

QUESTIONS ASKED AT THE LIFEWAY RETIREE MEETING
September 6, 2019

1. I currently have dental and vision insurance through LifeWay. Can I keep that?

For retirees who are 65 years of age and above, they can continue their current dental and vision insurance coverage.

For pre-65 retirees, effective January 1, 2020, they will not have access to medical, dental, vision or pharmacy benefits through LifeWay until they reach age 65, assuming they are eligible at that time.

2. Will medical insurance be offered to pre-65 retirees at LifeWay's cost plus a 2% administrative fee?

No. Effective January 1, 2020, retirees who are not yet 65 will not have access to medical, dental, vision, or pharmacy benefits through LifeWay.

3. What is the funding percentage for the Retirement Trust Fund?

The funding percentage of the Retirement Trust Fund is calculated at September 30 each year by GuideStone Financial Resources. Per Note 9 of the audited financial statements as of September 30, 2018, using the "settlement discount rate", the plan was 68.8% funded. However, if an average return on assets of 6.75% is assumed, the plan was funded at 90.3%.

4. Will there be help for pre-65 retirees to find medical insurance?

Yes. In early October, retirees will receive information from the Human Resources Department related to instructions for the open enrollment period. This will include contact information for Via Benefits who will assist retirees in this process.

5. My paperwork says that I have \$20,000 of life insurance until I die. Why is that being taken away?

Retiree medical and life insurance benefits are governed by the official Plan documents, which state that LifeWay, as the Plan sponsor, has the right to modify the benefits as necessary. The informational letter you received should have noted the life insurance benefit was subject to change just like the medical insurance information noted it was subject to change.

6. Will supplemental life insurance continue?

Yes. The supplemental life insurance purchased by retirees will continue to be offered.

7. Could retirees have the option of paying their own life insurance premiums at LifeWay's cost?

No. However, if this option were available, the premiums would be based on the same market rates retirees could obtain on their own.

8. Will LifeWay at some point make additional changes to the medical insurance or take away the \$5,000 life insurance policy?

Currently there are no plans for additional changes to retiree health and life insurance benefits since the changes announced in June are intended to bring the fund to a fully funded status. However, the Plan documents allow LifeWay, as the plan sponsor, to make adjustments to the plan if necessary.

9. Can I have the \$20,000 life insurance benefit now to roll over into an investment option?

No. The life insurance policy is a term policy, and therefore, there is no cash value available. The policy only pays a benefit at the death of the covered person.

10. Will our pension plan be there for us until the last retiree drawing passes on or is there a chance it will dry up -- in other words, is our pension plan secure?

LifeWay intends to fund the pension plan to meet all future obligations. However, there is no way to know the long-term future of economic conditions so no guarantee can be made.

11. Will LifeWay ever make contributions to the pension plan?

LifeWay has contributed \$140 million to the retirement trust fund since 2003 and plans to continue making contributions in the future.

12. Dr. Mandrell stated, "While we want to take care of current and former LifeWay employees, we also need to be good stewards of the ministry." in Baptist and Reflector. Isn't being a good steward of the ministry keeping the promises made to retirees and not claiming those were not promises?

Ben's comments reflect the difficulty of the decisions that have impacted employees and retirees that the trustees and LifeWay's leadership had to make in recent months. These decisions were made with the goal of improving LifeWay's financial health and that of the LifeWay Pension and Retiree Benefits Plans.