



THE ANGLICAN CHURCH IN NORTH AMERICA

ACNA RETIREMENT PLAN

The New Retirement plan is a plan especially designed for the Anglican Church and associated organizations. It is designed to do the best job at accumulating funds for your retirement, at a cost that is less than half the cost of most plans today.

THE PLAN WILL BE TRUSTEED BY CHARLES SCHWAB TRUST COMPANY

All your funds will be held in trust by Schwab.

THE REGISTERED INVESTMENT CONSULTANT WILL BE OPTIMA ASSET MANAGEMENT, INC.

Optima Asset Management in Dallas, TX has been in business since 1995 and operates as a non-discretionary, fee only, master investment advisory and consultancy service. Optima relies heavily on a body of research referred to as "modern portfolio" finance.

THE NAMED FIDUCIARY AND OVERSEER WILL BE BROOKS HAMILTON & PARTNERS

BH&P will be responsible for hiring the Recordkeeper and the Registered Investment Advisor. BH&P, named in the ACNA RETIREMENT PLAN document, as the Named Fiduciary & Plan Administrator, will be responsible for keeping expenses down, making sure services are up and, in general, keeping a watchful eye that all aspects of the plan are as they should be.

THE RECORDKEEPER WILL BE LEGGETTE ACTUARIES OF DALLAS, TEXAS

Leggette has been in business since 1973. They will be producing your quarterly statement. For more info go to Leggette Actuaries on the internet.

The new ACNA RETIREMENT PLAN is a combination plan that was designed to take advantage of new technology without paying all the hidden costs of most plans.

The plan is comprised of two main sections:

- A. This section is a special contribution for the clergy. This section was put in to emulate the former pension plan many of the clergy have lost. That pension plan required an organization to contribute 16% of pay to fund the plan. The ACNA RETIREMENT PLAN, with a suggested organization contribution of 15% of pay for each clergy, should close the gap that was wide open when the former Pension Plan was no longer available.

However, many of the clergy in the ACNA are in very small or new organizations and 15% is not currently feasible; therefore, this amount is up to the discretion of the individual organization. Even the brand new organization should be able to put something into the plan each month for the retirement of their clergy.

This contribution is 100% vested as soon as it is contributed. In other words it is owned 100% by that person.

- B. This section is the salary deferral part of the plan. Salary deferral means the employee, either clergy or lay, signs an agreement to reduce their pay by a certain percent and that amount of their pay is then contributed to the plan for their benefit.

The individual organization can match (contribute an amount equal to) any percent of their employee's contribution that they decide upon. They must make that percent the same for all employees of their organization that are involved in the plan. Each individual can contribute up to 100% of pay with a 2009 dollar limit of \$16,500 per year (\$21,500 if they are over 50). This amount is adjusted each year. All deferral accounts, including the match amount, are also immediately 100% vested.

THE PLAN:

COVERS CLERGY TWO WAYS

A. Special mandatory contribution by organization between 1% and 20% of annual compensation plus housing allowance,

And (optional)

B. Pre-Tax Salary Reduction plus Employer Match

COVERS LAY

Pre-Tax Salary Reduction plus Employer Match

INVESTMENTS:

All funds are invested in strategies; which we have labeled STRATEGY A - LOWEST RISK, STRATEGY B- INTERMEDIATE RISK & STRATEGY C - HIGHEST RISK. These strategies are constructed with up to 20 different mutual funds. These institutional mutual funds, which are designed to obtain the performance of various indexes (index funds), have been selected based on their low cost, risk, returns and other important items that our investment consultant uses to monitor these funds. Each strategy is based on the same funds but a different mix is used to accomplish the specific risk return objective.

STRATEGY A - LOWEST RISK

The target return for Strategy A is an expected return of 8% per year over a decade or longer. The Strategy A portfolio composition to accomplish the targeted return will consists of 70% fixed income, 25% equities and 5% real estate.

STRATEGY B - INTERMEDIATE RISK

The target return for Strategy B is an expected return of 10% per year over a decade or longer. The Strategy B portfolio composition to accomplish the targeted return will consists of 59% fixed income, 36% equities and 5% real estate.

STRATEGY C - HIGHEST RISK

The target return for Strategy C is an expected return of 12% per year over a decade or longer. The Strategy C portfolio composition to accomplish the targeted return will consists of 48% fixed income, 47% equities and 5% real estate.

The Investment Strategy can be changed twice a year - once on the Plans' anniversary date, and once at the participant's discretion.

EXPENSES:

- A. Schwab 0.09 %
- B. Portfolio Fund Exp. Ratio 0.39% to 0.56%
- C. Named Fiduciary 0.25%
- D. Recordkeeper \$2.50 per month per participant
- E. Enrollment Fee \$250.00 per organization - A one-time fee paid by each participating organization.

The consultant has agreed to waive his fee for the first 18 months

ELIGIBILITY:

All full-time employees are eligible to join the Plan on their date of hire. All participants are immediately 100% vested in all employee and employer contributions in their accounts..

CONTRIBUTIONS:

A. Clergy

1. The individual organization decides the percent of compensation they will contribute to the clergy's retirement fund. We recommend 15%, which should provide an adequate fund at retirement; however, the amount can be changed between 1% and 20% at the December Vestry meeting.
2. Voluntary participation thru pre-tax salary deferral. Deferrals will be matched \$1.00 for \$1.00 up to a discretionary salary percentage between 0% and 10%. The employer match amount for clergy and lay persons must be the same. The maximum deferral amount in 2009 is \$16,500 and if you are over 50 you can put in an additional \$5,000 in 2009.

B. Lay

Voluntary participation thru pre-tax salary deferral. Pre-tax deferrals will be matched \$1.00 for \$1.00 up to a discretionary salary percentage between 0% and 10%.The employer match amount for clergy and lay persons must be the same. The maximum 2009 deferral amount in 2009 is \$16,500 and, if you are over 50, you can put in an additional \$5,000 in 2009.

ALLOCATIONS:

Expenses and income are allocated daily to all participants. Quarterly participant statements will be provided.

ADOPTING THE PLAN:

- A. Organization Enrollment will be completed by each organization downloading from the Anglican Benefits link on the www.united-anglicans.org website the Participation Agreement, executing the agreement and mailing with payment of the \$250 fee payable to Brooks Hamilton & Partners to

Brooks Hamilton & Partners.
P. O. Box 180418
Dallas, TX 75218.

After receiving the agreement, enrollment information will be e-mailed to the organization with instructions on how to enroll each person.

- B. Clergy & Lay persons can then be enrolled by form to mail in or online.