - a *Full remuneration.* Full remuneration received during the time of

undergraduate studies.

- b *Less than full remuneration.* When the employing organization pays less than full remuneration or does not provide any financial assistance, and the employee returns to full-time denominational service within two years of having been granted the undergraduate degree.
- c *Service Credit.* Service credit will be granted for the minimum time required to complete the degree.
- d The degree must be conferred before receiving service credit.
- e This service credit shall not be considered for vesting (15 years of service)
- f This service credit will be added only at the time when the service credits are calculated for benefits, and only if the employee is coming from active service in the territory of one of the owners of a Fund Balance.

Z 10 55 Verification of service

Each entry into the record of service by an employee must be verified and signed by an administrator or by the personnel director of the contributing employing organization. That signature does not guarantee an entry into the service record to receiving the benefits of this Plan. It only verifies that the individual was employed during the period indicated. The record of service must fulfill the norms of the Plan, and the *Custodian and Verification Committee* will make the final decision.

Z 10 60 Requirements of age and service

- 1 In order to qualify as a candidate for benefits from the Plan, an employee must have 15 complete years of service in the territory of one of the contributing organizations or a combination of service among them, and satisfy the age requirement. (63 years of age)
- 2 *Normal age to receive benefits*
 - a The normal age to receive benefits is 63 years. An employee who leaves at the normal age while in active service in the territory of any of the contributing organizations, may receive benefits beginning with the first day of the month in which he attains the age of 63 years, provided that he has applied-and qualifies as a candidate.
- 3 *Early benefits requested by the employee.*
 - a An employee, who is in active service, and has attained 60-62, years of years of age and has served 30-or more years, may request the benefits of this Plan.
 - b In such case, all benefits will be reduced by 25%
 - c When the participant reaches 63 years, he may apply to receive the normal benefits for his total years of service
- 4 An employee with 30 years of service credit but is not coming from active service must be at least 65 year old to receive the benefits that this plan provides.
 - a In this case such a participant will receive the full benefits according to the years of service.

5 ***Early benefits offered by the employer.***

- a A contributing organization may also recommend that an employee who has attained 60 years of age and has 30 years of service credit to receive the benefits provided by this Plan.
- b In such a case, the employee will receive the benefits as if he was coming with 33 years service credit

6 **Early benefits for teachers**

- a In those cases where contributing organizations have determined that teachers may receive the benefits of this Plan, a teacher that has served for at least 30 years and is at least 58 years, may apply for the benefits of this Plan.
- b Benefits will be granted at 60% of what he would have gotten at the age of 60. (see 3 b above)
- c Benefits and years of service will remain frozen, and when such teacher attains 63 years of age, he may apply for the benefits for the years served.

Z 10 65 Benefits for surviving spouses of employees who die in active service.

Eligibility

- 1 Beneficiaries of employees of contributing organizations who are candidates to benefits from the Plan (with a minimum of 15 years service) and die in active service, may receive the benefits o this Plan.
- 2 The surviving beneficiary who is also an employee and a candidate to receive

benefits from the Plan, will receive his own benefits when he reaches the prescribed age. The benefits of the deceased spouse will continue, but will be frozen at the amount being paid

- 3 ***Children with disability*** Should a participant and his beneficiary die, and they have a disabled child (Z 10 05 2a and 2b) such child shall continue to receive the benefits.

Z 10 70 Benefits for widows and/or new marriage

1 In case of death

- a** *Death of the participant.* The benefits of the late participant will continue after his death. The surviving spouse, ~~if not a candidate or participant,~~ will be eligible to receive the total benefits of the participant who has died if he had been married to the participant for more than 10 years. If not, the benefits will be calculated on 10% of the total benefits for each year he had been married to the participant. (Benefits will include, ~~Individual~~ benefit, plus spousal allowance and rent allowance.)
- 1) This benefit will be frozen in the amount that the participant was receiving at the time of his death.
- 2) This benefit cannot be inherited by anyone else.
- b** *Death Of the spouse* of a participant The survivor will continue to receive the full benefits after the death of the spouse, whether the deceased is a participant or a beneficiary.

- c *Death of an employee who has effected a permanent interruption of service.* When an employee has effected a permanent interruption of service, and dies before receiving the benefits this plan provides, his surviving spouse shall not receive any benefit of this plan.

2 *Case of a new marriage or death of a widow participant*

- a *New marriage of a participant in the Plan.* In the case of a new marriage of the widow/widower participant, the following will apply:

- 1) If the new spouse is **not** a participant in the Plan, the widow/widower participant will continue to receive all the benefits that the Plan offers and which he had in the previous marriage.
- 2) If the new spouse **is** a participant in the Plan, the benefits of the first spouse will cease on the first day of the month following the marriage.

- b *Death of a participant in the second marriage*

- 1) If the new spouse **is also** a participant, he/she can inherit the benefits of the participant who has died according to the 10-year rule.
- 2) If the new spouse is **not** a participant, he/she can inherit the benefits of the participant who has died according to Z 10-70, 1,a, and such benefits shall be frozen.

- c *New marriage of a beneficiary.* In the case of a new marriage of ~~the a~~ beneficiary, the following will apply:

- 1) In the case of a beneficiary who marries a participant, the

beneficiary's benefits shall cease.

- 2) In the case of a beneficiary who marries a non-participant or a non-beneficiary, all benefits shall cease.

d *New marriage of a beneficiary who is not a candidate nor a participant in the Plan*

- 1) In the case of a new marriage of a beneficiary who is not a candidate, nor a participant in the Plan, all benefits shall cease.

e *A beneficiary who is a candidate marrying a candidate or participant in the Plan,*

- 1) In the case of a beneficiary, who is also a candidate or participant, the inherited benefits shall continue, but there shall not be more than two benefits in the same marriage.

3 Divorce Situation

- a** Unless a court of law has determined a case, each participant will continue to receive his individual benefits. The spousal allowance shall cease and shall not be reinstated even after the participants remarry.
- b** If the participant dies, all benefits to the ineligible divorced spouse shall cease.

Z 10 80 Responsibility of the Inter-division Employee

- 1 The Base Division is responsible.** The base division of an inter-division employee shall assume the responsibility for the benefits for the said employee, except when the inter-division employee has accepted to participate in the funds

of an owner of a Fund Balance for subsequent service in the Inter-American Division territory.

2 The Inter-American Division has no provision of reciprocity with any other Division and does not recognize service credit for which contributions have not been made to a fund of an owner of a Fund Balance in the Inter-American Division territory.

3 Inter-division employees, who have not been on the payroll of a contributing organization, and for whom the General Conference has not made contributions to the fund of an owner of a Fund Balance, shall not receive benefits according to the Benefit Plan Policies of the Inter-American Division.

a It must be understood that an inter-division employee may choose to participate in a plan offered by the government of a country different from the country from which he obtains his national insurance or social security, provided that the laws of the country permit the option of receiving benefits by those who have not made contributions.

Z 10 90 Acquiring the privilege of receiving benefits from one of the funds of the owners of a Fund Balance

1 This policy provides the possibility of reciprocity with other Divisions for the right to retirement benefits (vesting) for those who have made contributions.

2 The option of applying to be admitted in the Inter-American Division benefit plan cannot be delayed until the time of retirement with the expectation of benefiting from the Inter-American Division Benefit Plan.

- a In order for an inter-division employee who is based in another Division to qualify for receiving benefits from the Inter-American Division Plan, he must meet the following requirements:
- 1) The inter-division employee must apply to be admitted ~~in~~ to the benefit plan; the application shall be submitted to the Owner of the respective Fund Balance through his employing organization, no later than five years after having arrived in the territory of the Inter-American Division.
 - 2) The inter-division employee must work continuously for at least 15 years in the territory of the Inter-American Division.
 - 3) The inter-division employee must not be more than 45 years old at the time the application is made.
- b The service credit of an inter-division employee shall be recognized for up to 40 years of service given in the Inter-American Division.
- c The inter-division employee who wishes to apply for admittance shall present his/her application to the owner of the Fund Balance of his employing organization. Upon approval, the application shall be forwarded to the Custodian and Verification Committee of the Inter-American Division, and then to the committee for processing mission employees, or any other pertinent committee of the General Conference, where it will be registered.
- d The inter-division employee may receive benefits according to the Inter-American Division Benefit Plan only when coming from active service in

the Inter-American Division territory.

- e Service rendered before arrival in the Inter-American Division, or after leaving the Inter-American Division, will not be recognized by any of the owners of Fund Balances.

ADMINISTRATIVE POLICIES FOR THE BENEFIT PLAN OF THE SEVENTH-DAY ADVENTIST CHURCH WITHIN THE TERRITORY OF THE INTER-AMERICAN DIVISION

“Administrative Policies for the Benefit Plan of the Seventh-day Adventist Church within the territory of the Inter-American Division”:

Z 20 05 Procedure for making decisions

- 1 The administration of each contributing organization will carry out an annual investigation of the next candidates to receive benefits from the Plan in the next five years.
- 2 The candidate who decides to request benefits in the current year shall request that the administration of his contributing organization process his request.
- 3 The administration of the requesting contributing organization informs the Treasurer of the organization having a Fund Balance of the intention of the candidate. The Treasurer of the organization having a Fund Balance verifies that this intention is included in the budget of the benefits previously described and the corresponding application form is completed.
- 4 The Board of the contributing employing organization takes the agreement and sends it to the organization having the corresponding Fund Balance.
- 5 The administration of the organization having a Fund Balance analyzes the request, verifies that it is in harmony with the current regulations of the Plan, and

verifies the impact of this action on the budget projection of benefits and the impact on the Fund Balance. If this action is not included in the projected budget, it will need to be taken into account.

- 6 The Board of the organization having a Fund Balance takes the agreement and sends notification of the action taken to the *Custodian and Verification Committee* so that it can be charged to the Fund Balance. A form must have been previously filled out.
- 7 The *Custodian and Verification Committee* records the request and verifies the correct application of the current regulations.

Z 20 10 Financial Administration

- 1 ***Balance in the Fund of the Owner Organization.*** Each organization Owner of a Fund Balance will endeavor to maintain the Fund Balance according to the following minimum levels by multiplying the benefits paid during the last fiscal year by the number as indicated below:

a	Inter-American Division Headquarters and IADPA	3.5907 times
b	Atlantic Caribbean Union	4.6525
c	South Central American Union	4.3631
d	North Colombian Union	3.5362
e	South Colombian Union	3.8886
f	Cuban Union	3.0000
g	Belize Union	6.7935

h	Guatemala Union	3.7876
i	Jamaican Union	5.1970
j	French Antilles and Guiana Union	3.9326
k	Puerto Rican Union	3.7363
l	Caribbean Union	5.2735
m	South Mexican Union	6.0983
n	South East Mexican Union	4.6690
o	Dominican Union	5.4094
p	Haitian Union	5.4116
q	Honduras Union	5.5806
r	Interoceanic Mexican Union	4.5479
s	Central Mexican Union	4.2798
t	North Mexican Union	4.0452
u	El Salvador Union	5.7454
v	West Venezuelan Union	3.8409
w	East Venezuelan Union	3.5074
x	Montemorelos University	4.5537
y	Dutch Islands	5.7991

- 2 If the corresponding fund is reduced to levels lower than the minimum established by these regulations, the organization having a Fund Balance will present a financial plan to the *Custodian and Verification Committee* to establish the fund at the adequate level. It is understood that the financial responsibility will be

referred to the contributing organization owning the fund in the eventuality that insolvency takes place in any of the funds previously identified, and this organization will make provision to correct this type of undesirable situation.

3 ***Level of Contribution:***

- a The *Custodian and Verification Committee* shall make changes in the levels of contribution based on actuarial studies with the objective of keeping the various Fund Balances solvent.
- b *Possibilities of Contribution.* Each organization contributing to a Fund Balance will be able to contribute in accordance with the following provisions:
 - 1) A rate of contribution over a percentage of the payroll. This total will be defined by the organization having a Fund Balance. The percentage will be calculated by taking the basic denominational salary in effect in the territories where the organization having a Fund Balance operates as a base.
 - 2) A percentage of the total tithe collected in the territories of each contributing organization.
 - a) A combination of the two ways previously mentioned, defined according to what best suits each organization having a Fund Balance.
 - b) Any other type of contribution fixed by the organization having a Fund Balance and carrying out the minimum requirements indispensable for the lawful fulfillment of

the liquidity of the Fund.

- c Each organization having a Fund Balance will establish a level of contribution of its contributing organizations according to the provisions established in these regulations, and with a projected budget for the following five years of the present participants, as well as those that fulfill the conditions of eligibility within the following five years. This projection will be reviewed annually and will be voted, together with the operating budget, by the Board of the organization having a Fund Balance.

4 Liquidity of the respective fund is measured in the following manner:

- a The present balance of the fund is divided between the present levels of the benefits paid. This result measures the number of years that the Fund Balance is capable of paying. For example, the organization having a Fund Balance X has US\$ 2,350,000 as a present balance; in addition, the benefits paid by its participants total US\$ 450,000. Therefore, the liquidity of such fund is measured according to the above, as follows: $2,350,000 / 450,000 = 5.22$ years.
- b The previous result is divided by the minimum solvency necessary by the respective Fund. This result is presented according to a percentage. For example, in the case cited above (4. a.), the minimum solvency of the Fund of organization X is taken to be 4.6400; thus, $5.22 / 4.64 = 112.54\%$.
- c Each organization having a Fund Balance will inform the *Custodian and Verification Committee* of the level of contributions established for the following year in order to establish the corresponding accounting

applications. This report will be given no later than December 31 of the current year.

Z 20 15 Remittances

- 1 Contributions to Fund Balances will be processed in the following manner:
 - a All the organizations having a Fund Balance will send their monthly contribution accompanied by a monthly report to the Custodian of the Plan, through denominational channels and according to amounts and methods of contribution described in these regulations. The remittances will be sent separately from other types of funds.
 - b Accounts receivable will be managed by the organization having a Fund Balance from January 1, 2008. The accounting system of the Plan will verify the fulfillment of the minimum levels of contributions for each Owner Organization of a Fund Balance and will have a record of accounts receivable in the respective Fund Balance. The Auditing Service of the General Conference will corroborate that these levels of accounts receivable are duly taken into account in those organizations.
 - c The organization having a Fund Balance will be responsible for the fulfillment of the resulting accounts receivable. The accounts pending at the end of the year will be managed as a loan to be established by the *Custodian and Verification Committee*.
 - d Due to the diversity of the currencies operating in the territories of the contributing organizations, the contributions to the Fund Balance that correspond will be made in US dollars where, and as the *Custodian and*

Verification Committee defines. The organization having a Fund Balance will facilitate the process of conversion of those funds to US dollars with the necessary promptness.

- 2 ***Total payment.*** Total payment of the required contributions is an obligation for all the contributing organizations. The fulfillment of the levels of contribution established by the Board of the organization having a Fund Balance will be the responsibility of the contributing organizations. If those contributions are not remitted in their totality, the pending amounts will be considered as obligations to be paid and will be treated as accounts payable in the financial reports of the respective organizations.
- 3 Organizations having a Fund Balance will be responsible for the contributions of the contributing organizations and will guarantee contributions to the Plan.
- 4 Periodic audits shall verify and review the fund to ensure that the contributions of the participating organizations are covered.
- 5 ***Adherence to the Plan.*** No board of directors of a contributing organization will have the authority to change the total as long as these organizations have to contribute to the Plan through the organization having a Fund Balance or to modify the date the total is paid.

Z 20 17. Investment of the Fund Balances.

The Funds Balance may be invested according to options set by the Board of Owner of Fund Balances and according to the level of liquidity in the short term as defined in Z 20 10.

Z 20 20 Benefits

- 1 Upon meeting the requirements described in this Plan, the participant shall have the privilege of receiving the benefits herein described. The governing committee of the organization, Owner of a Fund Balance may suggest to the Custodian and Verification Committee, modifications to the benefits of this plan.
- 2 The benefits of this Plan shall be granted if and when the candidate has served the Seventh-day Adventist Church continuously in the territory of one of the owners of a Fund Balance, or has served as an inter-division missionary sent by one of the owners of a Fund Balance.
- 3 The benefits of this Plan may be inherited by beneficiaries according to the policies of the Plan.
- 4 The inherited benefits shall always be frozen.
- 5 Such benefits cannot be inherited by a third party. The benefits that may be inherited are: a. pension, b. conditional bonus, c. rent allowance, d. spousal allowance.
- 6 Age and years of service coming from active service in the territory of any of the contributors.
 - a ***Early participant.*** When a candidate has attained the age of 60 years and has dedicated a minimum of thirty (30) years as an active worker in the territory of any of the contributors, and/or in combination with years of service as a missionary sent by one of the contributors, he has achieved the right to receive benefits and should request them from his employing organization while he is in active service.
 - b ***Normal participant.*** Any eligible employee after serving continually for

fifteen (15) years in the territory of any contributor and/or in combination of years of service as a missionary sent by the contributor may request the benefits provided by the plan when he/she has attained the age of 63 years.

7 The benefits provided by this Plan for these participants are the following:

a ***Allowance for Dedicated Service.*** All employees who, because of their advanced age, can no longer be active in their employment and who are in active service in the territory of any of the contributors at the time of requesting the benefits of this Plan, will receive ~~a~~ an Allowance for Dedicated Service from their employer at the time of leaving active service because of advanced age. The Owner Organization of the respective Fund Balance is responsible for the compliance of this measure, charging it to its Fund.

1) This Allowance for Dedicated Service will be calculated according to a scale applied by the *Custodian and Verification Committee* in order to benefit the employee for the years of active service in any of the countries of the contributors up to a maximum of 40 years of service. This benefit is received individually, independent of the fact that ~~the~~ a couple may be participants in the Plan on their own merits.

2) This Allowance for Dedicated Service is based on the years of service of the employee and is granted in the country and in the local currency of the last contributing employer or his country of origin if it is a contributor, whichever of the two is higher.

- 3) This Allowance for Dedicated Service is charged proportionally to the Fund Balance of the contributors in whose territory the employee provided services during the last five years before requesting the benefits provided by this Plan and is paid one time only to the employee at the time of leaving active service.
- 4) If the last employing organization or contributor where the employee who is applying for benefits of the Plan served is not located within the Inter-American Division territory, the bonus for dedicated service will not be the responsibility of any of the Fund Balances of this Plan. This will be the responsibility of the last employing organization according to the specifications established by this Plan.
- 5) *Amount for bonus for dedicated Service.* Employees with 40 years or more of service credit shall receive the maximum amount which will be six months of the basic remuneration, plus allowances, of the country he chooses at the time of becoming a participant in the Plan (excluding educational assistance, medical assistance and travel expenses). For those employees who have less than 40 years of service credit, the Allowance for Dedicated Service is calculated by taking, as a base, the maximum quantity to be received multiplied by the years of service credit divided by 40. The same result will be obtained if the years of service credit are multiplied by 0.15.

- 6) *Allowance for Dedicated Service for Missionaries.* Employees and their spouses who qualify to be participants in the Plan, coming directly from mission service, will receive the Allowance for Dedicated Service based on the basic denominational salary of his/her country of origin, plus benefits (excluding educational allowance, medical assistance and travel expense) and in the local currency of that country, charged to the Fund Balance of the organization having a corresponding Fund Balance.
- b ***Pension.*** Benefits are frozen for the rest of the life of the participant in the Plan and is not related to the salary of an active employee or the pension factor.
- 1) The pension will be calculated, taking as its base a “pension Factor”; approved by the Owner Organization of a Fund Balance, and the result of the application of the “Pension Factor” that is used specifically in the territory of the contributing organization, calculating with the Table that is found in the electronic tool provided by the Plan Administrator.
- 2) This benefit will be in the local currency and in the country of origin if it is a contributor to the Plan.
- c ***Monthly Allowance,*** as a benefit based on the pension factor fixed by the Owner Organization of a Fund Balance in effect at the time of its membership as a participant in the Plan, and taking into account the Table that is found in the electronic tool provided by the Plan Administrator.

- 1) This monthly allowance is granted only if coming from active service in the territory of any of the owners of a Fund Balance, or from missionary service as an inter-division employee.
- d **Rent Allowance.** Using as a base the employee's years of service and the pension factor. Under no circumstances shall a family receive more than one Rent allowance.
- 1) Effective January 1, 2013, the maximum percentage of rent assistance is 25% of the pension factor, and shall be frozen for the life of the participant and the beneficiary.
 - 2) This allowance will be 10% for the first 15 years of service, plus 15/25% for each additional year of service up to a maximum of 40 years of service.
 - 3) ***In case of death.*** If the Beneficiary/Candidate continues in active service and is receiving rent allowance according to policy, he/she will not receive the rent allowance of the deceased spouse. At the time of becoming a participant, he will receive rent allowance based on his own benefits or on those of the deceased spouse, whichever is greater. Under no circumstance will there be more than one rent allowance.
- e ***Spousal Allowance.*** If the participant in the Plan is married, he/she will receive a Spousal Allowance which will be based on the pension factor, according to the same Table referred to previously.
- 4) This spousal allowance shall remain frozen

2) There will be only one spousal allowance per family

£ ***Medical Benefits.*** The benefit plan of the Inter-American Division does not cover medical expenses (see *Benefit Plan for Employees*)

8 **Permanent interruption of service.**

α Any candidate who no longer works for an Adventist organization shall apply through his organization of origin for the benefits offered by this Plan.

1) This benefits shall be:

a) A pension which shall be frozen and will not be based on the salary of the active employee nor the pension factor.

b) The pension will be calculated based on the pension factor approved by the organization who owns the Fund Balance.

(1) This benefit is the result of the application of the Pension Factor that is used specifically in the territory of the owner organization, taking into account the Table that is found in the electronic tool provided by the Plan Administrator.

(2) This benefit shall be in national currency and country of origin of the participant of the plan

- (3) This benefit cannot be inherited by his beneficiary

b Exceptions

- 1) Interruption of service with 30 years or more of service
- a) The benefits will be as coming from active service, but frozen
- b) He shall not receive the allowance for dedicated service

9 Losing the status of candidate

- a The contributing organization can dismiss an employee for misconduct or for inefficiencies in his work, and if the law of the land requires it, he may be granted a final settlement. He must sign a legal document in the presence of the labor authorities of the country.
- b In such a case the candidate shall lose the right to receive the benefits provided by this Plan.

Z 20 23 Calculation of Benefits

- 1 ***Salary percentage factor.*** The salary percentage factor of an employee will be the average of his salary percentages for the ten years of service during which he had the highest salary percentages. This will be rounded to the nearest whole number.
- 2 ***Date the benefits begin.*** The benefits of this plan provide will begin once the *Custodian and Verification Committee* certifies the agreement made by the organization having a Fund Balance and requesting the benefits according to existing policies.

- 3 ***Case of Physicians and Dentists in the territories of Contributing Organizations.*** Each Organization who owns a Fund Balance shall be able to set a pension factor for doctors and dentists within their contributing organizations. This pension factor will be set between 110-180% of the country's regular basic salary applied to the rest of the staff.

Z 20 25 Distribution of charges between the various existing Funds

- 1 Treatment for the proration of the benefits provided by this Plan in the case of participants who worked in more than one organization having a Fund Balance.
- a The proration of the benefits will take place in a manner proportionate to the number of years the participant worked in each participating unit.
- b Payment of the benefits to the participant will be according to the corresponding Pension Factor. It will be charged to each Fund Balance where the participant served, each part proportionate to his years of service and according to the corresponding Pension Factor.
- c Special cases that arise in applying this proration will be defined by the *Custodian and Verification Committee*.

Z 20 27 Employees with different basic salary than a pastor

- 1 Each owner of Fund Balance shall established a pension factor that will be used to calculate the benefits of the participant.

- 2 The medical doctors and the faculty with the academic rank at the university may receive the benefits of this plan provides based on the Pension Factor which may be different than the regular participants, according to the decision of the Owner of the Fund balance.

Z 20 28. Legal requirement for the withdrawal of the benefits by third parties

- 1 The benefits that this Plan provides will only be delivered to the participant in person, or in case of death, to his/her beneficiaries in person, for which the corresponding list must be signed, previously prepared by the Contributing Organization. Otherwise, the participant must carry out a legal procedure before a Public Notary legally constituted, indicating the individuals that he has designated to withdraw his benefits. A new document must be presented every three months. Special cases shall be defined by the Contributing Organization. The contributing organizations must guarantee that the benefits withdrawals are being carried out in accordance to with-what is stipulated in the Plan.

Z 20 35 Continuation of Remuneration

- 1 ***Missionaries who return.*** If a candidate based in Inter-America returns from missionary service to be a participant in the Plan, his last employing division will support him for one month from the date he left that division. He can then be admitted into the Plan with the benefits coming from active service.

- 2 ***Disabled missionaries.*** If an employee based in Inter-America becomes disabled during his service as a missionary and returns because of health problems, he will receive the corresponding Plan benefits. The division in which he served will continue to provide him full remuneration for three months and his original contributing employing organization will give full remuneration for three additional months.
- 3 Employees whose remuneration is based in whole or in part on commissions are not eligible for continuation of remuneration for six months.
- 4 In the case of inter-union employees, the same provisions shall apply as outlined in subsections 1 to 3 mentioned previously.

Z 20 40 Employment of Participants in the Plan

- 1 When a participant in the Plan receives remuneration from a contributing employing organization, the following regulations will apply:
- 2 ***Maximum remuneration.*** The contributing employing organizations that ~~use~~ employ the services of participants may remunerate them as permitted by the ~~local~~ laws of the particular country.
 - a **Mileage and other travel expenses must be reimbursed.**
- 3 Participants with less than 40 years of service credit who are employees of contributing employing organizations may receive one year of service credit for every two years of subsequent employment. In the cases where it is advisable to make an adjustment of service credit, the following process will be followed.

- a The employing organization will begin the process by certifying that the specific requirements have been fulfilled and also that the additional years were worked.
 - b The Committee of the organization having a corresponding Fund Balance will consider the request and if it is acceptable, will take a vote to pass the request to the *Custodian and Verification Committee* for the corresponding adjustment to be made.
- 4 The *Custodian and Verification Committee* will consider the request and will determine a final agreement.

**Z 30 15 Contributions to the funds of the owners of the Fund Balances who accepts an
inter-division employee as a candidate**

When the owner of a Fund Balance accepts an inter-division employee to receive service credit in the fund, such an owner will be responsible for all the contributions, including those of inter-division employees with codes 1, 2, 3, 4,5 and 6.

Z 30 20 Displaced Persons

The base Division will be responsible of the benefits of displaced inter-division employees who are eligible. The Inter-American Division will consult with the General Conference regarding cases of displaced inter-division employees who are not from the Inter-American Division territory and for whom this Division has no responsibility.

Z 40 Amendments

The organizations that are owners of the Fund Balances reserve the right to amend this Plan without being obligated to notifying the eligible employees, candidates, participants or beneficiaries of the Plan.

All the amendments voted by the organizations who are owners of the Fund Balances, unless otherwise stated, will be effective at the moment they are voted, and they will cancel any other previously existing policies.