

Girl Scouts of Western Ohio
4930 Cornell Road
Cincinnati, OH 45242-1804
513-489-1025 or 1-800-537-6241
Fax: 513-489-1417
www.girlscoutsofwesternohio.org

Date: June 4, 2009
To: Board of Directors
From: Barbara J. Bonifas, CEO
Subject: Girl Scout Council Defined Benefit Retirement Plan
Financial Impact to Girl Scouts of Western Ohio

In December 2008, Girl Scout councils were informed there would be an increase of 0.8% in cost to the retirement plan for calendar year 2009, due to three factors:

1. The severe downturn in the financial markets.
2. The ongoing effect of VERIP (Voluntary Early Retirement Incentive Program).
3. The projected impact of the new minimum funding requirements resulting from the Pension Protection Plan of 2006.

Historically, the Girl Scout council defined benefit retirement plan has been well funded (even over-funded) and councils have contributed at a rate of 3% since 2000.

In April 2009, we were informed that Girl Scouts of the USA management is expecting that the council contribution rate should be projected to an estimated 8% for calendar year 2010. The exact figure from Mutual of America, based on actuarial figures, should be available in August. The 8% is a projected rate – it could be higher.

Girl Scouts of Western Ohio currently has 107 employees participating in the pension plan and the new rate will increase the benefit cost to the retirement line item by \$170,850 in 2010, using current salaries.

In addition, Girl Scouts of Western Ohio has pension liability to Mutual of America for the legacy council in Toledo - Girl Scouts of Maumee Valley. The Toledo council was a participant in the defined benefit plan of United Way of Greater Toledo until January 2004, when it left to join the GSUSA plan. There were several issues affecting the United Way plan – it was underfunded and two agencies went out of business, therefore increasing the liability of those remaining in the plan. The minimum obligation to this plan for 2009 is \$93,000. We will not know the 2010 budget implication until the completion of the actuarial review.

Total budget projected for 2010 for pension payments will be:

\$270,881 (current rate of 3.8%)
+ \$170,850 (additional estimated rate)
+ \$93,000 (projection of the Toledo rate)

Efforts are underway to lobby Congress for legislative relief.

Our Mission

*Girl Scouting builds girls of courage, confidence, and character,
who make the world a better place.*