

RCA Pension Plan Convention Report 2004

90% Believe, Only 10% Are Correct

Pension Committee Report

Rabbi William Herskowitz, Chairman

Members: Rabbis Albert Feldman, Jacob Greenberg, David Halpern, Steven Pruzansky, Myron Rakowitz, Ronald Schwartzberg, Feivel Wagner, and Yaakov Wasser.

Ex-Officio Advisers: Eitan Kra and Avery Neumark

A financial analyst recently reported a new poll showing that over 90% of employees believed they would have sufficient funds for their retirement, but, in fact, only 10% would be able to maintain their lifestyles during that period. The main reasons: people are living longer and medical and other living expenses have been rising significantly.

The Pension Committee is devoted to assisting RCA rabbis meet this problem. We offer a plan with a flexible payment schedule, coverage that travels with rabbis throughout their careers, financial analysts, at no extra cost, to educate rabbis about investment strategies, consistently high returns on its fixed income funds, and a low operating cost. . The best way to insure sufficient retirement funds is to start young. We were happy to note that we are attracting more and more of our younger colleagues. While the overwhelming majority of our members have the pension costs included in their contracts, some are not waiting for that and have started pensions on their own.

This year was a good one for participants in the RCA Pension. Not only was there a recovery in the stock market, but we were able to achieve a 4% return on our Met Life fixed income fund. With most financial institutions paying 1% or less, our members will be seeing a substantial gain over the course of the year. Because of the additional funds in the pension accounts, we now have over \$37 million, we were able to lower our operating charge to 18 basis points from 25. During the course of the year we changed some of our funds, on the basis of our analyst's recommendations, in order to increase our earnings and improved the fiscal administration of the funds.

At this year's convention, we will have a regular session devoted to the pension as well as having a room set aside on Wednesday afternoon for people who want to have one on one consultations with our pension professionals. Anyone desiring to find out more about current or potential pensions can schedule an appointment in advance by calling Marvin Scherb 908 709 1600 Ext 102 or Greg Makowski and Harris Nydick at 800 298 6059 or by seeing them after the morning session.

I would like to thank all the committee members, ex officio advisors, our aforementioned professionals and our lawyer, Stan Epstein, who have devoted themselves during this past year to making our pension plan an outstanding one.

Best wishes for a Chag Shevuos Sameach. I'm looking forward to greeting you at the convention.

Rabbi William Herskowitz