

# **Clergy Retirement Security Program**

A Church Retirement Benefits Plan of  
The United Methodist Church

Effective January 1, 2007, as Adopted by the 2004 General Conference,  
Amended and Restated by the 2016 General Conference  
as of January 1, 2017, and Amended by General Conference 2019

# Clergy Retirement Security Program

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**Note:** The Clergy Retirement Security Program is a church plan that is not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or State securities laws. Similarly, the Administrator and the Trustee of the Plan and the entities maintaining any investment funds under the Plan are not subject to those provisions of those Acts or laws. Therefore, Plan participants and beneficiaries will not be afforded the protection of those provisions.

# **CLERGY RETIREMENT SECURITY PROGRAM**

## **Part A** **Common Part**

### **SECTION A1 – INTRODUCTION**

- A1.1 Defined Terms.** As used in this Program, capitalized terms, including acronyms, have the meanings set forth in Section A2. When not set forth in that Section, capitalized terms have the meanings set forth in predecessor plans or the meanings given to them in the Discipline.
- A1.2 History.** The Program is restated as of January 1, 2017, reflecting revisions approved at General Conference 2016. This restatement date does not impact the Effective Date of the Program. This most recent restatement of the Program constitutes the official plan document for the Program. Although the Program bears a different name, it is an amendment and restatement of MPP, effective January 1, 2007, as approved by General Conference 2004. MPP was frozen as of December 31, 2006 (August 31, 2008 for Bishops) and has been preserved in Supplement Three hereto. MPP was effective January 1, 1982. The Ministers Reserve Pension Fund, the Partial Reserve Pension Fund, the Local Pastors Reserve Pension Fund, the Senior Plan, the Ministers Reserve Pension Plan, and the Current Income Distribution Pension Plan were merged into MPP as supplement one to MPP, effective January 1, 1982. The benefits payable under those Prior Plans will be paid in accordance with the provisions of supplement one to MPP, as reflected in Supplement One hereto. Previous versions of the Program or its predecessors may be consulted for provisions effective at earlier times.
- A1.3 The Program.** The Program, as approved by General Conference 2012 and as applied to any Plan Sponsor, consists of the following subdivisions, plus any others that may be added to the Program (and minus any others that may be removed from the Program) from time to time:
- (a) Part A, also known as the Common Part;
  - (b) Part B, also known as the Core Defined Benefit Part;
  - (c) Part C, also known as the Core Defined Contribution Part;
  - (d) Supplement One, also formerly known as supplement one to MPP, also known (together with Part A, Supplement Two, and the Adoption Agreement for any Plan Sponsor) as the Pre-82 Plan;
  - (e) Supplement Two, also formerly known as supplement two to MPP;

- (f) Supplement Three, also known (together with Part A and the Adoption Agreement for any Plan Sponsor) as MPP or the Ministerial Pension Plan; and
- (g) The Adoption Agreement for any Plan Sponsor.

The Program will apply to a Participant, a Terminated Participant, a Beneficiary, a Contingent Annuitant, a Recipient, or an Accountholder as of the earlier of the date such person first became eligible for the Program or first had an Accrued Benefit or an Account and will remain applicable, as the Program exists from time to time, until such person no longer has an Accrued Benefit or an Account under the Program. If any issue under the Program applies after such person's Accrued Benefit has been paid or Account has been distributed, then the terms of the Program as they existed on the date of such payment or distribution will apply to such person. In the case of a Beneficiary or any other person who does not have an Accrued Benefit or an Account but who claims a benefit under the Program, the terms of the Program as they existed at the time or times such person would have been entitled to an Accrued Benefit or an Account if such claim were upheld will govern.

#### **A1.4 The Plans.**

- (a) For the purpose of the nomenclature of the Program, there are four Plans within the Program:
  - (i) The Core Defined Benefit Plan, which is composed of Parts A and B and the Adoption Agreement for any Plan Sponsor;
  - (ii) The Core Defined Contribution Plan, which is composed of Parts A and C and the Adoption Agreement for any Plan Sponsor;
  - (iii) The Pre-82 Plan, which is composed of Part A, Supplement One, Supplement Two, and the Adoption Agreement for any Plan Sponsor; and
  - (iv) MPP, which is composed of Part A, Supplement Three, and the Adoption Agreement for any Plan Sponsor.

Supplement Two provides a special benefit through the Pre-82 Plan but is not a separate Plan.

- (b) The Core Defined Benefit Plan and the Core Defined Contribution Plan are active Plans. All the other Plans are frozen as to eligibility. The Pre-82 Plan is frozen as to further Service, but Pre-82 Sponsors retain the right to amend it from time to time to increase benefits accrued by Participants still in Service, benefits accrued by Participants no longer in Service but not yet In Pay Status, and benefits payable to persons In Pay Status, by increasing the Past Service Rate Amount. MPP is a frozen Plan as to all Participants, except that MPP Account balances not yet In Pay Status remain invested under Supplement Three until each Participant's Annuity Starting Date, when they are paid as provided in Supplement Three.

- (c) For the purpose of separate funding, there are four plans within the Program:
  - (i) The Consolidated DB Plan;
  - (ii) The Core Defined Contribution Plan;
  - (iii) The Personal Contributions Accumulation, together with the Service Annuity Accumulation, of the Pre-82 Plan before either has been annuitized; and
  - (iv) MPP, before its account balances have been annuitized.

The assets for each of these four plans will be separately accounted for in the Trust and will not be commingled or transferred except as otherwise specifically provided in the Program. Assets from one of these plans will not be used to fund another of these plans (except as otherwise specifically provided in the Program). Each of these four plans will be treated as a separate single plan within the meaning of Regulation §1.414(l)-1(b)(1).

**A1.5 Type of Plans.** Each of the plans listed in Section A1.4(c) is intended to be a program of one or more church-sponsored retirement income accounts within the meaning of Code §403(b)(9), with the Consolidated DB Plan being a defined benefit plan, as that term is defined in Code §414(j), and the plans listed in Sections A1.4(c)(ii)–(iv) being defined contribution plans, as that term is defined in Code §414(i). The Consolidated DB Plan is a grandfathered pre-August 14, 1982 defined benefit Code §403(b) plan under Code §403(b)(9) in accordance with §251(e)(5) of the Tax Equity and Fiscal Responsibility Act of 1982. For the purpose of Statement of Financial Accounting Standards Number 158, the Consolidated DB Plan is a multi-employer plan. For the purpose of Code §401(a)(4), the Program is intended to be a multiple employer plan involving more than one Plan Sponsor. Plan Sponsors may or may not be Affiliates of one another. For the purpose of Code §414(e), the Plan Sponsors are each intended to be a church, a convention or association of churches (within the meaning of Code §414(e)(3)(C)), or an organization controlled by or associated with a church or a convention or association of churches (within the meaning of Code §414(e)(3)(D)). Accordingly, the Plan Sponsors are intended to be one employer for the purpose of Code §414(e). Further, the Program is intended to meet the requirements of a “church plan” as that term is defined in Code §414(e) and ERISA §3(33) and to be exempt from ERISA as a Church Plan to the extent permitted under Code §410(d), applicable ERISA sections (including, but not limited to, ERISA §§4(b)(2) and 4021(b)(3)), and any other applicable law.

**A1.6 Funding.** Contributions to fund the benefits provided under the Program are made by the Plan Sponsors as provided in each Plan.

- (a) *The Trust.* To receive the contributions, the General Board has established the Trust pursuant to an agreement with the Trustee. All benefits under the Program will be provided exclusively by distributions from the Trust. The Trustee has the powers and duties specified in the agreement establishing the Trust. The General

Board has the authority to replace the Trustee of the Trust at any time, or to establish additional Trusts to fund benefits under the Program.

- (b) *Insurance Contracts.* Benefits under the Program may also, at the General Board's discretion, be provided by the purchase of insurance contracts, and, in such event, the term Trust will also include the Program's interest, if any, in such insurance contracts. In addition, and notwithstanding any other provision of the Program to the contrary, the General Board may, in its discretion, purchase insurance contracts that provide annuities, in which case the insurance company will become solely responsible for providing the defined benefits and/or annuities that would have been due under the Program. Such insurance contracts may be entered into by the General Board or by the Trustee in accordance with the General Board's direction.
- (c) *Separate Accounts.* The Administrator will maintain a separate accounting for each of the Regulation §1.414(l)-1(b)(1) plans identified in Section A1.4(c), for each Plan Sponsor's contributions under each such plan (subject to Section A1.6(d)), and for each Participant, Beneficiary, or Accountholder under the plans in Sections A1.4(c)(ii)–(iv). Such accounting will reflect contributions, earnings, losses, forfeitures, transfers, distributions, and any other relevant events necessary to keep accurate accounts.
- (d) *Defined Benefit Funding.* Each Plan Sponsor will be primarily responsible to fund benefit payments to Participants, Terminated Participants, Beneficiaries, Contingent Annuity, and any other persons entitled to a benefit under the Consolidated DB Plan. The funding for each constituent subplan of the Consolidated DB Plan will be accomplished as provided in Part B and each of the Supplements by each Plan Sponsor making contributions to its Funding Account, which will serve to pay all benefits due from that Plan Sponsor under the Consolidated DB Plan. Subject to any rules or limitations established by the Administrator, all assets in a Plan Sponsor's Funding Account are available to pay all benefits attributable to that Plan Sponsor or another Plan Sponsor under the Consolidated DB Plan. If, however, a Plan Sponsor does not have sufficient assets in its Funding Account to pay all benefits of the Consolidated DB Plan as they come due, in order to pay such benefits, the Administrator will authorize debits against the Funding Accounts of all other Plan Sponsors (except any Plan Sponsor with a zero Funding Account balance), pro rata in proportion to the Liabilities each such other Plan Sponsor has as a percentage of all Liabilities under the Consolidated DB Plan (as determined by the Administrator). If the delinquent Plan Sponsor later makes contributions to its Funding Account, such contributions will first be allocated pro rata in the same fashion to repay amounts taken from other Plan Sponsors' Funding Accounts, plus interest at a market rate to be determined by the Administrator from time to time, and only thereafter to the delinquent Plan Sponsor's separate Funding Account.
- (e) *Ordering of Contributions.* If a Plan Sponsor owes Contributions for more than one Plan within the Consolidated DB Plan, as of the Due Dates for such Plans that

fall within any Plan Year, and if such Plan Sponsor fails to make the full amount of Contributions required of it by the Administrator by such Due Dates, then the Administrator will allocate such Contributions as it does receive for such Plan Year first to the Pre-82 Plan, next to the assets funding MPP annuities, and last to the Core Defined Benefit Plan.

- (f) *Reversion from a Funding Account.* No Plan Sponsor may receive a reversion of assets in its Funding Account unless assets remain after all liabilities of all Plan Sponsors and the Consolidated DB Plan have been satisfied as to all Participants, Beneficiaries, and any other persons entitled to benefits under such plan. When all such liabilities have been satisfied by the payment of all benefits due, by annuitizing any remaining benefits with an insurance or annuity provider selected by the Administrator, and/or by converting, merging, or spinning off any remaining benefits to Actuarially Equivalent lump sum or annuity benefits to be paid from another plan or insurance contract, any remaining assets in each Plan Sponsor's Funding Account will be returned by the Trustee to that Plan Sponsor. Notwithstanding the foregoing, assets may also be returned to a Plan Sponsor as provided in Section A4.3.

**A1.7 Exclusive Benefit.** The Program is for the exclusive benefit of Recipients and Accountholders. No portion of the funds contributed to the Program will revert to or be applied for the benefit of the Plan Sponsors, except as specifically permitted herein.

## SECTION A2 - DEFINITIONS AND RULES OF INTERPRETATION

As used in this Program, capitalized terms have the meanings set forth below.

- A2.1 Account.** All of the separate accounts maintained according to the books and records of the Core Defined Contribution Plan or a Supplement for the purpose of recording contributions made to the Plan by a Plan Sponsor, Salary-Paying Unit, or Participant for the benefit of a Participant, an Alternate Payee, or a Beneficiary as provided in Sections C6, S1.3.6, S1.4.2(e)(ii), S3.3.4, and any other Accountholder account in the Program, adjusted for contributions, distributions, and earnings and losses allocated thereto.
- A2.2 Account Balance.** The total amount held for an Accountholder in his or her Account (or in the specific separate Account referred to), as determined on the coincident or immediately preceding Accounting Date in accordance with the provisions of the applicable Plan.
- A2.3 Accountholder.** A Participant, Alternate Payee, or Beneficiary who has an Account under the Core Defined Contribution Plan, or a Supplement.
- A2.4 Accounting Date.** The last business day of each calendar year and each other date upon which Contributions to, distributions from, or transfers to or from Account Balances are made or upon which Account Balances are adjusted in accordance with the provisions of the applicable Plan.
- A2.5 Accrued Benefit.** The Core Defined Benefit Plan monthly benefit formula amount computed in accordance with Section B6.1 and payable in the Normal Form of Benefit at a Participant's Normal Retirement Date or such later date as of which it is computed.
- A2.6 Actuarial Equivalent or Actuarially Equivalent.** Providing a benefit having the same value after adjusting for mortality and the time value of money, using generally accepted actuarial methods and assumptions, including an interest or discount rate and a mortality table, when necessary, selected by the Administrator from time to time.
- A2.7 Administrator.** The General Board or any successor.
- A2.8 Adoption Agreement.** An agreement executed by each Plan Sponsor and accepted by the Administrator that is a part of this Program and is the means by which a Plan Sponsor adopts the Program, or, when the Administrator uses more than one Adoption Agreement for the Program, one or more Plans under the Program, and specifies any optional provisions that are a part of any Plan as to that Plan Sponsor.
- A2.9 Affiliate.** Any entity that is:
- (a) a corporation that is a member of the same controlled group of corporations, as defined in Code §414(b), as a Plan Sponsor;
  - (b) a trade or business, whether or not incorporated, that is under common control with a Plan Sponsor within the meaning of Code §414(c);



- (c) a member of the same affiliated service group, as defined in Code §414(m), as a Plan Sponsor; or
- (d) otherwise required to be aggregated with a Plan Sponsor pursuant to Regulations issued under Code §414(o), but that is not itself a Plan Sponsor.

**A2.10 Aggregate Benefit.** The sum of an Accountholder's or a Recipient's:

- (a) Vested Account Balances in this Program; plus
- (b) vested account balances in all other plans administered by the Administrator, if any; plus
- (c) Accrued Benefit, converted to its Actuarial Equivalent lump sum; plus
- (d) accrued benefits (not already included above) in any Supplement plus all other defined benefit plans administered by the Administrator, if any, converted to their Actuarial Equivalent aggregate lump sum; plus
- (e) monthly benefits, if any, being received from a plan administered by the Administrator, if any, converted to their Actuarial Equivalent aggregate lump sum.

**A2.11 Aggregate DB Benefit.** The sum of a Participant's or a Recipient's:

- (a) Core Defined Benefit Plan monthly benefit due, if any; plus
- (b) monthly annuity-type benefits, if any, being paid or due from all of the Supplements; plus
- (c) monthly annuity-type benefits, if any, being paid or due from any other plans administered by the Administrator,

in each case determined on the basis of the form of benefit then being paid or having been elected (or, if such benefit is not yet being paid and has not yet been elected, then in the normal form of payment).

**A2.12 Alternate Payee.** A Spouse, former Spouse, child, or other dependent of a Participant entitled to receive a portion of such Participant's Accrued Benefit, annuity, or Account under a QDRO.

**A2.13 Annual Additions.** The sum of:

- (a) Non-Matching Contributions made by a Plan Sponsor (and any other employer non-matching contributions made under any other Code §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate);

- (b) Matching Contributions made by a Plan Sponsor (and any other employer matching contributions made under any other Code §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate);
- (c) Contributions made under Supplement Three, if any;
- (d) any before-tax, salary-deferral contributions made on behalf of a Participant under any other Code §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate;
- (e) any after-tax contributions made on behalf of a Participant under any other Code §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate; and
- (f) amounts allocated to an individual medical account, as defined in Code §415(l)(2), that is part of a pension or annuity plan maintained by a Plan Sponsor; amounts derived from contributions that are attributable to post-retirement medical benefits, allocated to the separate account of a key employee, as provided in Code §419A(d); required employee contributions to a defined benefit plan; and amounts allocated to a simplified employee pension (SEP) that is maintained by the Plan Sponsor,

that are credited to any Participant's Account or such other Code §403(b) defined contribution plan, individual medical account, or other plan. Catch-up contributions under Code §414(v), distributed excess deferrals, plan loan repayments, repayment of previously distributed benefits, restorative payments to correct situations that could reasonably result in federal or state fiduciary liability, direct transfers of benefits from one plan to another, and rollover contributions under Code §§402(c) or 408(d) made to a Plan Sponsor's or a 415 Affiliate's plan are not included in Annual Additions.

**A2.14 Annual Conference.** The basic body of The United Methodist Church as further described in ¶33 and in ¶¶601-657 of the Discipline.

**A2.15 Annual Retirement Benefit.** A retirement benefit (actuarially adjusted as provided in Section B5 and Code §415(b)) payable annually under the 415 DB Plan in the form of a single-life annuity (with no ancillary benefits).

**A2.16 Annuity Starting Date.** The first day of the month for which an amount is payable as an annuity, an Early Retirement Benefit, a Normal Retirement Benefit, or a Late Retirement Benefit or, in the case of a benefit not payable in such form (such as a benefit payable in a lump sum), the day coinciding with the completion of all events that entitle the Participant or Accountholder to such benefit. In the case of a deferred annuity, the Annuity Starting Date will be the date on which the annuity payments are scheduled to begin.

**A2.17 Application for Benefits.** A form established by the Administrator from time to time upon which a Participant, Terminated Participant, other Accountholder, or other Recipient officially applies for benefits under a Plan.

- A2.18 Appoint or Appointment.** Officially appointed by a Bishop to a ministry pursuant to ¶¶425 through 430 of the Discipline. For the purposes of the Program, in the case of a Bishop, assigned in accordance with ¶406 of the Discipline.
- A2.19 Approved Service.** As used in Supplement One, and as further defined in Section S1.4.1, a Pre-82 Participant's or retired Pre-82 Participant's years and fractions of years of service, measured to the nearest quarter-year, rendered before January 1, 1982, with pension credit in a Conference, as evidenced by the Pre-82 Participant's service record maintained by the Administrator. A Pre-82 Participant's service record will be subject to correction in accordance with the provisions of the Discipline.
- A2.20 Associate Member.** A person elected to associate membership in an Annual Conference within the meaning of ¶¶321, 322, or 370.1 of the Discipline.
- A2.21 Beneficiary.** An Accountholder's or Recipient's Designated Beneficiary or Default Beneficiary.
- A2.22 Bishop.** A bishop of The United Methodist Church elected by a Jurisdictional Conference in accordance with ¶405 of the Discipline and continuing to serve under ¶¶404-413 of the Discipline, including such a bishop on a leave under ¶410 of the Discipline and such a bishop receiving benefits under CPP, but not including such a bishop who has terminated office in accordance with ¶408 of the Discipline.
- A2.23 Break in Service.** A period of time, beginning on the day a Clergyperson becomes a Terminated Participant or Retires, and ending (if at all) on the day he or she is reinstated into the effective Conference relationship and is Under Episcopal Appointment (or is otherwise covered under the Program). Taking a Leave of Absence or becoming Disabled does not begin a Break in Service.
- A2.24 Central Conference.** A central conference within the meaning of ¶¶540-548 of the Discipline.
- A2.25 Church Plan.** A plan qualifying under Code §414(e) or ERISA §3(33) that has not made an election under Code §410(d).
- A2.26 Claimant.** A person who makes a claim for benefits under the Plan or who appeals the denial of such a claim, or such person's representative.
- A2.27 Clergy or Clergyperson.** For the purposes of Parts A, B, and C, one of the following persons:
- (a) effective September 1, 2008, a Bishop, except in the case of Bishops who were newly consecrated in 2008, then effective as of the date of their consecration;
  - (b) an Elder in Full Connection, a Deacon in Full Connection, a Provisional Member, an affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, or an Associate Member of a Conference, but not including a Bishop;

- (c) a Local Pastor of a Conference who has been previously approved by the Conference's board of ordained ministry (as further described in ¶635 of the Discipline) and classified as eligible for Appointment as a Full-Time Local Pastor (within the meaning of ¶¶318 and 318.1 of the Discipline), Part-Time Local Pastor (within the meaning of ¶¶318 and 318.2 of the Discipline), or student Local Pastor (within the meaning of ¶¶318 and 318.3 or 318.4 of the Discipline);
- (d) a Non-Jurisdictional Clergy person, provided that such clergy person is not then participating in a pension program of the Puerto Rico Methodist Church or the Central Conference (or Annual Conference within such Central Conference) to which such clergy person belongs;
- (e) an Other Methodist Denomination Clergy person, provided that such clergy person is not then participating in a pension program of the Methodist denomination to which such clergy person belongs; or
- (f) an Other Denomination Clergy person, provided that such clergy person is not then participating in a pension program of the denomination to which such clergy person belongs.

**A2.28 Code.** The Internal Revenue Code of 1986, as now in effect or as hereafter amended, and any regulation, ruling, or other administrative guidance issued pursuant thereto by the Internal Revenue Service.

**A2.29 Compensation.** In a Plan Year, for a Participant, the sum of the following:

- (a) the Participant's 415 Compensation (including, in the case of a self-employed Clergy person (who is self-employed within the meaning of Code §401(c)(1)(B) but is an employee of The United Methodist Church within the meaning of Code §414(e)(5)(A)(i)(I) and the Regulations thereunder), such Clergy person's 415 Compensation earned in the course of such self-employment) but excluding:
  - (i) any Includible Compensation earned outside of such Plan Year; and
  - (ii) any 415 Compensation paid to the Participant in lieu of Plan Sponsor-provided group health plan coverage, including coverage of the Participant's family members, as determined by the Plan Sponsor in accordance with procedures that may be established by the Administrator.
- (b) cash received from a Plan Sponsor or a Salary-Paying Unit and excluded from taxable cash salary pursuant to Code §107(2); and
- (c) when a parsonage is provided to the Participant as part of his or her compensation, 25% of the sum of:
  - (i) the Participant's 415 Compensation; and
  - (ii) cash excluded from taxable cash salary pursuant to Code §107(2) as

provided in Section A2.29(b).

- A2.30 Conference.** Any Annual Conference, provisional annual conference (as described in ¶¶580-583 of the Discipline), or missionary conference (as described in ¶¶585-588 of the Discipline) that is described in the Discipline and is located in a Jurisdictional Conference.
- A2.31 Conference-Elective Entity.** Any extension ministry (such as an agency, a camp, or a foundation) that is on a list of extension ministries reported periodically to the Administrator by a Conference. By reporting any such extension ministry, a Conference agrees to make Contributions under Part B and Part C on behalf of all Clergypersons Under Episcopal Appointment by that Conference's Bishop to that extension ministry. A Conference may add extension ministries to, or remove them from, the list periodically as of a date or dates specified from time to time by the Administrator during such reporting periods as the Administrator may designate from time to time. But once an extension ministry is reported for the list, it will remain on the list until it is removed, prospectively only, by the Conference.
- A2.32 Conference-Responsible Unit.** As provided in ¶344.1a)(1) of the Discipline, an Annual Conference unit within the connectional structures of United Methodism to which certain Clergy are Appointed, such as district superintendents, staff members of conference councils and boards, treasurers, Bishops' assistants, superintendents or directors of parish development, general evangelists, and campus ministers, and for which unit the Annual Conference is responsible to provide for Contributions to the Program on behalf of such Clergy. Appointments described above that are to the Annual Conference itself (rather than a unit thereof) are also included within the term. The term also covers parallel Appointments to Conferences other than Annual Conferences.
- A2.33 Consolidated DB Plan.** The aggregation of the following Plans and portions of Plans:
- (a) the Core Defined Benefit Plan;
  - (b) the Formula Benefit of the Pre-82 Plan; and
  - (c) all annuities payable under all of the Supplements, once they are annuitized.
- A2.34 Contingent Annuitant.** The person named by a Participant, a Terminated Participant, or the Plan to receive the survivor portion of a Contingent Annuity. Such person may be the Participant's or Terminated Participant's Spouse or another person.
- A2.35 Contingent Annuity.** A monthly annuity for the life of a Participant or Terminated Participant, beginning on such Participant's or Terminated Participant's Annuity Starting Date, payable as long as he or she lives, and, upon his or her death, payable to his or her surviving Contingent Annuitant, if any, in an amount that is not less than one-half of, nor greater than (except for periodic cost-of-living benefit increases), the amount of the annuity payable during the joint lives of the Participant or Terminated Participant and his or her Contingent Annuitant, and ending with the payment made on the first of the month in which such Contingent Annuitant dies, or, if such deceased Participant or Terminated

Participant is not survived by his or her Contingent Annuitant, then ending with the payment made on the first of the month in which such Participant or Terminated Participant dies and no longer payable to anyone thereafter. The Contingent Annuity may be expressed with a percentage, such as a 70% Contingent Annuity, which indicates that the Contingent Annuitant will receive a monthly benefit that is 70% of the monthly benefit payable during the joint lives of the annuitants.

- A2.36 Contribution.** An amount contributed to a Plan by a Plan Sponsor or other responsible party in accordance with Sections B4, C4, S1.3, S3.3, and any other Section that calls for funding the benefits provided for by the Program. A Contribution may be made on behalf of a Plan Sponsor by CPP (as provided therein) or another source or entity as long as the amount contributed is clearly being paid on behalf of the relevant Plan Sponsor.
- A2.37 Core Defined Benefit Plan.** The Plan specified in Section A1.4(a)(i).
- A2.38 Core Defined Contribution Plan.** The Plan specified in Section A1.4(a)(ii).
- A2.39 CPP.** The Comprehensive Protection Plan, a Church Welfare Benefits Plan for Clergy Associated with a Jurisdictional Conference of The United Methodist Church, as amended from time to time.
- A2.40 CPP Disabled or CPP Disability.** Receiving disability benefits under CPP or having a condition entitling a person to disability benefits under CPP, as determined by the Administrator. (See also the definitions of Disabled and Medical Leave.)
- A2.41 Credited Service.** Service rendered on or after January 1, 2007 that counts toward the computation of a Participant's Accrued Benefit as specified in Section B2.2, measured in one-day increments. Service rendered before January 1, 2007 will not be counted as Credited Service.
- A2.42 Deacon in Full Connection.** A member of the Order of Deacons within the meaning of ¶¶306-309 of the Discipline who is a member of a Conference and not a Provisional Member.
- A2.43 Default Beneficiary.** The person(s) (including an estate) specified in Section A6, or elsewhere in the Program, to receive benefits that are payable at the death or disappearance of an Accountholder or a Recipient when there is no Designated Beneficiary or when a Plan provides.
- A2.44 Denominational Average Compensation.** The average annual Compensation of Full-Time Clergypersons, which average is determined in accordance with procedures established by the Administrator. For Plan Years after 2016, Denominational Average Compensation will not include the type of compensation excluded by Section A2.29(a)(ii), even if such excluded compensation was earned before the effective date of Section A2.29(a)(ii), i.e., January 1, 2017.
- A2.45 Designated Beneficiary.** The person(s) (including a trust or other entity), designated by an Accountholder or a Recipient, as set forth in Section A6, elsewhere in the Program, or

in Code §401(a)(9) and Regulation §1.401(a)(9)-4, who is receiving, entitled to receive, or, at the death or disappearance of an Accountholder or a Recipient, will be entitled to receive the residual interest under a Plan or this Program that is payable following such Accountholder's or Recipient's death or disappearance.

**A2.46 Disabled or Disability.** Any of the following with respect to a Participant or Terminated Participant:

- (a) determined to be disabled by the Social Security Administration;
- (b) receiving long-term disability benefits under the terms of CPP or another disability benefit plan provided by such Participant's or Terminated Participant's Salary-Paying Unit or Plan Sponsor; or
- (c) placed on Medical Leave by such Participant's or Terminated Participant's Conference,
- (d) effective January 1, 2013, in the case of a Terminated Participant who is not eligible for a Social Security Administration determination of disability, determined to be disabled by an outside professional firm selected by the Administrator, based on reasonable and consistently applied factors established by the Administrator from time to time.

(See also the definitions of CPP Disabled and Medical Leave.)

**A2.47 Discipline.** *The Book of Discipline of The United Methodist Church 2012*, the body of church law established by General Conference, as amended and restated from time to time. Cited paragraphs or other subdivisions are deemed to refer to successor provisions when an amendment or restatement of the *Discipline* causes a change in location or citation.

**A2.48 Distribution Calendar Year.** A calendar year for which a minimum distribution is required under Code §401(a)(9). For distributions beginning before a Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after a Participant's death, the first Distribution Calendar year is the calendar year in which distributions are required to begin under Sections B9.4(a)(ii), C8.4(c), and the comparable year under Supplements One and Three. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year. Notwithstanding the foregoing, in the case of any defined contribution benefits or account balances under the Program, calendar year 2009 was not treated as a Distribution Calendar Year.

**A2.49 Due Date.** The day specified by the Administrator from time to time on which

Contributions for a particular Plan are due, after any grace periods have passed. The Due Date may be different from Plan to Plan or from Contribution type to Contribution type.

**A2.50 Early Retirement Benefit.** The monthly pension amount that is computed in accordance with Section B8.2 (and any other applicable provisions of the Core Defined Benefit Plan) and payable in accordance with the Core Defined Benefit Plan, starting at a Participant's or Terminated Participant's Early Retirement Date or such later time as is specified in Section B9.2.

**A2.51 Early Retirement Date.** The first day of the month coinciding with or next following the later of:

- (a) the date on which a Participant or Terminated Participant attains:
  - (i) the age or service completion date specified in ¶358.2b) of the Discipline; or
  - (ii) for a Participant who retires in accordance with ¶¶358.2a) or 358.3 of the Discipline, or who is a Terminated Participant, age 62; or
- (b) in the case of a:
  - (i) Participant, the date on which the Participant Retires; or
  - (ii) Terminated Participant, the date on which the Terminated Participant incurs a Termination of Conference Relationship or a Five-Year No Record of Appointment,

provided that such date is before the Participant's or Terminated Participant's Normal Retirement Date.

**A2.52 Effective Date.** The effective date of the Program is January 1, 2014. Provisions with different effective dates are noted in the Program's text or by footnote. Although the Program was amended by General Conference 2016, those amendments do not change the Effective Date of the Program.

**A2.53 Elder in Full Connection.** A member of the Order of Elders within the meaning of ¶¶306-309 of the Discipline who is a member of a Conference and not a Provisional Member.

**A2.54 Eligible Clergy or Eligible Clergy person.** A Clergy person who is eligible for participation in the Core Defined Benefit Plan as further described in Section B3.1(a) or Core Defined Contribution Plan as further described in Section C3.1(a).

**A2.55 Eligible Rollover Distribution.** Any distribution of all or any portion of the balance to the credit of a distributee covered under Sections B9.1(f), C8.5, S3.4.9, or any comparable Section, except that the term "Eligible Rollover Distribution" does not include:



- (a) any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) for the life (or life expectancy) of such distributee or the joint lives (or joint life expectancies) of such distributee and such distributee's Beneficiary or for a specified period of 10 years or more;
- (b) any distribution to the extent such distribution is required under Code §401(a)(9);
- (c) any hardship distribution similar to one described in Code §401(k)(2)(B)(i)(IV); or
- (d) any other excluded distribution described in Code §402(c)(4), Regulations thereunder, or any other provision of the Code or Regulations.

**A2.56 Entry Date.** The date upon which a Clergy person becomes a Participant in a Plan after first satisfying the eligibility requirements.

**A2.57 ERISA.** The Employee Retirement Income Security Act of 1974, as now in effect or as hereafter amended, and any regulation, ruling, or other administrative guidance issued pursuant thereto by the Internal Revenue Service, the Department of Labor, or the Pension Benefit Guaranty Corporation.

**A2.58 Final Compensation.** The annualized rate of Compensation in effect for a Bishop at the end of the last month in which he or she had Compensation immediately preceding his or her Annuity Starting Date. In the case of a CPP Disabled Bishop or a Bishop on Medical Leave who, in either case, has not Retired, is not a Terminated Participant, and does not receive continued salary as a Bishop under ¶410 of the Discipline, the annualized rate of Compensation in effect for such Bishop at the end of the last month for which he or she last received Compensation at the full rate for Bishops, increased annually thereafter by 3% per year until his or her Annuity Starting Date.

**A2.59 Final DAC.** With respect to a Participant or Terminated Participant, the greater of:

- (a) the Denominational Average Compensation for the Plan Year in which such person earns or earned his or her last Credited Service; or
- (b) effective January 1, 2014, the Denominational Average Compensation for the Plan Year in which such person was last Appointed and rendered service to:
  - (i) any United Methodist Church-related entity (including a Central Conference or any Appointment where the United Methodist Church is treated as the employer under Code §414(e)(3)(C)); or
  - (ii) The Puerto Rico Methodist Church (but not other autonomous Methodist churches).

**A2.60 Five-Year Distribution Option.** A form of distribution that may be elected by a Beneficiary that distributes a Participant's entire interest in a Plan by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

**A2.61 Five-Year No Record of Appointment.** With respect to a Provisional Member, Associate Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, Deacon in Full Connection, or Local Pastor, a 60-consecutive-month period during which the Provisional Member, Associate Member, affiliate member, Deacon in Full Connection, or Local Pastor (or some combination in the case of a Clergy person who changes classification) is not Under Episcopal Appointment.

**A2.62 Formula Benefit.** As used in Supplement One, an annual benefit that is the product of:

- (a) a Participant's Approved Service under the Pre-82 Plan; and
- (b) the applicable Past Service Rate Amount,

reduced on the Participant's Annuity Starting Date and each later January 1 while such benefit is paid by the lesser of:

- (i) one-half of 1% per month (or fraction of a month) of the Participant's age that is less than 65 years, determined as of such January 1; or
- (ii) one-half of 1% per month for each month of difference between the assumed date at which the Participant's 40 years of service under appointment would have been completed and such January 1,

provided, however, that such reduction will no longer be applied after the earlier of the date the Participant attains or would have attained age 65 or the assumed date at which such Participant would have attained 40 years of service under appointment. Any changes to the applicable Past Service Rate Amount will be reflected annually in a Pre-82 Participant's Formula Benefit (even after the Pre-82 Participant's Annuity Starting Date), except that the Formula Benefit for a Terminated Participant whose Termination of Conference Relationship occurred after the close of General Conference 1976 will be computed using the applicable Past Service Rate Amount in effect on the date he or she became a Terminated Participant, and such Past Service Rate Amount will not change in later years.

**A2.63 415 Affiliate.** An entity that either is an Affiliate, or would be an Affiliate if Code §414 were modified in the manner provided by Code §415(h).

**A2.64 415 Compensation.** All Includible Compensation paid or made available by a Plan Sponsor or 415 Affiliate to a Clergy person in a Limitation Year, including:

- (a) the Clergy person's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Plan Sponsor or Salary-Paying Unit to the extent that the amounts are includable in gross income (including, but not limited to, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Regulation §1.62-2(c)), but excluding severance pay that would not have been paid but for a severance from employment);

- (b) in the case of a self-employed Clergy person (who is self-employed within the meaning of Code §401(c)(1)(B) but is an employee of The United Methodist Church within the meaning of Code §414(e)(5)(A)(i)(I) and the Regulations thereunder), the Clergy person's earned income (as described in Code §401(c)(2) and the Regulations thereunder);
- (c) amounts received in connection with accident or sickness and described in Code §§104(a)(3), 105(a), and 105(h), but only to the extent that these amounts are includable in the gross income of the Clergy person;
- (d) amounts includable in the gross income of the Clergy person:
  - (i) paid for, or as reimbursements of, moving expenses;
  - (ii) under Code §409A, Code §457(f)(1)(A), or the doctrine of constructive receipt;
  - (iii) as gain under a Code §83(b) election; and
  - (iv) differential compensation, as provided under USERRA and the HEART Act; and
- (e) any elective contributions excluded from income under Code §125 (relating to cafeteria plans), Code §132(f) (relating to qualified transportation fringe benefits), Code §402(e)(3) (relating to 401(k) plans), Code §402(h) (relating to simplified employee pension plans), Code §403(b) (relating to tax-sheltered annuity plans), or compensation deferred under a plan qualified under Code §457.

For the purposes of Sections A2.64(a) and (b), "415 Compensation" includes foreign earned income (as defined in Code §911(b)), whether or not excludable from gross income under Code §911. Compensation described in Section A2.64(a) above is to be determined without regard to the exclusions from gross income in Code §§872(b), 893, 894, 911, 931, and 933 (dealing with income from sources outside of the United States). Similar principles are to be applied with respect to income subject to Code §§872(b), 893, 894, 911, 931, and 933 in determining compensation described in Section A2.64(b). The term "415 Compensation" does not include:

- (1) Non-Matching Contributions or Matching Contributions made by a Plan Sponsor to the Plan, or distributions from a plan of deferred compensation, regardless of whether such amounts are includable in the gross income of the Clergy person when distributed (however, any amounts received by a Clergy person pursuant to an unfunded nonqualified plan will be considered as "415 Compensation" in the year the amounts are includable in the gross income of the Clergy person);
- (2) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includable in the gross income of the Clergy person) or housing allowance excludable under Code §107; or

- (3) Amounts paid after severance from employment, except that “415 Compensation” does include:
- (A) Amounts paid under Section 2.64(a) above that are paid after severance from employment but within the Limitation Year in which services were rendered or within 2½ months following such severance from employment;
  - (B) Amounts paid under Section 2.64(c) above that are paid after severance from employment but within the Limitation Year in which such accident or sickness existed or within 2½ months following such severance from employment; and
  - (C) Amounts received pursuant to an unfunded nonqualified deferred compensation plan that are paid after severance from employment, but only to the extent that such amounts:
    - (I) would have been paid at the same time had there been no severance from employment;
    - (II) are included in the Clergy person’s gross income; and
    - (III) are paid within the Limitation Year in which severance occurred or within 2½ months following such severance from employment.

**A2.65 415 DB Plan.** A defined benefit plan composed of the provisions of:

- (a) the Consolidated DB Plan; and
- (b) any Related Defined Benefit Plan;

and paying an Annual Retirement Benefit that is the sum of the benefits payable under all such plans.

**A2.66 415 Suspense Account.** An account in the name of a Plan Sponsor used to temporarily hold Contributions that exceed the limits of Section C5 until they can be reallocated to Participant Accounts as provided in Section C5. A 415 Suspense Account will not be deemed an Account, and earnings and losses will not be credited or debited to a 415 Suspense Account.

**A2.67 Full-Time.** Appointed to spend a Clergy person’s entire vocational time devoted to the work of the ministry to which the Clergy person is Appointed, such as provided in ¶¶318.1, 331, or 338.1 of the Discipline.

**A2.68 Funding Account.** An account in the name of a Plan Sponsor, Pre-82 Sponsor, or other entity responsible for funding benefits under the Consolidated DB Plan that holds contributions from the Plan Sponsor, Pre-82 Sponsor, or such other entity under the Consolidated DB Plan (or any of its component subplans) and earnings thereon. In the

case of the Core Defined Benefit Plan, the Funding Account for each Plan Sponsor will be pooled with the other Plan Sponsors sponsoring that Plan, with each Plan Sponsor's interest being proportional to its liabilities under that Plan. In the case of the annuities payable under Supplement Three, the Funding Account for each Plan Sponsor will be pooled with the other Plan Sponsors sponsoring that Plan, with each Plan Sponsor's interest being proportional to its liabilities under that Plan.

- A2.69 Funding Policy.** A plan based on reasonable actuarial methods and assumptions determined by the Administrator from time to time to assure sufficient contributions to the Consolidated DB Plan to provide all benefits due under the Consolidated DB Plan by the time they become due.
- A2.70 General Agency.** Any agency of The United Methodist Church that is specified in ¶¶701.3, 702.3, 703.1, or 703.6 of the Discipline, except for the Connectional Table (see Judicial Council Decision No. 990).
- A2.71 General Board.** General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois.
- A2.72 GCFA.** The General Council on Finance and Administration, which is a General Agency, as further described in ¶¶801-824 of the Discipline.
- A2.73 General Conference.** The General Conference of The United Methodist Church, the highest legislative body in the denomination, as described in ¶¶501-511 of the Discipline.
- A2.74 Half-Time.** Appointed on at least a one-half time basis, including the sum of two or more Appointments, as determined by the Bishop or Conference that makes the Appointment. Bishops assigned under ¶406 of the Discipline will be deemed assigned on at least a one-half time basis.
- A2.75 Includible Compensation.** For any Limitation Year, a Clergy person's compensation as determined under Code §415(c)(3)(E), Code §403(b)(3), and Regulations thereunder:
- (a) In the case of a Full-Time Clergy person who was paid for the entire Limitation Year, such compensation received by the Clergy person from his or her Salary-Paying Unit during a Limitation Year; and
  - (b) In the case of a Full-Time Clergy person who was not paid for the entire Limitation Year or a Part-Time Clergy person, such compensation received by the Clergy person from his or her Salary-Paying Unit(s) and any other entity that is controlled by or associated with The United Methodist Church during the most recent period that constitutes a year of service under Code §403(b)(4) and applicable Regulations.
- A2.76 In Pay Status.** Receiving a periodic pension benefit under the Plan.
- A2.77 IRA.** An individual retirement account or annuity, qualified under Code §408 (other than an endowment contract).

**A2.78 Jurisdictional Conference.** One of the organizational units of The United Methodist Church, as described in ¶¶512-537 of the Discipline.

**A2.79 Late Retirement Benefit.** The monthly pension amount that is computed in accordance with Section B8.3 (and any other applicable provisions of the Core Defined Benefit Plan) and payable in accordance with the Core Defined Benefit Plan, starting at a Participant's or Terminated Participant's Late Retirement Date.

**A2.80 Late Retirement Date.** The first day of the month coinciding with or next following:

- (a) In the case of a Participant, the Participant's actual Retirement Date after having reached his or her Normal Retirement Date, but not later than the mandatory retirement date specified in ¶358.1 or ¶408.1 of the Discipline (if any); or
- (b) In the case of a Terminated Participant, the date of the Administrator's acceptance of the Terminated Participant's Application for Benefits after having reached his or her Normal Retirement Date, but not later than his or her Required Beginning Date.

**A2.81 Leave of Absence.** A Clergy person's period of absence from performing his or her ministerial duties for a Plan Sponsor:

- (a) in accordance with ¶352 of the Discipline (relating to sabbatical leaves);
- (b) in accordance with ¶354 of the Discipline (relating to voluntary leaves of absence);
- (c) in accordance with ¶355 of the Discipline (relating to involuntary leaves);
- (d) in accordance with ¶356 of the Discipline (relating to maternity or paternity leaves);
- (e) in accordance with ¶410 of the Discipline (relating to leaves for Bishops);
- (f) because of an Medical Leave;
- (g) that is covered by USERRA (or applicable prior law); or
- (h) to which the Clergy person is entitled under the Family and Medical Leave Act of 1993 or any comparable applicable state law;

provided, however, that the Clergy person Retires or returns to work for a Plan Sponsor or Affiliate within the time specified in his or her Leave of Absence (or, if applicable, within the period during which his or her re-employment rights are protected by law).

**A2.82 Liabilities.** Amounts due (from one or more Plan Sponsors) to the Consolidated DB Plan to fund benefits due under such plan, as determined by the Administrator.

**A2.83 Life Expectancy.** Life expectancy as computed by the use of the applicable table in

Regulation §1.401(a)(9)-9.

- A2.84 Lifetime Distribution Option.** A form of distribution that may be elected by a Beneficiary (other than a Beneficiary that is an estate or a trust) that distributes a Participant's entire interest in a Plan over the Life Expectancy of the Beneficiary.
- A2.85 Limitation Year.** The twelve-month period used by the Plan for the purpose of applying the limitations of Code §415, which is the same as the Plan Year.
- A2.86 Local Church.** A United Methodist Church organization within the meaning of ¶201 of the Discipline.
- A2.87 Local Pastor.** A person licensed in accordance with ¶¶315-320 of the Discipline.
- A2.88 Matching Contributions.** Contributions made by the Plan Sponsor to a Participant's Matching Contribution Account under the Core Defined Contribution Plan in accordance with Section C4.1(b) in proportion to Participant Contributions made to UMPIP.
- A2.89 Matching Contribution Account.** The Account established for an Accountholder on the books and records of the Core Defined Contribution Plan for the purpose of recording any Matching Contributions made pursuant to Section C4.1(b), adjusted for contributions, distributions, and earnings and losses attributable to such Matching Contributions.
- A2.90 Medical Leave.** A Conference relationship specified in ¶357 of the Discipline. (See also the definitions of CPP Disabled and Disabled.) Medical Leave is called incapacity leave for a Bishop and would be granted under ¶410.4 of the Discipline.\*
- A2.91 Ministerial Pension Plan.** The predecessor plan to the Program from 1982 through 2006 (and through August 31, 2008 for Bishops), also known as MPP, and which was frozen as of December 31, 2006 (for most participants) and as of August 31, 2008 (for Bishops) and preserved in frozen form in Supplement Three to, and Part A of, the Program.
- A2.92 MPP.** The Ministerial Pension Plan.
- A2.93 MPP Plan Sponsor.** An entity described below:
- (a) GCFA if the Participant was a Bishop,
  - (b) for periods before January 1, 2007, a plan sponsor as defined in the Ministerial Pension Plan as it existed before January 1, 2007, and
  - (c) for periods on and after January 1, 2007, a Conference (for non-Bishop Clergy Participants who were Appointed to churches, Conferences or Conference-Responsible units).

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\* Incapacity Leave became Medical Leave effective January 1, 2013, except that for Bishops the name incapacity leave did not change in the Discipline.

**A2.94 Non-Jurisdictional Clergy or Clergy person .** A clergy person who is a member of:

- (a) a Central Conference; or
- (b) The Puerto Rico Methodist Church

who is Appointed by the Bishop of a Plan Sponsor Conference in which such clergy person is not a member (or, where the Plan Sponsor is not supervised by a Bishop, who is covered by a Plan Sponsor's Adoption Agreement).

**A2.95 Non-Matching Contributions.** Contributions made by the Plan Sponsor to a Participant's Non-Matching Contribution Account under the Core Defined Contribution Plan in accordance with Section C4.1(a) for the benefit of Participants.

**A2.96 Non-Matching Contribution Account.** The Account established for an Account holder on the books and records of the Core Defined Contribution Plan for the purpose of recording any Non-Matching Contributions made pursuant to Section C4.1(a), adjusted for contributions, distributions, and earnings and losses attributable to such Non-Matching Contributions.

**A2.97 Normal Form of Benefit.** A form of benefit specified in Section B9.1(a).

**A2.98 Normal Retirement Benefit.** The monthly pension amount that is computed in accordance with Section B8.1 (and any other applicable provisions of the Core Defined Benefit Plan) and payable in accordance with the Core Defined Benefit Plan, starting at a Participant's or Terminated Participant's Normal Retirement Date.

**A2.99 Normal Retirement Date.**

- (a) In the case of a Participant (other than a Bishop), the first day of the month coinciding with or next following the earlier of:
  - (i) the Participant's 65<sup>th</sup> birthday; or
  - (ii) the date on which the Participant attains 40 years of service under ¶358.2c) of the Discipline.
- (b) In the case of a Terminated Participant, the first day of the month coinciding with or next following the Terminated Participant's 65<sup>th</sup> birthday.
- (c) In the case of a Participant who is a Bishop, the first day of the month next following the earlier of:
  - (i) the Participant's 65<sup>th</sup> birthday; or
  - (ii) the date on which the Participant attains 40 years of service by adding:
    - (A) the Participant's years of service recognized in accordance with ¶358.2c) of the Discipline; and



- (B) the Participant's years of service assigned as a Bishop in accordance with ¶406 of the Discipline.

**A2.100 Other Denomination Clergy or Clergy person .** A Clergy person who is a member of another denomination (within the meaning of ¶¶346.2 or 346.3 of the Discipline) who is Appointed by the Bishop of a Plan Sponsor Conference in which such Clergy person is not a member (or, where the Plan Sponsor is not supervised by a Bishop, who is covered by a Plan Sponsor's Adoption Agreement).

**A2.101 Other Methodist Denomination Clergy or Clergy person .** A Clergy person who is a member of another Methodist denomination (within the meaning of ¶346.1 of the Discipline), other than The Puerto Rico Methodist Church, who is Appointed by the Bishop of a Plan Sponsor Conference in which such Clergy person is not a member (or, where the Plan Sponsor is not supervised by a Bishop, who is covered by a Plan Sponsor's Adoption Agreement).

**A2.102 Optional Form of Benefit.** Any form of annuity that is offered by the Administrator under Section B9.1(b).

**A2.103 Part.** Any of Part A, Part B, or Part C of the Program, or, in the plural form, all three such subdivisions of the Program.

**A2.104 Part A.** Part A of the Program, also known as the Common Part.

**A2.105 Part B.** Part B of the Program, also known as the Core Defined Benefit Part, and, when aggregated with Part A and an Adoption Agreement, as the Core Defined Benefit Plan.

**A2.106 Part C.** Part C of the Program, also known as the Core Defined Contribution Part, and, when aggregated with Part A and an Adoption Agreement, as the Core Defined Contribution Plan.

**A2.107 Participant.**

- (a) As used in Part B and Part C, an Eligible Clergy person who has become a participating Clergy person as provided in each such Part, including such a Clergy person who has Retired;
- (b) as used in Supplement One, a Pre-82 Participant; and
- (c) as used in Supplement Three, a person with an MPP Account Balance or receiving an annuity benefit as provided in Supplement Three.

**A2.108 Participant Contributions.** Contributions to UMPIP by a Plan Sponsor in accordance with a Participant's Salary-Reduction Agreement, that are any of the following types:

- (a) Before-Tax Contributions (including Catch-Up Contributions);
- (b) After-Tax Contributions; or

(c) Roth Contributions (including Catch-Up Contributions);

as the terms “Salary-Reduction Agreement,” “Before-Tax Contributions,” “Catch-Up Contributions,” “After-Tax Contributions,” and “Roth Contributions” are used in UMPIP.

**A2.109 Part-Time.** Appointed on a one-quarter, one-half, three-quarters, or other less than Full-Time basis, as determined by the Bishop or Conference that makes the Appointment.

**A2.110 Pastoral Charge.** One or more Local Churches within the meaning of ¶205 of the Discipline.

**A2.111 Past Service Benefit.** The benefit payable in accordance with Section S1.4 of Supplement One.

**A2.112 Past Service Rate Amount.** As applied to the Pre-82 Plan, the dollar amount payable for each year of Approved Service, as determined in accordance with Supplement One. The Past Service Rate Amount is also sometimes known as: the past service rate, the pension rate, the annuity rate, the service annuity rate, and the pension annuity rate.

**A2.113 Personal Contributions Accumulation.** As used in Supplement One, the sum of the amount standing to the credit of a Participant as of December 31, 1981, in such Participant’s individual accounts under the Prior Plans, based on contributions made by such Participant and interest credited thereon before January 1, 1982, and the amount of interest credited thereon after December 31, 1981, by the Trustee.

**A2.114 Personal Contributions Annuity.** As used in Supplement One, an annuity during life, payable in monthly installments in advance, on the basis of the actuarial equivalent of the Personal Contributions Accumulation.

**A2.115 Plan.** Any of the Core Defined Benefit Plan, the Core Defined Contribution Plan, the Pre-82 Plan, or MPP, as the context requires, when used in this instrument, as amended, as applied to all Plan Sponsors or as applied to any particular Plan Sponsor, as the context requires, including any applicable Adoption Agreements, amendments, or supplements hereto, all as further provided in Section A1.4.

**A2.116 Plan Sponsor.** Any of the entities specified in Sections B1.1 and C1.1.

**A2.117 Plan Year.** The calendar year.

**A2.118 Pre-82 Assets.** The sum of:

- (a) the assets of the Prior Plans (other than those in the Disability and Survivor Benefit Fund) that were transferred to Supplement One to MPP effective January 1, 1982 to pay benefits due under the Prior Plans (sometimes known as the Reserve Pension Fund); plus

- (b) any contributions made to the Pre-82 Plan or its predecessors by the Pre-82 Sponsors or any other party for the purpose of funding benefits payable under the Pre-82 Plan.

**A2.119 Pre-82 Participant.** A person who has a Vested benefit under the Pre-82 Plan by his or her Annuity Starting Date in accordance with Section S1.2.2.

**A2.120 Pre-82 Plan.** A synonym for Supplement One to MPP, which has been amended, restated, and preserved in Supplements One and Two to, and Part A of, the Program.

**A2.121 Pre-82 Plan Vesting Service.**

- (a) In the case of:
  - (i) Local Pastors and ordained ministers of another denomination within the meaning of ¶¶346.2 or 346.3 of the Discipline:
    - (A) service with pension credit before 1982; and/or
    - (B) full years of service with full participation in CPP (as provided in Section A2.121(d) below) after 1981; and
  - (ii) All other Pre-82 Participants (not covered in Section A2.121(a)(i)):
    - (A) service Under Episcopal Appointment in a Conference, including full years served as a Full-Time Local Pastor (within the meaning of ¶¶318 and 318.1 of the Discipline) with pension credit before having been admitted as an Associate Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, Provisional Member, or Elder in Full Connection; or
    - (B) periods of service in the ordained ministry of another denomination to the extent that such denomination grants pension rights in its plan for such service.
- (b) Pre-82 Plan Vesting Service will be measured in 12-month periods or the sum of equivalent partial periods (measured by days).
- (c) In no case will a Pre-82 Participant's Pre-82 Plan Vesting Service be less than he or she had earned on the Effective Date.
- (d) A Pre-82 Participant's "full participation in CPP" is CPP participation:
  - (i) during the period from January 1, 1982, through December 31, 1984, for a Plan Year during which:

- (A) the required MPP Plan Sponsor Contributions for the Pre-82 Participant were made at the contribution rate elected by the Annual Conference; or
- (B) a pension supplement was credited to the MPP church account (as provided in CPP) of the Pre-82 Participant for the Plan Year; or
- (ii) for Plan Years after 1984, for a full year of CPP participation, based on the following formula to determine fractional years of such participation:
  - (A) any period of up to and including 45 days will not be counted;
  - (B) 46 days up to and including 136 days will be counted as one-quarter of a year;
  - (C) 137 days up to and including 228 days will be counted as one-half of a year;
  - (D) 229 days up to and including 319 days will be counted as three-quarters of a year;
  - (E) 320 days up to and including 365 days will be counted as one year.

Days of participation are days for which a CPP church contribution (within the meaning of CPP) was made on behalf of a Pre-82 Participant.

**A2.122 Pre-82 Sponsor.** Any of the following entities that are responsible to fund the Pre-82 Plan with respect to Pre-82 Participants:

- (a) who are or were members of an Annual Conference, such Annual Conference; and
- (b) with service rendered in a missionary conference (as described in ¶¶585-588 of the Discipline), provisional annual conference (as described in ¶¶580-583 of the Discipline), or former mission (within the meaning of ¶590 of the Discipline) within the United States, which has been approved by such entities for pre-1982 pension credit, one or more of the following in accordance with their mutual agreement:
  - (i) the missionary conference (as described in ¶¶585-588 of the Discipline), provisional annual conference (as described in ¶¶580-583 of the Discipline), or former mission (within the meaning of ¶590 of the Discipline) concerned;
  - (ii) the General Board with funds provided by GCFA; and

- (iii) the General Board of Global Ministries, National Division (now the Mission Service Area of the General Board of Global Ministries, described in ¶1313.4 of the Discipline).

**A2.123 Prior Plans.** The Ministers Reserve Pension Fund, the Partial Reserve Pension Fund, the Local Pastors Reserve Pension Fund, the Senior Plan, the Ministers Reserve Pension Plan, and the Current Income Distribution Pension Plan.

**A2.124 Program.** This Clergy Retirement Security Program, i.e., the aggregate of the Parts, Supplements, and Adoption Agreements described in Section A1.3, as they may be amended from time to time.

**A2.125 Provisional Member.** A person elected to provisional membership in an Annual Conference within the meaning of ¶324 of the Discipline; formerly called a probationary member.

**A2.126 QDRO.** A qualified domestic relations order in accordance with Code §414(p), approved by the Administrator in accordance with Section A3.12.

**A2.127 Recipient.** A Participant, Terminated Participant, Beneficiary, Contingent Annuitant, or Alternate Payee who has an Accrued Benefit under, or who is receiving or is entitled to receive all or a portion of a benefit due under, the Consolidated DB Plan or any of its components or is receiving or is entitled to receive an annuity payment under one of the Supplements.

**A2.128 Regulation.** Any applicable regulation, including proposed and temporary regulations, issued by the Department of the Treasury or Internal Revenue Service that is codified at Title 26 of the Code of Federal Regulations. Where a reference is made to temporary or proposed regulations, such reference will include any permanent regulations, modified proposed regulations, or temporary regulations issued in lieu thereof.

**A2.129 Related Defined Benefit Plan.** Any defined benefit plan (as defined in Code §414(j)) other than the Consolidated DB Plan that is maintained by a Plan Sponsor or any Affiliate.

**A2.130 Relinquish.** The permanent renunciation of a benefit by a Recipient or an Accountholder so that it does not pass to a Beneficiary or successor. Relinquished benefits are forfeited under Sections B7.2, C7.2, S1.4.9, and S3.4.9.

**A2.131 Required Beginning Date.** Subject to Code §401(a)(9), in the case of a:

- (a) Participant or Terminated Participant, April 1 of the calendar year following the later of:
  - (i) the calendar year in which a Participant Retires or the Terminated Participant incurs a Termination of Conference Relationship, or

- (ii) the calendar year in which the Participant or Terminated Participant attains the age of 70½.
- (b) Beneficiary who is not the Participant's or Terminated Participant's surviving Spouse, December 31 of:
  - (i) the calendar year following the calendar year of the Participant's or Terminated Participant's death, if benefits are payable over the remaining life or life expectancy of such Beneficiary; or otherwise
  - (ii) the calendar year containing the fifth anniversary (not including Distribution Calendar Year 2009) of the Participant's or Terminated Participant's death.
- (c) Beneficiary who is the Participant's or Terminated Participant's surviving Spouse:
  - (i) if benefits are payable over the remaining life or life expectancy of such surviving Spouse, then by December 31 of the later of:
    - (A) the calendar year immediately following the calendar year in which the Participant or Terminated Participant died; or
    - (B) the calendar year in which the Participant or Terminated Participant would have attained age 70½; or otherwise
  - (ii) December 31 of the calendar year containing the fifth anniversary (not including Distribution Calendar Year 2009) of the Participant's or Terminated Participant's death.

**A2.132 Retire or Retirement.** In the case of a:

- (a) Participant (other than a Bishop), to be placed in the retired relation in accordance with ¶358 of the Discipline or the condition of being in the retired relation;
- (b) Terminated Participant, applying for a distribution under the Core Defined Benefit Plan on or after such Terminated Participant's 62<sup>nd</sup> birthday; or
- (c) Participant who is a Bishop, to have the status of a retired bishop in accordance with ¶¶408.1, 408.2, or 408.3 of the Discipline.

**A2.133 Retirement Date.** The date on which a Participant or Terminated Participant Retires.

**A2.134 Salary-Paying Unit.** Any one of the following units associated with The United Methodist Church:

- (a) Commission on the General Conference, as specified in ¶511 of the Discipline;
- (b) a General Agency;

- (c) a Jurisdictional Conference;
- (d) a Conference;
- (e) a Conference board, agency, or commission;
- (f) a Local Church located in a Conference; or
- (g) any other entity to which a Clergy person Under Episcopal Appointment is appointed.

**A2.135 Section.** Any article, section, subsection, paragraph, subparagraph, clause, or other portion of this Program.

**A2.136 Separation From Covered Service.** A Participant ceasing to be Under Episcopal Appointment in any capacity that is covered by any Plan Sponsor under Section B1.1, including by reason of:

- (a) Retirement;
- (b) incurring an unpaid Leave of Absence from which the Participant does not return within the authorized period (in which case the Separation From Covered Service will date from the start of such Leave of Absence);
- (c) being Appointed to a Salary-Paying Unit that is not covered by a Plan Sponsor;
- (d) incurring a Termination of Conference Relationship; or
- (e) the death of the Participant.

**A2.137 Service.** A period of time during which a Clergy person is:

- (a) an active member of any Conference (within the meaning of ¶602 of the Discipline) Under Episcopal Appointment; or
- (b) a Bishop who is assigned in accordance with ¶406 of the Discipline.

**A2.138 Service Annuity.** As used in Supplement One, the Service Annuity Accumulation converted on an Actuarially Equivalent basis to a monthly annuity for the life of the Participant or the joint lives of the Participant and his or her Contingent Annuitant, payable as of the first of each month during such period.

**A2.139 Service Annuity Accumulation.** As used in Supplement One, the sum of the amount standing to the credit of a Participant as of December 31, 1981, in such Participant's reserve account under the Prior Plans, based on contributions made by the applicable Conference or Salary-Paying Unit on behalf of the Participant and interest credited thereon before January 1, 1982, and the amount of interest credited thereon after December 31, 1981, by the Trustee.

- A2.140 70% Pre-Retirement Survivor Benefit.** A monthly benefit payable in accordance with Section B9.3(a)(ii)(B) to the surviving Spouse of a Participant or Terminated Participant who died before beginning his or her Early, Normal, or Late Retirement Benefit.
- A2.141 Single-Life Annuity.** An Early, Normal, or Late Retirement Benefit payable as a monthly annuity to a Participant or Terminated Participant, beginning at such Participant's or Terminated Participant's Annuity Starting Date and ending with the payment made on the first of the month in which he or she dies, with no further benefit payable to anyone thereafter.
- A2.142 Spouse.** The husband or wife or surviving husband or wife of a Recipient or an Accountholder who is legally married to such Recipient or Accountholder, or was so legally married on the date of the Recipient's or Accountholder's death, under the laws of the jurisdiction where the Recipient or Accountholder resides or resided. Notwithstanding the foregoing, the term "Spouse" will not include common law spouses, even in states that recognize common law marriage.
- A2.143 Supplement.** Supplement One, Supplement Two, Supplement Three, or any other supplement to this Program.
- A2.144 Supplement One.** The partially frozen predecessor plan to MPP, also known as the Pre-82 Plan and the Ministers Reserve Pension Fund, which, together with the other Prior Plans, was merged into MPP and has been preserved as Supplement One to the Program.
- A2.145 Supplement Two.** Supplement Two to MPP, which has been preserved as Supplement Two to the Program.
- A2.146 Supplement Three.** A frozen version of MPP, which has been preserved as Supplement Three to the Program.
- A2.147 Termination of Conference Relationship.** A Participant ceasing to be a member of any Conference, including by reason of:
- (a) being honorably located within the meaning of ¶359 of the Discipline;
  - (b) being administratively located within the meaning of ¶360 of the Discipline;
  - (c) the Participant's withdrawal within the meaning of ¶361 of the Discipline;
  - (d) the surrender of his or her ministerial credentials within the meaning of ¶¶361.3 and 2719.2 of the Discipline;
  - (e) the surrender of his or her Local Pastor's license within the meaning of ¶320 of the Discipline; or
  - (f) a penalty assessed by a trial court within the meaning of ¶2711.3 of the Discipline.



**A2.148 Terminated Participant.**

- (a) *Participants.* A person who has been a Participant, but who has incurred a Termination of Conference Relationship, or, in the case of a Provisional Member, Associate Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, Local Pastor, or Deacon in Full Connection (or some combination in the case of a Clergy person who changes classification), who has incurred a Five-Year No Record of Appointment.
- (b) *Bishops.* In the case of a former Bishop, a person who has been a Participant but who has resigned in accordance with ¶408.4 of the Discipline or been removed in accordance with ¶¶2711.3 or 2712 of the Discipline; provided, in either case, that such former Bishop does not return to being a non-Bishop Clergy person (in which case termination will be based on the previous sentence of this Section A2.148).
- (c) *Non-Jurisdictional Clergy.* A Non-Jurisdictional Clergy person who has terminated his or her membership with all Central Conferences and The Puerto Rico Methodist Church without having become a member of any Conference (or otherwise becoming covered under the Core Defined Benefit and Core Defined Contribution Plans).
- (d) *Other Clergy.* An Other Denomination Clergy person or Other Methodist Denomination Clergy person who has been classified by the Plan Sponsor he or she was serving as discontinued or having no record of Appointment.

**A2.149 Trust.** The trust or trusts, including the Pension Trust of The United Methodist Church, established to fund benefits provided under the Program, as provided in Section A1.6. The term “Trust” also includes, as applicable, any insurance contract purchased to fund benefits under the Program (but does not include annuity contracts purchased from insurance companies that become solely responsible for providing the defined benefits and/or annuities that would have been due under the Program).

**A2.150 Trustee.** The UMC Benefit Board, Inc., an Illinois not-for-profit corporation, or any successor.

**A2.151 UMPIP.** The United Methodist Personal Investment Plan or any successor plan.

**A2.152 Under Episcopal Appointment.** The condition of a Clergy person who is Appointed by the Bishop of the Conference such Clergy person is serving.

**A2.153 USERRA.** The Uniformed Services Employment and Re-employment Rights Act of 1994, including pension benefits provided in accordance with Code §414(u). Effective January 1, 2009, references to “USERRA” include the Heroes Earnings Assistance and Relief Tax Act of 2008 (the “HEART Act”) and service persons covered thereby, including recognition of contributions and benefits due under USERRA to Participants who are treated as though they returned to work on the day before military-related death or disability, as provided under the HEART Act.

- A2.154 Valuation Account Balance.** The Account Balance as of the last Accounting Date in the Valuation Calendar Year, increased by the amount of any Contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the Valuation Calendar Year after such Accounting Date (if any) and decreased by any distributions made as of dates in the Valuation Calendar Year after such Accounting Date. The Valuation Account Balance for the Valuation Calendar Year includes any amounts rolled over or transferred to the Plan, either in the Valuation Calendar Year or in the Distribution Calendar Year if distributed or transferred in the Valuation Calendar Year.
- A2.155 Valuation Calendar Year.** The calendar year immediately preceding the Distribution Calendar Year.
- A2.156 Vested.** The nonforfeitable portion of any Account or benefit, except as provided in Sections B7.2, C7.2, S1.4.9, and S3.4.9.
- A2.157 Year of Credited Service.** Credited Service earned while serving a Full-Time Appointment for a 12-month period (or the sum of equivalent partial periods of Credited Service (measured by days)).

## SECTION A3 - PLAN ADMINISTRATION

- A3.1 General Fiduciary Standard of Conduct.** Each fiduciary under this Program will discharge his or her duties hereunder solely in the interest of the Recipients and Accountholders and for the exclusive purpose of providing benefits to the Recipients and Accountholders and defraying the reasonable expenses of administering the Program and the Trust. Each fiduciary will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, in accordance with the documents and instruments governing the Program and the Trust, insofar as such documents and instruments are consistent with this standard.
- A3.2 Allocation of Responsibility Among Fiduciaries.** The fiduciaries will have only those specific powers, duties, responsibilities, and obligations specifically delegated to them under this Program. Each Plan Sponsor, the Administrator, the Trustee, and any investment manager will each be a fiduciary to the extent that such entity determines benefits payable under the Program or controls or influences the investment of the assets of the Program. The Administrator may delegate fiduciary duties (other than the Trustee's duties) to persons other than the fiduciaries specified in the preceding sentence, and may approve any allocation of fiduciary duties among fiduciaries. If there is more than one Trustee, they may enter into agreements among themselves with respect to the allocation of the Trustee's responsibilities with the consent of the Administrator. ERISA will not apply to this Program if, when, and for so long as it qualifies as a Church Plan.
- A3.3 Administrator.** The Administrator of the Program is the General Board. The Administrator will be the "plan administrator" as defined in Code §414(g). The Administrator will have the duty to file such plan documents and annual reports as may be required by ERISA (if any, and if ERISA applies) or similar legislation and will be designated to accept service of legal process and any other notices for the Program. The Administrator or the Plan Sponsor will furnish each Participant with a summary plan description, a summary annual report (if applicable, and if ERISA applies), and all other notices and other documents required by ERISA (if any, and if ERISA applies), the Code, or the Program. The Administrator may resign on reasonable written notice given to the Plan Sponsors, who will then (and only then) have the right to appoint another Administrator by majority vote, with one vote for each of their Participants on the day the Administrator's resignation was effective.
- A3.4 Powers, Authority, and Duties of Administrator.** The primary responsibility of the Administrator is to administer the Program for the exclusive benefit of the Recipients and Accountholders, subject to the terms of the Program. The Administrator will administer the Program in accordance with its terms and will have the power and discretion to construe the terms of the Program and to determine all questions arising in connection with the administration, interpretation, and application of the Program. Any such determination by the Administrator will be conclusive and binding upon all persons. The Administrator, in addition to all powers and authorities under common law, statutory authority, and other provisions of the Program, will have the following powers and authorities, to be exercised in the Administrator's sole discretion:

- (a) to establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as may be deemed necessary or advisable to carry out the purpose of the Program;
- (b) to determine all questions relating to the eligibility of a Clergy person to participate or remain a Participant hereunder and to receive benefits under the Program;
- (c) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Recipient or Account holder may be entitled hereunder and to prescribe procedures to be followed by Recipients and Account holders when applying for benefits;
- (d) in its sole discretion, to construe and interpret the Program and make and publish such administrative rules or regulations relating to the Program as are consistent with the terms hereof, and to resolve or otherwise decide matters not specifically covered by the terms and provisions of the Program;
- (e) to maintain all necessary records for the administration of the Program;
- (f) to file, or cause to be filed, all such annual reports, returns, schedules, descriptions, financial statements and other statements as may be required by any federal or state statute, agency, or authority;
- (g) to obtain from the Plan Sponsors, Clergy, Recipients, and Account holders such information as may be necessary to the proper administration of the Program;
- (h) to specify actuarial assumptions and methods for use in determining contributions to and benefits under the Core Defined Benefit Plan, Supplement One, or any other part of the Program;
- (i) to assist any Recipient or Account holder to understand his or her rights, benefits, or elections available under the Program;
- (j) to construe and interpret the provisions of the Program; to decide the validity of any election or designation made under the Program, and the amount, manner and time of any allocation to accounts or payment of any benefits hereunder; and to make factual determinations necessary or appropriate for such decisions or determination;
- (k) to prepare and distribute information explaining the Program;
- (l) to appoint or employ advisors, including legal and actuarial counsel (who may also be counsel to the Trustee) to render advice with regard to any responsibility of the Administrator under the Program or to assist in the administration of the Program;
- (m) to select annuity providers to provide benefits from the Program;

- (n) to designate in writing other persons to carry out a specified part or parts of its responsibilities hereunder (including this power to designate other persons to carry out a part of such designated responsibility). Any such designation must be accepted by the designated person who will acknowledge in writing that he, she, or it is a fiduciary with respect to the Program. Any such person may be removed by the Administrator at any time with or without cause;
- (o) to adopt reasonable procedures for determining whether any order, judgment, or decree constitutes a QDRO and to notify the Participant and all Alternate Payees as to the results of its determination;
- (p) to the extent permitted under the agreement establishing the Trust, to direct the Trustee with respect to the investments of the Trust;
- (q) to furnish the Plan Sponsors, upon request, with such annual reports with respect to the administration of the Program as are reasonable and appropriate;
- (r) to receive, review, and keep on file (as it deems convenient and proper) reports of benefit and expense payments made by the Trustee; and
- (s) to do all other acts that the Administrator deems necessary or proper to accomplish and implement its responsibilities under the Program.

Any rule or procedure adopted by the Administrator, or any decision, ruling, or determination made by the Administrator, in good faith and in accordance with applicable fiduciary standards will be final, binding, and conclusive on all Plan Sponsors, Recipients, and Accountholders and all persons claiming through them. The Administrator has discretionary authority to grant or deny benefits under this Program. Benefits under this Program will be paid only if the Administrator decides in its discretion that the applicant is entitled to them. Rules and procedures adopted by the Administrator may vary any provision of the Program that is administrative or ministerial in nature (including the time provided for performing any act, if not required by law), without the necessity of a formal amendment.

**A3.5 Records and Reports.** The Administrator will keep a record of all actions taken and will keep all other books of account, records, and other data that may be necessary for proper administration of the Program and will be responsible for supplying all information and reports to appropriate government entities, Recipients, Accountholders, and others as required by law.

**A3.6 Duties of Each Plan Sponsor.** Each Plan Sponsor will assume the following duties with respect to each Plan:

- (a) to determine eligibility and enroll Eligible Clergy as provided in each Plan within 60 days of satisfying the eligibility requirements of each Plan;
- (b) to maintain records of a Participant's Service;

- (c) to provide the Administrator with notice within 90 days of a Participant's Separation From Covered Service or any Break in Service;
- (d) to calculate and maintain records of a Participant's Compensation and to provide to the Administrator upon request appropriate records reflecting such Compensation, such as W-2s;
- (e) to calculate and remit Contributions to the Administrator or Trustee as provided in each Plan;
- (f) to provide the Administrator with the statistical data and other statistical information satisfactory to the Administrator, within a reasonable time after a request by the Administrator, sufficient to enable the Administrator to discharge its duties under each Plan;
- (g) to register with and report to government agencies, as appropriate;
- (h) to comply with any nondiscrimination or other government testing that may be required by applicable law;
- (i) to properly notify Clergypersons of their rights and obligations under each Plan (including notice of their eligibility under each Plan); and
- (j) to execute an Adoption Agreement indicating any elections regarding optional Plan provisions and any other information called for by the Adoption Agreement.

**A3.7 Fees and Expenses.** All expenses incurred by the Administrator and Trustee in connection with the administration of the Program will be paid by the Program, the applicable Plan, or the Trust.

- (a) The Trustee has the authority to determine administrative and expense charges and the methods for applying such charges.
- (b) The Trustee is authorized to deduct from the Program's or each Plan's reserves, funds, contributions, and/or earnings thereon, the expenses and fees necessary or appropriate to the administration of the Program or that Plan, including an allocable share of the Administrator's operating expenses.
- (c) The Administrator is authorized to determine a reasonable charge for providing non-routine reports and services for Plan Sponsors, Recipients, and Accountholders and to require the Plan Sponsor, Recipient, or Accountholder to pay separately for such non-routine reports and services.

**A3.8 Attorney Fees and Costs.** The Trustee may assess, to the extent permitted by law, against the Program's or Trust's assets, reasonable attorney fees and charges to reimburse the Administrator or Trustee for expenses related to the Program incurred by the Administrator or Trustee in responding to pleadings, retaining counsel, entering an appearance, or defending any case related to the Program in any action at law, if the

Administrator or Trustee is served with a levy, subpoena, summons, or other similar pleading by the Internal Revenue Service or by any other party, including the parties to marital litigation, in litigation or legal proceedings in which the Administrator or Trustee is not a party, or is made a party.

**A3.9 Delegation of Authority.** The Administrator may authorize one or more of its employees, or one or more agents, to carry out its administrative duties, and may employ such counsel, auditors, and other specialists and such clerical, actuarial, and other services as it may require in carrying out the provisions of this Program. The Administrator may rely on any certificate, notice, or direction, oral or written, purporting to have been signed or communicated on behalf of a Plan Sponsor, a Recipient, an Accountholder, or others that the Administrator believes to have been signed or communicated by persons authorized to act on behalf of the Plan Sponsor, Recipient, Accountholder, or others, as applicable. The Administrator may also rely on any power of attorney, guardianship document, or similar document that it believes to be genuine and operative. The Administrator may request instructions in writing from a Plan Sponsor, Recipient, Accountholder, or others, as applicable, on other matters, and may rely and act thereon. The Administrator may not be held responsible for any loss caused by its acting upon any notice, direction, or certification of a Plan Sponsor, a Recipient, an Accountholder, or others, that the Administrator reasonably believes to be genuine and communicated by an authorized person.

**A3.10 Indemnification by Plan Sponsors.** Each Plan Sponsor will indemnify the Administrator, the Trustee, and any other person or persons to whom the Plan Sponsor, Trustee, or Administrator has delegated fiduciary or other duties under the Program for, and hold them harmless from and against, any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys fees and all expenses reasonably incurred in their defense if the Plan Sponsor fails to provide such defense) of whatsoever kind and nature that may be imposed on, incurred by, or asserted against them at any time by reason of such Plan Sponsor's failure reasonably to fulfill its duties under Section A3.6 or any other provision of the Program. This provision will survive the termination of the Program and the termination of a Plan Sponsor's participation in the Program as to events that occurred while the Plan Sponsor was participating in the Program.

**A3.11 Claims Procedure.** The following claims and appeals procedures are subject to any additional rules or procedures that the Administrator may adopt from time to time that are not inconsistent herewith:

- (a) *Filing of Claim.* A claim for benefits under any Plan must be filed by a Claimant with the Administrator on a form supplied by the Administrator within one year after the later of:
  - (i) the events giving rise to the claim occurred, or
  - (ii) the Claimant knew or should have known of the facts or events giving rise to the claim,

or the Claimant will be deemed to have waived his or her right to make a claim or to pursue any other remedy, including filing a lawsuit. Notwithstanding the foregoing, a Recipient or an Accountholder is not required to apply for or begin the receipt of benefits under the Program until his or her Required Beginning Date (except in the case of a small amount cashout). Written notice of the disposition of a claim will be sent to the Plan Sponsor and to the Claimant within 45 days after all required forms and materials related to the claim have been filed. If special circumstances require an extension of time, written notice of the extension will be furnished to the Claimant, and written notice of the disposition of a claim will be sent within an additional 90 days.

- (b) *Denial of Claim.* If any claim for benefits under a Plan is wholly or partially denied, the Administrator will send the Claimant written notice of the denial, within the period specified in Section A3.11(a) above, written in a manner calculated to be understood by the Claimant, setting forth the following information:
  - (i) the specific reason(s) for such denial;
  - (ii) specific reference to any pertinent Plan provision(s) on which the denial is based;
  - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
  - (iv) an explanation of the Program's appeals procedures.
- (c) *Appeal of Denial.* If a Claimant is denied benefits under Section A3.11(b), the Claimant has the right to appeal the decision within 90 days after the date of the claim denial, in accordance with the following procedures:
  - (i) *Intermediate Appeals Procedure.* The Administrator will establish an intermediate appeals procedure containing no more than a three-level process.
  - (ii) *Final Appeals Procedure.*
    - (A) If the Claimant wishes to appeal the denial of benefits under Section A3.11(c)(i), the Claimant must file with the Final Appeals Committee a written appeal and supporting documents, using any form required by the Administrator for the purpose, within 90 days after the date of the denial issued under Section A3.11(c)(i). Such an appeal may be addressed to the Administrator or in care of the person or persons specified in the notice of denial issued under Section A3.11(c)(i).



- (B) A timely filed appeal will be heard by the Final Appeals Committee at its next meeting, unless additional time is needed for processing, in which case the Claimant will be so notified and the appeal will be heard at the following meeting of the Final Appeals Committee. Appeals or documents filed fewer than 30 days before the next meeting of the Final Appeals Committee will not be considered by the Final Appeals Committee except by its leave and discretion.
  - (C) The Claimant or a representative of the Plan Sponsor may request permission to appear personally or by teleconference before the Final Appeals Committee to present evidence with respect to the claim, subject to conditions and time limitations set by the Final Appeals Committee, but the expense for any such personal appearance must be borne by the Claimant or the Plan Sponsor.
  - (D) The Final Appeals Committee will decide a Claimant's appeal, and its decision will be final. The decision will be implemented by the Administrator.
  - (E) The Claimant will be given written notice of the decision on appeal. If the decision is a denial, such notice will include specific reason(s) for the decision, written in a manner calculated to be understood by the Claimant, and specific reference to any pertinent Plan provision(s) on which the decision is based. Such written notice will be mailed to the claimant by the Administrator within 15 days following the decision by the Final Appeals Committee.
- (iii) *Appeals Committees.*
- (A) The Intermediate Appeals Committee is a committee appointed by the Administrator.
  - (B) The Final Appeals Committee of the Administrator is a committee of the Board of Directors of the General Board that is selected from time to time by that Board.
  - (C) Each of the Intermediate Appeals Committee and the Final Appeals Committee may develop rules and procedures to govern its own meetings and actions and the filing and decision of claim appeals by Claimants.
  - (D) Any failure by either appeals committee to decide a claim appeal by the deadline for such a decision will be deemed a denial of the claim. The Claimant may then proceed to the next step of the procedure.

- (E) Any failure by the Claimant to appeal any claim denial by the deadline for doing so will be deemed to be a final resolution of the claim, and the Claimant will be deemed to have waived his or her right to file an appeal or a further appeal or to pursue any other remedy, including filing a lawsuit.
- (d) *Appeal a Condition Precedent to Civil Action.* No cause of action in civil law with respect to any alleged violation of the terms and conditions of this Program may be commenced or maintained by any Claimant, Recipient, or Accountholder unless and until such Claimant, Recipient, or Accountholder has initiated and completed the claim and appeal process as set forth in Sections A3.11(a) and (c). Effective June 1, 2016, any such cause of action must be filed with a court of competent jurisdiction within 12 months of the date on the written notice of denial described in Section A3.11(c)(ii)(E) or such cause of action will be deemed waived; provided, however, that such 12-month limit will apply only if it is described in such notice of denial.

**A3.12 Qualified Domestic Relations Orders.** The provisions of Section A4.2 notwithstanding, all or part of a Participant's Vested benefits arising under this Program may be transferred to one or more Alternate Payees on the basis of a "qualified domestic relations order," as that term is defined in Code §414(p), provided that: (1) such order was issued by a court having jurisdiction over the Administrator; or (2) such order was entered by any other court and the Administrator, in its sole discretion, determines that the order is a QDRO.

- (a) When appropriate, the Administrator will provide a Participant involved in marital litigation with information regarding the nature and value of the Participant's benefits and will assist the Participant and the court in interpreting that information.
- (b) The Administrator will maintain a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Such procedure will provide that during the period in which a determination is being made with respect to the qualified status of an order received by the Administrator and for 30 days thereafter:
  - (i) the Administrator will direct the Trustee to segregate and separately account for any sums payable to the Participant that the order requires to be paid to the Alternate Payee; and
  - (ii) the Participant will be prohibited from electing to receive any distribution that would compromise the rights granted to the Alternate Payee by the order, without the Alternate Payee's written consent.
- (c) Neither the Alternate Payee nor any person claiming through the Alternate Payee will have the right to transfer benefits to another Alternate Payee. The benefits transferred pursuant to a QDRO will be administered in accordance with the provisions of this Program. For the purpose of determining eligibility to receive

benefits transferred to an Alternate Payee, the Alternate Payee will have all of the rights and duties of a fully Vested Participant who has incurred a Termination of Employment, to the exclusion of any claim thereto on the part of the Participant.

- (d) A subpoena or other instrument of judicial process that:
  - (i) is directed to the Administrator, its constituent corporations, or its officers or employees;
  - (ii) appears on its face to be issued in the course of marital litigation to which a Participant is a party; and
  - (iii) seeks information regarding the nature or value of the Participant's pension benefits, may be honored by the Administrator, in its sole discretion, without interposing any defense on the grounds of technical or jurisdictional defect.
- (e) The Administrator may charge to the Program its costs of handling QDROs, including, but not limited to, attorneys' fees, litigation expenses, and a reasonable charge for its services in connection therewith.

## SECTION A4 - GENERAL PROVISIONS

**A4.1 Rules and Forms.** The Administrator will have the authority and responsibility to:

- (a) adopt rules, regulations, and policies for the administration of this Program, in all matters not specifically covered by General Conference legislation or by reasonable implication; and
- (b) prescribe such forms and records as are needed for the administration of the Program.

**A4.2 Non-Alienation of Benefits.** No benefits payable at any time under the Program will be subject in any manner to alienation, sale, transfer, pledge, attachment, garnishment, or encumbrance of any kind, except as provided below. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber such benefit, whether presently or thereafter payable, will be void, except as provided below. No benefit nor any fund under the Program will in any manner be liable for, or subject to, the debts or liabilities of any Accountholder, Recipient, or other person entitled to any benefit, except:

- (a) as provided in Section A3.12 (relating to QDROs);
- (b) as provided in a levy in favor of the IRS to the extent required by Regulations;
- (c) to the extent required under the Mandatory Victims Restitution Act of 1996 (18 U.S.C. §3663A);
- (d) for the payment of retiree or Disabled Participant health plan premiums;
- (e) to the extent that such Accountholder, Recipient, or other person has received an overpayment under any other plan administered by the Administrator; or
- (f) to the extent that such Accountholder, Recipient, or other person has made a voluntary and revocable assignment:
  - (i) in a writing filed with, and accepted by, the Administrator;
  - (ii) that is acceptable to the Administrator in its sole discretion; and
  - (iii) after such assigned benefit is due and payable under the terms of the Program, including the making of any elections and submission of any applications required of the Accountholder, Recipient, or other person.

**A4.3 Non-Reversion.** All amounts contributed to a Plan by a Plan Sponsor are irrevocable contributions except to the extent provided below. The Plan Sponsors have no right, title, or interest in the assets of a Plan or the Trust and no portion of the Trust or the assets of a Plan or interest therein may at any time revert to or be repaid to the Plan Sponsors, except as otherwise provided below:

- (a) Upon termination of the Consolidated DB Plan, any assets remaining, after the satisfaction of all fixed and contingent liabilities by the payment of all such liabilities due, the transfer, merger, or spinoff of such liabilities and appropriate assets to another plan, and/or the annuitization of any remaining liabilities with an insurance or annuity provider selected by the Administrator, may revert to the Plan Sponsors as provided in Section A5.2; and
- (b) Effective June 1, 2016, if a Contribution is made to a Plan by the Plan Sponsor by a mistake of fact, then such Contribution will, to the extent permitted under Regulations or applicable guidance from the Internal Revenue Service, and to the extent consistent with procedures established by the Administrator, be adjusted for any gains or losses and returned to the Plan Sponsor if:
  - (i) the Plan Sponsor sends a written request for its return to the Administrator within a reasonable time after the Contribution was made;
  - (ii) the Plan Sponsor documents such mistake to the satisfaction of the Administrator; and
  - (iii) the Administrator has not yet distributed such Contribution (or the portion sought to be returned).

Contributions to the Core Defined Benefit Plan will not be considered a mistake of fact unless they bring funding to a level that is at least 110% of the actuarially appropriate amount, as determined by the Administrator, of funding for that Plan Year. Refunds to a Plan Sponsor from an Accountholder's Core Defined Contribution Plan Account will reduce that Account accordingly.

- (c) If a Contribution is made to the Program by a Plan Sponsor that the Administrator determines within 30 days is an error or a mistake, the Administrator may refuse the payment as a Contribution to the Program and return the payment (or an amount equal to it) to the Plan Sponsor.

**A4.4 Construction.** The Program and each of its provisions will be construed under, and their validity determined by, the laws of the State of Illinois, other than its laws respecting choice of law, to the extent such laws are not preempted by any federal law.

**A4.5 Limitation of Liability.** All benefits hereunder are contingent upon, and payable solely from the assets of the Trust, which derive from such contributions as may be received by the Trustee and the investment results of the Trustee. No financial obligations, other than those that can be met by the contributions actually received and the investment results, reduced by any of the Administrator's or Trustee's expenses or charges against the Trust's assets, will be assumed by the Administrator or the Trustee. To the extent that assets of a Plan attributable to a Recipient or an Accountholder have been transferred to a separate dedicated trust, all benefits to which the Recipient or Accountholder is entitled under that Plan will be provided only out of such trust and only to the extent the trust is adequate therefor. Further, if the Trustee segregates Trust assets by Plan within the Program, all benefits to which a Recipient or an Accountholder is entitled under that Plan

will be provided only out of such segregated portion of the Trust and only to the extent such segregated portion is adequate therefor. Neither the Administrator, nor the Trustee, nor their officers, employees, contractors, or agents will be personally responsible or otherwise liable for the payment of any benefits hereunder.

**A4.6 Alternative Dispute Resolution.** If a dispute arises out of or related to the relationship between the Plan Sponsor and the Administrator or Trustee, the parties agree first to try in good faith to settle the dispute by mediation through the American Arbitration Association, or another mediation/arbitration service mutually agreed upon by the parties, before resorting to arbitration. Thereafter, any remaining unresolved controversy or claim arising out of or relating to the relationship between the Plan Sponsor and the Administrator or Trustee will be settled by binding arbitration through the American Arbitration Association, or the other mediation/arbitration service mutually agreed upon by the parties.

- (a) The site of the mediation and/or arbitration will be in a city mutually agreed to by the parties.
- (b) The laws of the State of Illinois will apply in situations where federal law is not applicable. The applicable rules of the selected arbitration service will apply. If the service allows the parties to choose the number of arbitrators, unless another number is mutually agreed to, any arbitration hereunder will be before three arbitrators. The award of the arbitrators, or a majority of them, will be final. Judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.
- (c) The fees and costs for mediation will be borne equally by the parties. The fees and costs of arbitration will be allocated to the parties by the arbitrators.

**A4.7 Titles and Headings.** The titles and headings of the Sections of this instrument are placed herein for the convenience of reference only, and in the case of any conflicts, the text of this Program, rather than the titles or headings, will control.

**A4.8 Number and Gender.** Wherever used herein, the singular includes the plural and the plural includes the singular, except where the context requires otherwise. Similarly, the male includes the female and vice versa.

**A4.9 USERRA.** Notwithstanding any provision of the Program to the contrary, contributions, benefits, and Service credit with respect to qualified military service will be provided in accordance with USERRA.

**A4.10 Participant, Beneficiary, Recipient, and Accountholder Duties.** Each person entitled to benefits under the Program must file with the Administrator and Plan Sponsor from time to time such person's post office address and each change of post office address. Failure to do so may result in the forfeiture of benefits otherwise due under the Program.

**A4.11 Adequacy of Evidence.** Evidence that is required of anyone under the Program must be executed or presented by proper individuals or parties and may be in the form of

certificates, affidavits, documents, or other information that the person acting on such evidence considers pertinent and reliable.

**A4.12 Notice to Other Parties.** A notice mailed first class, postage prepaid, to a Recipient or an Accountholder at his or her last address known to the Administrator will be binding on the Recipient or Accountholder for all purposes of the Program and will be deemed given on the date on the notice or letter. A claim for benefits, beneficiary designation, or other notice mailed first class, postage prepaid, from a Recipient or an Accountholder to the Administrator will be deemed given on the date of the postmark. Notice may be addressed to the Administrator at the following address (or such other address as the Administrator may designate from time to time):

Administrator of the Clergy Retirement Security Program  
General Board of Pension and Health Benefits of The United Methodist Church  
1901 Chestnut Avenue  
Glenview, IL 60025-1604.

**A4.13 Waiver of Notice.** Any notice under the Program may be waived by the person entitled to notice. Waiver of notice in one instance, however, will not be deemed to be a waiver in a later instance.

**A4.14 Successors.** This Program is binding on the Plan Sponsors, and on all persons entitled to benefits hereunder, and their respective successors, heirs, and legal representatives.

**A4.15 Severability.** If any provision of the Program is held illegal or invalid for any reason, such illegal or invalid provision will not affect the remaining provisions of the Program, and the Program will be construed and enforced as though such illegal or invalid provisions had never been contained in the Program.

**A4.16 Supplements.** The Program may be amended from time to time as provided in Section A5 by adding one or more Supplements to the Program to address special situations not applicable to all Plan Sponsors or to all Clergypersons, Participants, Beneficiaries, or Accountholders. Any such Supplement will specify the Plan Sponsors and persons covered and any special rules or benefits related to them. To the extent that any such rules or benefits are in conflict with the general provisions of the Program, such rules or benefits will supersede the general provisions of the Program as to the persons covered by the Supplement to the extent they are in conflict with such general provisions. Except as otherwise provided in a Supplement, all of the provisions of the Program will apply to the persons covered by the Supplement.

**A4.17 Transfer of Benefits.** Effective June 1, 2016, notwithstanding any provision of the Program to the contrary, for reasons of administrative convenience or flexibility, including but not limited to the distribution of small amounts, the distribution of required minimum distributions, or the availability of investment or distribution options, the Administrator may transfer benefits and Account Balances due to a Participant, a Recipient, an Accountholder, an Alternate Payee, or a Beneficiary within the Program

from a Plan to another Plan (or, in the case of defined contribution plan assets to another defined contribution plan administered plan), subject to the following:

- (a) Defined benefit plan benefits and annuitized Account Balances may be transferred only to Plans and portions of Plans within the Consolidated DB Plan, and the assets determined by the Administrator to be sufficient to fund such benefits will be transferred from the Funding Account(s) of the transferor Plan to the appropriate Funding Account(s) of the transferee Plan; provided; however, that small annuity amounts or defined benefit plan small benefits that the Program provides will be converted into a lump sum equivalent may be transferred in accordance with Section A4.17(b) below.
- (b) Defined contribution plan benefits, and the Account Balances funding such benefits, may be transferred from one Plan Account to another Plan Account within the Program or to another defined contribution plan administered by the Administrator.
- (c) Transfers will be made only when benefits continue to be paid, or are available to be paid, from the transferee plan in the same form and amount and to the same payees as was or would have been the case under the transferor Plan. A benefit will not be transferred unless, after the transfer, the transferred benefit payable under the transferee plan is at least the Actuarial Equivalent of the benefit that was transferred from the transferor Plan.
- (d) All Regulations relating to transfers will be complied with, including but not limited to §1.403(b)-10(b)(3) of the Regulations.



## SECTION A5 – AMENDMENT AND TERMINATION OF PROGRAM

### A5.1 Amendment.

- (a) *General Conference.* General Conference may amend prospectively or retroactively any or all provisions of the Program at any time by written instrument identified as an amendment of the Program, effective as of a specified date.
- (b) *Administrator.* The Board of Directors of the General Board may amend prospectively or retroactively any or all provisions of the Program at any time by resolution, effective as of a specified date:
  - (i) to conform the Program to any applicable law and/or regulations promulgated thereunder; and
  - (ii) to conform the Program to the Discipline or changes therein.

**A5.2 Termination of Program.** General Conference may terminate the Program at any time in a manner and to the extent not inconsistent with applicable law. Upon termination of the Program, the accounts of Participants will be nonforfeitable and will be either distributed outright or held for distribution in accordance with the terms of the Program. The assets remaining in the Program after all obligations of the Program have been satisfied will be distributed pursuant to action by General Conference.

## SECTION A6 - BENEFICIARIES

- A6.1 Beneficiary Designation.** A Participant may designate in writing a primary Beneficiary, or both a primary and a secondary Beneficiary, in such form as is satisfactory to the Administrator. A Beneficiary designation must be postmarked, sent by private courier, or received by the Administrator during the Participant's lifetime to be valid. A secondary Beneficiary will receive benefits only if the primary Beneficiary predeceased the Accountholder, cannot be located, or is otherwise unavailable or ineligible. A primary or a secondary Beneficiary may be an individual, an estate, a trust, or a list of persons. If more than one person is specified as the Participant's Designated Beneficiary, each such person will take an equal share, per capita, unless the Participant clearly specifies another division. Per stirpes designations are not acceptable. The Administrator reserves the right to reject any Beneficiary designation that cannot be reasonably administered, in the Administrator's sole discretion. Except as otherwise provided in Sections C8.3(d), S1.4.5, S1.4.7, and S3.4.6, if a Participant leaves no valid Beneficiary designation or if his or her Designated Beneficiary predeceases the Participant, then the Participant's Default Beneficiary will be his or her Spouse. But if the Participant is not survived by a Spouse or if one of the conditions described in Sections C8.3(d)(ii)–(iv) exists, then his or her Default Beneficiary will be the Participant's estate.
- A6.2 Beneficiary of an Accountholder.** An individual other than a Participant who becomes an Accountholder and does not receive an immediate distribution of that Account may name a Beneficiary in accordance with such procedures and in such form as the Administrator may accept or require. Subject to the provisions of Sections C8.6 and S1.4.10, such Designated Beneficiary will receive the Accountholder's Account in the case of the Accountholder's death. If an individual who becomes an Accountholder does not name his or her own Designated Beneficiary as permitted in this Section A6.2, if a Designated Beneficiary does not survive such individual, or if Sections C8.6 and S1.4.10 do not otherwise provide, such individual's Default Beneficiary will be such individual's Spouse or, if there is no surviving Spouse, then the estate of such individual.
- A6.3 Affected Plans.** An Accountholder or a Recipient may revise his or her Designated Beneficiary under the Program from time to time, but the most recently designated Beneficiary will be deemed to be the Accountholder's or Recipient's Designated Beneficiary under the entire Program.
- A6.4 Pre-existing Beneficiary.** If a Participant or Terminated Participant does not designate a Beneficiary under this Program after January 1, 2007 but has designated a valid beneficiary under any Plan before January 1, 2007, then the latest of such validly designated beneficiaries will be deemed such Participant's initial Designated Beneficiary under this Program.

## SECTION A7 - ADOPTION AGREEMENTS

- A7.1 Completion of Adoption Agreement.** Each Plan Sponsor will initially complete one or more Adoption Agreements in which the Plan Sponsor will indicate any elections that it is required or permitted to make pursuant to the provisions of the Program.
- A7.2 Form of Adoption Agreement.** The Adoption Agreement will be in a form prescribed by the Administrator. Different forms may be used for different Plan Sponsors. The Administrator may use more than one Adoption Agreement per Plan Sponsor covering different Clergy groups.
- A7.3 Acceptance of Adoption Agreement.** An Adoption Agreement will not become effective until it is accepted by the Administrator. The Administrator may require the submission of an Adoption Agreement up to 31 days in advance of its effective date (but may also waive such deadline in appropriate circumstances).
- A7.4 Continuance of Adoption Agreement.** An Adoption Agreement will remain in force until it is amended, discontinued, or replaced. Either a Plan Sponsor or the Administrator may discontinue an existing Adoption Agreement as of a prospective date specified in a written notice to the other. A Plan Sponsor may amend or replace an Adoption Agreement if such amendment or replacement is accepted by the Administrator under Section A7.3.
- A7.5 Supplements.** Plan Sponsors with respect to each of the Supplements must execute one or more Adoption Agreements covering each such Supplement. Each Pre-82 Sponsor having Participants in Participating Group No. Pre-82-1 must execute an Adoption Agreement setting forth the Past Service Rate Amount applicable to such Participants. In no case may any Pre-82 Sponsor's new Adoption Agreement reduce the Past Service Rate Amount or the percentage that is payable to surviving spouses in accordance with Section S1.4.2.

## **Part B**

### **Core Defined Benefit Part**

#### **SECTION B1 - INTRODUCTION**

##### **B1.1 Plan Sponsors.**

- (a) Each Conference is a Plan Sponsor of the Core Defined Benefit Plan under this Part B with respect to Participants who are:
  - (i) Under Episcopal Appointment by a Bishop to:
    - (A) a Local Church located within that Conference;
    - (B) a Pastoral Charge located within that Conference;
    - (C) a Conference-Responsible Unit located within that Conference; or
    - (D) a Conference-Elective Entity approved by that Conference;
  - (ii) Clergy Appointed by the Bishop of that Conference who are covered by CPP and become CPP Disabled;
  - (iii) when elected by a Conference under its Adoption Agreement, members of that Conference who are placed on Medical Leave but not covered under Section B1.1(a)(ii);
  - (iv) Non-Jurisdictional Clergy, Other Methodist Denomination Clergy, or Other Denomination Clergy Appointed by the Bishop of that Conference; or
  - (v) entitled to Credited Service under USERRA but who last served that Conference under Section B1.1(a)(i).

Each such Conference will complete an Adoption Agreement covering such Participants with respect to the Core Defined Benefit Plan.

- (b) GCFA is the Plan Sponsor of the Core Defined Benefit Plan under this Part B on and after September 1, 2008 with respect to Participants who are:
  - (i) Bishops;
  - (ii) Bishops on Medical Leave; or
  - (iii) Bishops entitled to Credited Service under USERRA.

Notwithstanding the foregoing, in the case of Bishops who are newly consecrated in 2008, then GCFA is the Plan Sponsor of the Core Defined Benefit Plan under this Part B on and after the date of their consecration. GCFA will complete an Adoption Agreement covering such Participants with respect to the Core Defined Benefit Plan effective as of September 1, 2008.

- (c) If so elected by the Commission on the General Conference on an Adoption Agreement, the Commission on the General Conference is a Plan Sponsor of the Core Defined Benefit Plan under this Part B with respect to Participants who are Appointed to the Commission on the General Conference.
- (d) No other entity may be a Plan Sponsor of the Core Defined Benefit Plan.
- (e) No entity may be a Plan Sponsor of the Core Defined Benefit Plan without simultaneously being a Plan Sponsor of the Core Defined Contribution Plan.

**B1.2 Prospective Application.** No benefits may accrue to an individual under the Core Defined Benefit Plan before January 1, 2007.

## SECTION B2 - COMPUTATION OF SERVICE

### B2.1 Kinds of Service.

- (a) *Eligibility Service.* A Clergy person does not need any Service to be eligible for the Plan (although there are other conditions to eligibility not involving Service).
- (b) *Credited Service.* A Participant's Credited Service will be determined as described in Section B2.2,
  - (i) with one day computation periods beginning at midnight of:
    - (A) the date the Participant begins to perform Service on or after his or her Entry Date; and
    - (B) each day thereafter until the Participant incurs a Separation From Covered Service; and
  - (ii) with one year computation periods beginning on:
    - (A) the date the Participant begins to perform Service on or after his or her Entry Date; and
    - (B) each anniversary of such date thereafter until the Participant incurs a Separation From Covered Service.
- (c) *Vesting Service.* Participants are always 100% Vested in their Accrued Benefits.

### B2.2 Computation of Credited Service.

- (a) *General Rule.* A Participant will receive one day of Credited Service for each one-day computation period specified in Section B2.1(b)(i) during which he or she is:
  - (i) Under Episcopal Appointment to and receiving Compensation related to such Appointment from:
    - (A) a Local Church;
    - (B) a Pastoral Charge;
    - (C) a Conference-Responsible Unit; or
    - (D) a Conference-Elective Entity;
  - (ii) A Bishop receiving Compensation as such from GCFA;
  - (iii) CPP Disabled;

- (iv) when elected by a Conference under its Adoption Agreement, a member of that Conference who is placed on an Medical Leave but not covered under Section B2.2(a)(iii); or
- (v) entitled to Credited Service under USERRA;

for any portion of such one-day computation period, regardless of whether such condition continues throughout such one-day computation period. A Year of Credited Service is equal to 365 days (even in leap years) of Credited Service. Notwithstanding the foregoing provisions of this Section B2.2(a), however, a Participant who qualifies under Section B2.2(a)(iii) or (iv) above and who was Appointed on a Part-Time basis immediately before such qualification will receive Credited Service in accordance with Section B2.2(b), based on such Participant's highest Appointment percentage during the 24 months before such qualification. Such 24-month period will not include any period(s) during which a Participant is on a Leave of Absence.

- (b) *Part-Time Appointments.* A Participant who is Appointed as described in Section B2.2(a)(i) to less than a Full-Time Appointment, is otherwise qualified under Section B2.2(a) for Part-Time Credited Service, or who is Appointed on a Full-Time basis but serves only a portion of an annual appointment will receive days of Credited Service equal to his or her actual days of Service, times his or her Appointment percentage (which will be deemed 50% if no percentage is specified in the Appointment). Each Plan Sponsor will report to the Administrator on the degree of each Part-Time Appointment and on the portion of a full year of Service actually rendered by a Participant when it is less than a full year.
- (c) *Exceptions.* A Participant will not receive any Credited Service for periods before January 1, 2007 or during which he or she is on an unpaid:
  - (i) Leave of Absence (except as otherwise provided in Section A4.9, relating to USERRA); or
  - (ii) any other layoff or leave,

whether or not Service would otherwise have been credited. Further, a Participant will not receive more than one day of Credited Service for each 24-hour day.

## SECTION B3 - PARTICIPATION

### B3.1 Eligibility for Participation.

- (a) *Eligible Clergy*person. An Eligible Clergyperson is a Clergyperson:
  - (i) who:
    - (A) is Appointed Full-Time and:
      - (I) whose Conference or Salary-Paying Unit is a Plan Sponsor under the terms of the Plan; or
      - (II) who is a member of a Conference but is Under Episcopal Appointment by the Bishop of another Plan Sponsor Conference (within the meaning of ¶346.1 of the Discipline); or
    - (B) when a Plan Sponsor has so elected (under both Part B and Part C and in accordance with rules adopted by the Administrator), is Appointed at least Half-Time or is Appointed at least three-quarters time and:
      - (I) whose Conference or Salary-Paying Unit is a Plan Sponsor under the terms of the Plan; or
      - (II) who is a member of a Conference but is Under Episcopal Appointment by the Bishop of another Plan Sponsor Conference (within the meaning of ¶346.1 of the Discipline); or
    - (C) is CPP Disabled and was Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence) immediately preceding his or her grant of CPP disability benefits; or
    - (D) is placed on Medical Leave, but only in the case where such Clergyperson's Plan Sponsor has elected on its Adoption Agreement to provide benefits for such Clergy, and was Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence) immediately preceding the date he or she was placed on Medical Leave; or
  - (ii) who is a Non-Jurisdictional Clergyperson, an Other Methodist Denomination Clergyperson, an Other Denomination Clergyperson, or a



Clergyperson described in Sections B3.1(a)(i)(A)(II) or (B)(II) above) and:

- (A) develops a disability or an incapacity after having been Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence) immediately preceding the onset of his or her disability or incapacity;
- (B) remains Appointed by the Bishop of the Plan Sponsor Conference (or, where the Plan Sponsor is not supervised by a Bishop, remains covered by the Plan Sponsor's Adoption Agreement); and
- (C) is not reported as discontinued or as having no record of Appointment;

but not including any Clergyperson who:

- (1) is Retired, unless such person returns to an effective relationship under ¶358.7 of the Discipline;
- (2) has incurred a Termination of Conference Relationship; or
- (3) is Appointed to a General Agency.

The Full-Time-Appointment eligibility condition (unless at least Half-Time or at least three-quarters time is elected by the Plan Sponsor) is satisfied (or not) solely on the basis of the Appointment level (or two or more Appointments that add to Full-Time, three-quarters time, or Half-Time). Actual time served in the Appointment, periods of Leave of Absence, and lesser levels of Appointment with heavy actual service are not relevant.

- (b) *Participation.* Each Eligible Clergyperson will become a Participant on the Entry Date determined under Section B3.2, provided that he or she satisfies all of the following requirements on the Entry Date:
  - (i) He or she is:
    - (A) an Eligible Clergyperson Under Episcopal Appointment to a Local Church, Pastoral Charge, Conference-Responsible Unit, or Conference-Elective Entity; or
    - (B) a Bishop;
  - (ii) He or she is eligible to participate in a Church Plan; and
  - (iii) He or she is:

- (A) receiving Compensation in connection with his or her Appointment;
- (B) CPP Disabled or a Bishop on an Medical Leave (but in neither of these cases is a Terminated Participant);
- (C) when elected by a Conference under its Adoption Agreement, a Conference member who is placed on an Medical Leave but not covered under Section B3.1(b)(iii)(B) above; or
- (D) entitled to participate under USERRA.

Although it will not prevent an Eligible Clergy person from participating in the Plan, the Administrator may require the Plan Sponsor of each Eligible Clergy person who is to become (or has become) a Participant (whether or not such Participant has an Accrued Benefit) to file an application for enrollment in the Plan in such form as may be required by the Administrator or to otherwise provide necessary enrollment information in a manner acceptable to the Administrator.

- (c) *Ineligibility to Receive Credited Service.* Notwithstanding Section B2.2, after initially becoming a Participant on the Entry Date, an Eligible Clergy person must continue to meet the conditions in Sections B3.1(a) and (b) above to remain a Participant eligible to receive Credited Service. In the case of an Eligible Clergy person who satisfied Section B3.1(b)(iii)(B) or (C), such person will cease to be eligible to receive Credited Service on the date he or she ceases to qualify for retirement plan contributions under Section C4.1(c)(iii), unless such person otherwise satisfies Section B3.1(b)(iii)(A).

**B3.2 Determination of Entry Date.** Each Eligible Clergy person's Entry Date will be:

- (a) January 1, 2007, if on that date he or she satisfied the requirements of Section B3.1; or
- (b) the first day of any calendar month thereafter on which he or she satisfies the requirements of Section B3.1.

**B3.3 Determination of Eligibility.** Upon receipt of enrollment information from the Plan Sponsor as provided in Section B3.1, the Administrator will accept such information as evidence of eligibility for participation in the Plan. However, the Administrator may from time to time audit such information or obtain additional information, which might result in a determination of ineligibility for a Participant or a determination of eligibility for a non-Participant. The Administrator has the final authority to determine the eligibility of any Clergy person. Such determination will be made pursuant to the provisions of the Plan and the Adoption Agreement and will be conclusive and binding upon all persons.

### **B3.4 Cessation and Reinstatement of Conference Relationship.**

- (a) *General Rule.* A Participant who incurs a Termination of Conference Relationship will continue to be a Participant but will cease to earn further Credited Service or to earn an Accrued Benefit.
- (b) *Reinstatement.* A Participant described in Section B3.4(a) who again becomes an Eligible Clergy person will again become a Participant entitled to accrue Credited Service once he or she qualifies under Section B3.1, without again having to qualify under Section B3.2. Such Participant's Accrued Benefit will be computed with respect to Section B6.2, depending on how long such Participant's Break in Service lasted.
- (c) *Transfer.* A Participant who transfers from one Conference to another (or who otherwise transfers under ¶¶346, 347, or 348 of the Discipline such that he or she was covered under the Plan both before and after the transfer) without a Break in Service will remain a Participant, but his or her Plan Sponsor will change from the first Conference (or other entity) to the second on the date that he or she is Under Episcopal Appointment with the second. If such a Participant does incur a Break in Service, then he or she will be treated as provided in Sections B3.4(a) and (b).
- (d) *Re-employment After Termination of Conference Relationship.* If a Terminated Participant, after having earned an Accrued Benefit under the Plan, ceases to qualify under Section B3.1 because of a Termination of Conference Relationship or a Five-Year No Record of Appointment, and if such Terminated Participant:
  - (i) is not In Pay Status when he or she once again qualifies under Section B3.1, then he or she will once again accrue a benefit in accordance with Section B3.4(b); or
  - (ii) is In Pay Status when he or she once again qualifies under Section B3.1, his or her benefit will be permanently suspended until he or she again Retires or incurs a Termination of Conference Relationship. Thereafter, in accordance with the provisions of Section B6.1, his or her Accrued Benefit will be recomputed, actuarially adjusted for amounts already paid, and paid as one benefit in accordance with the terms of the Plan as of such later Retirement or Termination of Conference Relationship.

- (e) *Re-employment After Retirement.* If a Participant, after having earned an Accrued Benefit under the Plan, ceases to qualify under Section B3.1 because of Retirement, and if such Participant:
- (i) is not In Pay Status when he or she once again qualifies under Section B3.1, then he or she will once again accrue a benefit in accordance with Section B3.4(b);
  - (ii) is In Pay Status and then is Appointed to a position in accordance with ¶358.6 of the Discipline or functions as a retired Bishop in accordance with ¶409 of the Discipline, his or her benefit will continue In Pay Status, and he or she will not earn any further Accrued Benefit under the Plan; or
  - (iii) is In Pay Status and then returns to the effective relationship with a Conference in accordance with ¶358.7 of the Discipline, his or her benefit will be permanently suspended until he or she again Retires. Thereafter, in accordance with the provisions of Section B6.1, his or her Accrued Benefit will be recomputed, actuarially adjusted for amounts already paid, and paid as one benefit in accordance with the terms of the Plan as of such later Retirement.

**B3.5 Omission of Eligible Clergy person.** If, in any Plan Year, an Eligible Clergy person who should have been included as a Participant in the Plan is erroneously omitted from participation in the Plan, the omitted Participant will be retroactively enrolled and granted missed Credited Service under the Plan, and, if the discovery of such omission is not made until after the Due Date for Contributions for such Plan Year and if the missed Contributions are material in the Administrator's opinion, the Plan Sponsor will correct that omission by making one or more replacement contributions toward such Participant's Accrued Benefit in an amount specified by the Administrator to substitute for the Contributions that would have been made with respect to the omitted Participant had he or she not been omitted, subject to the limits of Section B5. Moreover, the Plan Sponsor is subject to an administrative charge under Section A3.7(c).

**B3.6 Inclusion of Ineligible Persons.** If, in any Plan Year, any person who should not have been included as a Participant in the Plan is erroneously included, such person will be removed as a Participant. Any funding for such person contributed by a Plan Sponsor that does not lead to funding that is at least 110% of the actuarially appropriate amount, as determined by the Administrator, of funding for that Plan Year will remain as part of the Plan Sponsor's Funding Account. If funding for one or more such persons contributed by one Plan Sponsor during any Plan Year leads to funding that is at least 110% of the actuarially appropriate amount, as determined by the Administrator, of funding for that Plan Year and if the erroneous funding qualifies under Section A4.3(b) (relating to a mistake of fact), then the Administrator will return to the Plan Sponsor any such funding that exceeds full funding under the Funding Plan.

**B3.7 Election Not to Participate.** Subject to the consent of his or her Plan Sponsor, an Eligible Clergy person who is a student Local Pastor (within the meaning of ¶¶318 and 318.3 or 318.4 of the Discipline) or who is Appointed on a Part-Time basis may elect voluntarily not to participate in the entire Program by written notice to the Plan Sponsor not later than 60 days after the effective date of such election, which may be made in any form acceptable to the Administrator. Such an election will prevent benefits from accruing under the Plan for such Eligible Clergy person. Such an election may be revoked at any time that such Eligible Clergy person is eligible to be a Participant, but past Accrued Benefits related to periods during which the election was in force will not be earned or will be permanently forfeited. If such Eligible Clergy person already has an Accrued Benefit under the Plan, such election not to participate will not affect the Accrued Benefit already earned by such Eligible Clergy person.

## SECTION B4 - AMOUNT AND ALLOCATION OF CONTRIBUTIONS

**B4.1 Plan Sponsor Contributions.** Subject to Section B4.3(d), the Plan Sponsors will make Contributions to the Trustee annually not later than the Due Date (on or about December 31) each year in amounts that are specified by the Administrator as being due by that date, as determined in accordance with the Funding Policy, based on the Participants who:

- (a) in the case of a Conference, qualify under Section B1.1(a); and
- (b) in the case of GCFA, qualify under Section B1.1(b)

with respect to that Plan Sponsor. Participants are neither required nor permitted to make contributions under the Plan.

**B4.2 Late Contributions.** If a Plan Sponsor delays in making a specified Contribution to the Plan beyond the date specified in Section B4.1, then the Plan Sponsor will make such delayed Contribution to the Plan as soon as possible thereafter. In addition, such Plan Sponsor will pay a Contribution equal to the greater of:

- (1) the annual interest rate used by the Plan's actuary to value Plan benefits, times the missed Contribution (although the Administrator may waive this alternate computation in the case of exigent circumstances); or
- (2) missed net earnings (but ignoring net losses) on such delayed Contribution (determined in accordance with the actual returns on Plan assets);

computed, in either case, from the Due Date until the date such delayed Contribution was actually transferred to the Trustee. Any special services provided by the Administrator in connection with this Section B4.2 are subject to the additional charges provided for in Section A3.7(c). If any amounts are more than two months overdue, the Administrator may compel payment by bringing the matter to Judicial Council or by any other means the Administrator may elect to pursue. In addition to the foregoing remedies, the Administrator, after giving written notice to the Plan Sponsor (and all other Plan Sponsors) with a prospective effective date (such effective date being no sooner than two months after the Due Date), may suspend further Accrued Benefit accruals under Section B6 (including increases in Credited Service, Final DAC, and/or Final Compensation under appropriate Sections of the Program) for Participants whose Accrued Benefits are funded by such delinquent Plan Sponsor under Section B4.1 until such Plan Sponsor:

- (a) makes up delayed Contributions and missed earnings as provided above in this Section B4.2; and/or
- (b) satisfies Section B4.3(d)(iii) below.

Accrued Benefit accruals will be retroactively reinstated if and when the Administrator gives written notice to such Plan Sponsor that it is in compliance with this Section B4.2.

### **B4.3 Funding Accounts.**

- (a) *Contributions.* Contributions under Sections B4.1 and B4.2 by any Plan Sponsor will be credited as soon as practicable by the Administrator to a Funding Account in the name of all Plan Sponsors that sponsor the Core Defined Benefit Plan under Section B4.1, with each Plan Sponsor's interest in such pooled Funding Account being proportional to its liabilities. A Plan Sponsor's proportional interest in the pooled Funding Account may be included in that Plan Sponsor's separate Funding Account in its own name to the extent needed for any purpose under the Program.
- (b) *Earnings.* The Trustee will invest amounts in such pooled Funding Account in accordance with the Trust. The Administrator will credit such Funding Account with earnings and debit such Funding Account with losses accrued from time to time.
- (c) *Forfeitures.* Forfeitures of benefits arising under the Plan for any reason that are not already provided for under the Plan will be applied to reduce the contribution to the Plan of the Plan Sponsor relating to the Participant (or his or her Beneficiary or other person claiming under him or her) who has suffered the forfeiture and will not increase the benefits under the Plan otherwise payable to Participants or others.
- (d) *Funding Benefits.* Except as otherwise provided in Sections B4.3(d)(ii) and B4.3(d)(iii), each Plan Sponsor will be responsible to fund the Accrued Benefit of each Participant in proportion to the period such Participant rendered Credited Service that the Plan Sponsor is responsible for under Section B4.1 in relation to all of such Participant's Credited Service determined at his or her Annuity Starting Date.
  - (i) Except as otherwise provided in Sections B4.3(d)(ii) and B4.3(d)(iii), the funding obligation of:
    - (A) Conferences will be based on the benefit formula of non-Bishop Clergy; and
    - (B) GCFA will be based on the benefit formula for Bishops.
  - (ii) Notwithstanding anything to the contrary in the Core Defined Benefit Plan, the Alaska Missionary Annual Conference, Oklahoma Indian Missionary Annual Conference, Red Bird Missionary Annual Conference, and the Rio Grande Annual Conference will not be responsible to fund the Accrued Benefits of Participants who rendered Service to such Plan Sponsors (which funding exemption will not extend to any other Plan under the Program). Nevertheless, such Participants will still be entitled to the same benefits under the Core Defined Benefit Plan as they would otherwise be entitled to thereunder. To fund such benefits, the Administrator will authorize debits each Plan Year against the Funding Accounts of all other Plan Sponsors (except the Plan Sponsors listed

above and any other Plan Sponsor with a zero Funding Account balance), pro rata in proportion to the Liabilities of each such other Plan Sponsor as a percentage of all Liabilities under the Plan (as determined by the Administrator). Notwithstanding the foregoing, when one of the Annual Conferences identified above merges with another Annual Conference not identified above, the funding exemption identified above will be phased out over a period not to exceed four years, in a manner determined by the Administrator.

(iii) If a Plan Sponsor does not have sufficient assets in its Funding Account (including its portion of any pooled Funding Account) to pay Plan benefits as they come due, in order to pay such benefits the Administrator will authorize debits from time to time against the Funding Accounts of all other Plan Sponsors (except any Plan Sponsor with a zero Funding Account balance), pro rata in proportion to the Liabilities of each such other Plan Sponsor as a percentage of all Liabilities under the Plan (as determined by the Administrator). If the delinquent Plan Sponsor later makes Contributions to the Plan, such Contributions will first be allocated pro rata in the same fashion to repay amounts taken from other Plan Sponsors' Funding Accounts, plus interest at a market rate to be determined by the Administrator from time to time, and only thereafter to the delinquent Plan Sponsor's separate Funding Account.

(e) *Reversions.* No Plan Sponsor may receive a reversion of assets in its Funding Account unless assets remain after all liabilities of all Plan Sponsors and the Plan have been satisfied as to all Participants, Beneficiaries, and any other persons entitled to benefits under the Plan. When all such liabilities have been satisfied by the payment of all benefits due, the transfer, merger, or spinoff of benefits and assets to another plan, and/or by annuitizing any remaining benefits with an insurance or annuity provider selected by the Administrator, any remaining assets in each Plan Sponsor's Funding Account will be returned by the Trustee to that Plan Sponsor. Except to the extent they have actually funded the Core Defined Benefit Plan, the Alaska Missionary Annual Conference, Oklahoma Indian Missionary Annual Conference, Red Bird Missionary Annual Conference, and the Rio Grande Annual Conference will not receive any reversions under the Core Defined Benefit Plan. As provided in the Plan certain forfeitures may be turned over to the Administrator to pay for the administrative expenses of the Plan.

**B4.4 Benefits Payable Only from Trust.** Benefits provided by this Plan will be paid solely from the Trust assets, and neither any Plan Sponsor nor any agent or representative of a Plan Sponsor will be liable to a Participant, Beneficiary, Recipient, or Accountholder in any manner for any such benefits, or for the sufficiency of the Trust assets to pay any such benefits. Nothing in this Section B4.4 will release a Plan Sponsor from its obligation to fund the Plan in accordance with its terms.



## SECTION B5 - LIMIT ON BENEFITS

**B5.1 General Limitation on Benefits.** Notwithstanding any other provisions of the 415 DB Plan to the contrary (other than this Section B5), the Annual Retirement Benefit payable with respect to a Participant under the 415 DB Plan may not exceed an amount equal to the lesser of:

- (a) \$205,000 (or such greater amount as may be determined from time to time in accordance with Code §415(d) for calendar years ending after December 31, 2013 that begin within the Plan Year, including Plan Years after a Participant or Terminated Participant incurred a severance from employment or commenced his or her 415 DB Plan benefit); or
- (b) 100% of the Participant's average 415 Compensation for the three consecutive calendar years (as provided in Section B5.3) in which he or she received the highest aggregate 415 Compensation. For Plan Years commencing on or after January 1, 2007, to the extent required by Code §415(b), a Participant's 415 Compensation in excess of the limit in Code §401(a)(17) (\$255,000 in 2013, adjusted each later Plan Year to take into account any applicable cost-of-living adjustment provided for that year pursuant to Regulations under Code §401(a)(17)(B)) will be disregarded. Notwithstanding the foregoing, the limit of this Section B5.1(b) will not apply to Accrued Benefits accrued by a Clergy person in a Plan Year before the date on which he or she first became highly compensated within the meaning of Code §414(q) to the extent that such Accrued Benefits qualify under Code §415(b)(11).

If the benefits otherwise payable under the 415 DB Plan exceed the foregoing limit, they will be reduced until they meet that limit, but benefits exceeding the foregoing limit may be paid in a future Plan Year if they then do not exceed such limits. If more than one separate plan comprises the 415 DB Plan and if benefits must be limited under this Section B5.1, the benefit under a plan with a smaller dollar amount of plan sponsor benefit will be reduced before a plan with a larger amount.

**B5.2 Adjustments to Annual Retirement Benefit.** The Annual Retirement Benefit payable with respect to a Participant under the 415 DB Plan will be actuarially adjusted as follows:

- (a) If a Participant's Annual Retirement Benefit is paid in a form other than a single-life annuity (with no ancillary benefits), it will be actuarially adjusted to its single-life annuity equivalent in accordance with Regulations under Code §415(b)(2)(B).
- (b) If a Participant's Annual Retirement Benefit is paid before the Participant attains age 62, the determination as to whether the dollar limitation set forth in Section B5.1(a) has been satisfied will be made, in accordance with Regulations under Code §415(b)(2)(C), by reducing the limitation specified in Section B5.1(a) so that such limitation (as so reduced) equals an annual benefit (beginning when such Annual Retirement Benefit begins) that is actuarially equivalent to a

\$205,000 (in 2013, or as indexed thereafter) Annual Retirement Benefit beginning at the Participant's attainment of age 62.

- (c) If a Participant's Annual Retirement Benefit is paid after the Participant attains age 65, the determination as to whether the dollar limitation set forth in Section B5.1(a) has been satisfied will be made, in accordance with Regulations under Code §415(b)(2)(D), by increasing the limitation of Section B5.1(a) so that such limitation (as so increased) equals an annual benefit (beginning when such Annual Retirement Benefit begins) that is equivalent to a \$205,000 (in 2013, or as indexed thereafter) Annual Retirement Benefit beginning at the Participant's attainment of age 65.
- (d) When making the benefit or limitation adjustments specified in:
  - (i) Sections B5.2(a) or (b), the interest rate assumption may not be less than the greater of:
    - (A) five percent, or
    - (B) the rate used to compute Actuarial Equivalents; and
  - (ii) Section B5.2(c), the interest rate assumption may not be greater than the lesser of:
    - (A) five percent, or
    - (B) the rate used to compute Actuarial Equivalents.

For the purpose of the foregoing adjustments, no limitation indexing under Code §415(d)(1) will be taken into account before the year for which such adjustment first takes effect.

**B5.3 High Three Years Compensation.** For the purpose of Section B5.1(b), a Participant's high three years will be the period of consecutive calendar years (not less than one nor more than three, and ignoring breaks in service), including fractional portions, during which the Participant was an employee of a 415 DB Plan sponsor or a 415 Affiliate (whether or not he or she was a participant in the 415 DB Plan for such period) and had the greatest aggregate:

- (a) 415 Compensation from his or her 415 DB Plan sponsor or a 415 Affiliate, or
- (b) in the case of an employee within the meaning of Code §401(c)(1), earned income (within the meaning of Code §401(c)(2) but determined without regard to any exclusion under Code §911).

**B5.4 Pro Rating Fewer Than 10 Years.**

- (a) In the case of a Participant who has fewer than 10 years of participation in the 415 DB Plan, the limitation referred to in Section B5.1 will be the limitation determined under Section B5.1 (determined without regard to this Section B5.4), multiplied by a fraction:
  - (i) the numerator of which is the number of years (or portion thereof) of participation in the 415 DB Plan; and
  - (ii) the denominator of which is 10.
- (b) The provisions of Section B5.4(a) will apply to the limitations under Section B5.1(b), except that Section B5.4(a) will be applied with respect to years of service with the Plan Sponsor, a Salary-Paying Unit, or a 415 Affiliate of either, rather than years of participation in the 415 DB Plan. Periods during which a Participant or Terminated Participant was totally and permanently disabled within the meaning of Code §415(c)(3)(C)(i) will be credited as service for the purpose of Section B5.4(a)(i).
- (c) In no event may Sections B5.4(a) or (b) reduce the limitations referred to in Section B5.1(a) to an amount less than 1/10 of such limitation (determined without regard to this Section B5.4(c)).

**B5.5 Defined Contribution Limits.** To the extent required by Code §§403(b) and 415(c), the limits of Code §415(c) will also apply to annual increases in a Participant's Accrued Benefit. Those limits may be found in Section C5.1, Code §415(c), and Regulations. To the extent permitted by the Code and under rules established from time to time by the Administrator, if a Participant's Accrued Benefit in a Limitation Year is limited under this Section B5.5, the portion of such Accrued Benefit in excess of such limit may be deemed to have accrued in one or more later Limitation Years to the extent applicable limits allow.

**B5.6 Purpose of Limitations; Authority of Administrator.** The limitations of this Section B5 are intended to comply with the requirements of Code §415 (and especially Code §415(b)), and the Regulations issued thereunder, and will be construed accordingly. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in this Section B5, the Administrator will have the authority to make or revoke such election or use such alternative method of compliance unless such election or alternative method of compliance by its terms requires an amendment to the Plan.

## SECTION B6 – ACCRUED BENEFIT

**B6.1 Monthly Benefit Formula.** A Participant's (or other Recipient's) monthly benefit formula amount as of any date is (a), plus (b), where:

- (a) is (i), times (ii), where:
  - (i) is  $1/12^{\text{th}}$  of the Participant's Final DAC; and
  - (ii) is the sum of (A) and (B), where:
    - (A) is 1.25% of the Participant's Credited Service accrued on and after January 1, 2007 and before the Effective Date for any periods that the Participant was not a Bishop; and
    - (B) is 1.00% of the Participant's Credited Service accrued on and after the Effective Date for any periods that the Participant was not a Bishop.
- (b) is (i), times (ii), where:
  - (i) is  $1/12^{\text{th}}$  of the Participant's Final Compensation; and
  - (ii) is the sum of (A) and (B), where:
    - (A) is 1.25% of the Participant's Credited Service accrued on and after September 1, 2008 and before the Effective Date for any periods that the Participant was a Bishop; and
    - (B) is 1.00% of the Participant's Credited Service accrued on and after the Effective Date for any periods that the Participant was a Bishop.

**B6.2 Break in Service.** If a Participant incurs a Separation From Covered Service, his or her Credited Service will cease and his or her Accrued Benefit will be determined as of such date. Except as otherwise provided in Section B9.1(b)(iv)(B), if such Participant later requalifies under Section B3.1 before beginning his or her benefit, his or her Credited Service will resume, and

- (a) if such Participant did not suffer a Break in Service lasting at least 365 consecutive days, his or her Accrued Benefit may once again be computed as of a determination date after such Separation From Covered Service, using the sum of the Participant's Credited Service for both periods of Appointment and the Final DAC and/or the Participant's Final Compensation, as applicable, on the earlier of the determination date such Accrued Benefit is computed or the date the second period of Credited Service ends.

- (b) if such Participant did suffer a Break in Service lasting at least 365 consecutive days, his or her Accrued Benefit as of a determination date after such Break in Service will be the sum of:
  - (i) such Participant's Accrued Benefit computed as of the day before the start of the Break in Service lasting at least 365 consecutive days, based on the Final DAC and/or the Participant's Final Compensation, as applicable, on that date and the Participant's Credited Service as of that date; and
  - (ii) such Participant's Accrued Benefit computed as of such determination date after the end of the Break in Service lasting at least 365 consecutive days, based only on his or her Credited Service after such Break in Service and the Final DAC and/or the Participant's Final Compensation, as applicable, on such determination date.

Notwithstanding the foregoing, nor the definition of Break in Service, for the purpose of this Section B6.2, any period of time during which a Participant is not employed by a Plan Sponsor but is:

- (1) Under Episcopal Appointment;
- (2) an active member of a Conference;
- (3) an active member of a Central Conference; or
- (4) an active member of The Puerto Rico Methodist Church

will not count toward a Break in Service for such Participant.

**B6.3 Change of Classification.** If a Participant's Clergy classification is changed from Bishop, Elder in Full Connection, Local Pastor, Deacon in Full Connection, Associate Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, Provisional Member, or any other Clergyperson classification to another of those classifications, the Participant's Accrued Benefit will not be affected and will continue to accrue as long as he or she remains as an Eligible Clergyperson and does not suffer a Break in Service.

## SECTION B7 - VESTING AND FORFEITURE

- B7.1 Full Vesting.** A Participant's Accrued Benefit will be fully Vested at all times to the extent funded, and will not be forfeited for any reason except as provided in Section B7.2.
- B7.2 Forfeitures.** Notwithstanding Section B7.1, a Recipient may forfeit an otherwise Vested Accrued Benefit in the following circumstances:
- (a) *Missing Recipient.* The Accrued Benefit of a Recipient who cannot be located will be handled as described in Section B9.5.
  - (b) *Uncashed Check.* Any Recipient who has been issued a check for benefits due but who does not return or cash the check within a reasonable period established by the Administrator, after such reasonable notice (or in the case of very small benefit amounts, no notice) as the Administrator may determine, will forfeit such benefits. Such forfeited amounts will be returned to the Funding Account of the Plan Sponsor sponsoring such Recipient and will be used to pay other benefits due under the Plan. Uncashed checks returned to the Administrator because the payee is missing or for other reasons are not covered by this Section B7.2(b).
  - (c) *Relinquished Benefits.* If a Recipient Relinquishes a benefit payment or his or her entire Accrued Benefit, it is forfeited. The Relinquished benefit will be returned to the Funding Account of the Plan Sponsor sponsoring such Recipient and will be used to pay other benefits due under the Plan.
  - (d) *Death.* If a Participant or Terminated Participant dies without a Spouse before his or her Annuity Starting Date, all of such Participant's or Terminated Participant's Vested benefits will be forfeited except as otherwise provided in Section B9.3. A Participant, Terminated Participant, Contingent Annuitant, or Beneficiary who dies after his or her Annuity Starting Date will also forfeit any monthly benefits that have not already become payable to such person, although benefits may continue to another person in accordance with Section B9. Unless otherwise specifically provided, all such forfeitures will remain in the Funding Account(s) of the Plan Sponsor(s) from which the forfeited benefits were due to be paid, and will be used to pay other benefits due under the Plan.
  - (e) *Ineligible Participant.* Benefits credited to an ineligible Participant will be handled as described in Section B3.6.
  - (f) *Election Not to Participate.* Eligible Clergy who elect not to participate in the Plan will be handled as described in Section B3.7.
  - (g) *Benefits in Excess of Limits.* Benefits may be forfeited in accordance with the terms of Section B5.
  - (h) *Disabled Child Annuity Conditions.* When a disabled child (whether a minor or an adult) is a secondary Contingent Annuitant (receiving an annuity benefit after the

Participant's or Terminated Participant's Spouse or other Contingent Annuitant has died), such disabled child will not be eligible for benefits unless, or benefits already payable will be forfeited unless:

- (i) benefits to the disabled child are payable to a special needs trust for the benefit of such child; and
- (ii) such special needs trust complies with applicable law.

Further, the disabled child benefits above for which such disabled child was not eligible, or that were forfeited, will not be restored to the estates of the deceased Participant, Terminated Participant, surviving Spouse, or other primary Contingent Annuitant, nor will any of them receive any retroactive change to the actuarially reduced benefits that were paid to them that funded the secondary Contingent Annuitant benefits.

## SECTION B8 – AMOUNT OF BENEFITS

- B8.1 Normal Retirement.** A Participant or Terminated Participant who Retires on his or her Normal Retirement Date will receive a monthly Normal Retirement Benefit or Late Retirement Benefit at his or her Annuity Starting Date that is computed using his or her Accrued Benefit as of his or her Normal Retirement Date and payable in accordance with the provisions of Section B9. If distribution is delayed under Section B9.2(b), such a Participant or Terminated Participant may receive a Late Retirement Benefit.
- B8.2 Early Retirement.** A Participant who Retires on his or her Early Retirement Date or a Terminated Participant who incurs a Termination of Conference Relationship or a Five-Year No Record of Appointment on or before his or her Early Retirement Date will receive (at his or her Annuity Starting Date that is before his or her Normal Retirement Date) a reduced monthly Early Retirement Benefit that is the Actuarial Equivalent of his or her Accrued Benefit computed as of his or her Normal Retirement Date, computed using Credited Service accrued to his or her Early Retirement Date, and that is payable in accordance with the provisions of Section B9. If his or her Annuity Starting Date is delayed under Section B9.2(b), such a Participant or Terminated Participant may receive a Normal Retirement Benefit or a Late Retirement Benefit.
- B8.3 Late Retirement.** A Participant or Terminated Participant who Retires on his or her Late Retirement Date will receive a monthly Late Retirement Benefit computed using his or her Accrued Benefit as of his or her Late Retirement Date and payable in accordance with the provisions of Section B9.
- B8.4 Death of Participant.** If a Participant or a Terminated Participant dies before his or her Early, Normal, or Late Retirement Benefit begins and:
- (a) if he or she had no Spouse on the date of his or her death, then no benefit of any kind will be payable from the Plan to any person; or
  - (b) if he or she had a Spouse on the date of his or her death, then such Spouse will be entitled to a 70% Pre-Retirement Survivor Benefit, payable in accordance with the provisions of Section B9.

If a Retired Participant or a Terminated Participant dies after his or her Early, Normal, or Late Retirement Benefit begins, whether a continued benefit will be paid or not will depend on the form of benefit the Retired Participant or Terminated Participant was receiving and the terms of Section B9.



## SECTION B9 - PAYMENT OF RETIREMENT BENEFITS

**B9.1 Form of Payment.** The following provisions are subject to Section B9.4 (relating to required minimum distributions).

- (a) *Normal Form.* Except as otherwise provided in this Section B9.1, a Participant or a Terminated Participant entitled to an Early Retirement Benefit, a Normal Retirement Benefit, or a Late Retirement Benefit will receive such benefit in the Normal Form of Benefit, which is:
  - (i) *Single Participant.* In the case of a Retired Participant or Terminated Participant who has no Spouse on his or her Annuity Starting Date, a Single-Life Annuity that is equal to such Participant's or Terminated Participant's Accrued Benefit as of his or her Annuity Starting Date (subject to any Early Retirement Benefit actuarial reduction). In the case of a Retired Participant, the monthly amount of such benefit will be increased annually by 2% on each January 1 for benefits that were In Pay Status on the preceding July 30, which July 30 limit will not apply to a Bishop in the first partial Plan Year after his or her Retirement. Notwithstanding the foregoing, the 2% increase rate will be reduced if required by Regulation §1.401(a)(9)-6, Q&A-14, or any other applicable Regulation.
  - (ii) *Married Retired Participant.* In the case of a Retired Participant who has a Spouse on his or her Annuity Starting Date, a 70% Contingent Annuity, with 2% annual increases as further provided below. The 70% Contingent Annuity will first pay the Retired Participant a monthly benefit during his or her lifetime equal to:
    - (A) such Participant's Accrued Benefit on his or her Annuity Starting Date taking into account only Credited Service from January 1, 2007 through the day before the Effective Date (subject to any Early Retirement Benefit actuarial reduction), plus
    - (B) such Participant's Accrued Benefit on his or her Annuity Starting Date taking into account only Credited Service on and after the Effective Date, actuarially reduced to reflect the cost of providing a 70% surviving Spouse benefit, such that the post-Effective Date 70% Contingent Annuity is the Actuarial Equivalent of a Single-Life Annuity with 2% annual increases for the same period of Credited Service (subject to any Early Retirement Benefit further actuarial reduction).

Following the Retired Participant's death, if his or her Spouse (determined on his or her Annuity Starting Date) survives him or her, such surviving Spouse will receive a monthly benefit for the remainder of his or her lifetime equal to 70% of the benefit paid to the Retired Participant

immediately before his or her death, with 2% annual increases as further provided in Section S4.9.1(a)(ii)(B) below.

The monthly amount of the 70% Contingent Annuity, both the portion payable to the Retired Participant during his or her lifetime, and the portion, if any, payable to his or her surviving Spouse, will be increased annually by 2% on each January 1 for benefits that were In Pay Status on the preceding July 30, which July 30 limit will not apply to a Retired Bishop in the first partial Plan Year after his or her Retirement. Notwithstanding the foregoing, the 2% increase rate will be reduced if required by Regulation §1.401(a)(9)-6, Q&A-14, or any other applicable Regulation.

- (iii) *Married Terminated Participant.* In the case of a Terminated Participant who has a Spouse on his or her Annuity Starting Date, a 70% Contingent Annuity that is reduced to be the Actuarial Equivalent of such Terminated Participant's Accrued Benefit as of his or her Annuity Starting Date (subject to any Early Retirement Benefit further actuarial reduction). During the Terminated Participant's lifetime, he or she will receive a monthly benefit that is equal to his or her Accrued Benefit, actuarially reduced to reflect the cost of providing a 70% surviving Spouse benefit and further actuarially reduced to reflect any commencement of the benefit before the Terminated Participant's Normal Retirement Date. Following the Terminated Participant's death, if his or her Spouse (determined on his or her Annuity Starting Date) survives him or her, such surviving Spouse will receive a monthly benefit for the remainder of his or her lifetime equal to 70% of the benefit paid to the Terminated Participant immediately before his or her death. The monthly amount of such benefit, both the portion payable to the Terminated Participant and the portion, if any, payable to the surviving Spouse, will not be increased annually.

(b) *Optional Form.*

- (i) *Waiving Normal Form of Benefit.* Notwithstanding Section B9.1(a), a Participant or Terminated Participant:
  - (A) who has no Spouse on his or her Annuity Starting Date may waive receipt (in writing in a form acceptable to the Administrator) of his or her benefit in the Normal Form of Benefit, and elect, instead, an Optional Form of Benefit.
  - (B) who has a Spouse on his or her Annuity Starting Date may waive receipt (in writing in a form acceptable to the Administrator) of his or her benefit in the Normal Form of Benefit, and elect, instead, an Optional Form of Benefit if his or her Spouse consents as provided in Section B9.1(c).

- (ii) *Optional Form of Benefit.* The Administrator, in its discretion, may offer as an Optional Form of Benefit, from time to time, any form of annuity, such as a life annuity, a life and period certain annuity, or a joint and survivor annuity (with any permitted percentage payable to any permitted named survivor), other than the Normal Form of Benefit due to a Participant or Terminated Participant, that is the Actuarial Equivalent of the Normal Form of Benefit; provided, however, that any benefit that increases periodically must use an increase rate that complies with Regulation §1.401(a)(9)-6, Q&A-14, or any other applicable Regulation.
- (iii) *Disabled Child as Contingent Annuitant.* As Optional Forms of Benefit, the Administrator will offer one or more Contingent Annuity options that pay survivor benefits to a special needs trust for a disabled child (whether a minor or an adult) of the Participant or Terminated Participant, which Contingent Annuity options may provide for dual Contingent Annuitants (such as a Spouse and the special needs trust as a successor). As further described in an Application for Benefits (or in accompanying information), these Contingent Annuity options will be subject to any conditions or limitations the Administrator may specify and to actuarial reductions in benefits that make these Contingent Annuities Actuarially Equivalent to the Normal Form of Benefit otherwise payable to the Participant or Terminated Participant.
- (iv) *Lump Sums.* Except as otherwise provided in this Section B9.1(b)(iv), in Section B9.1(d), or in Section B9.2(c), no Recipient may receive his or her benefit under this Plan in a lump sum, partial lump sum, installment form, or any other non-annuity form of payment.
  - (A) *Termination by Withdrawal.* A Participant who incurs a Termination of Conference Relationship under ¶361.2 of the Discipline on or after January 1, 2013 may elect an Actuarially Equivalent lump sum transfer of his or her Core Defined Benefit Plan Accrued Benefit to an Account of the Administrator's choosing in the Core Defined Contribution Plan, as further provided in Section B9.2(c).
  - (B) *Re-Employment.* If a Terminated Participant elects a lump sum transfer under Section B9.1(b)(iv)(A) above and is later re-employed (see Section B3.4(d)), he or she may not reverse or repay the earlier lump sum transfer and, notwithstanding any provision of Section B6.2, will not receive any Credited Service for periods that were included when computing his or her Accrued Benefit that was transferred in a lump sum as provided in Section B9.1(b)(iv)(A) above.
- (c) *Spousal Consent.* A Spouse must consent to a Participant's or a Terminated Participant's election of an Optional Form of Benefit in writing and in such form

as may be required by the Administrator, provided that an election to reject the Normal Form of Benefit will not be effective unless:

- (i) the Spouse's consent acknowledges the effect of such election and is witnessed by an authorized representative of the Salary-Paying Unit, Plan Sponsor, or Administrator or a notary public; or
- (ii) it is established to the satisfaction of the Administrator that the consent required under Section B9.1(c)(i) may not be obtained because:
  - (A) the Participant or Terminated Participant has no Spouse;
  - (B) the Participant or Terminated Participant is legally separated from his or her Spouse or has been abandoned (within the meaning of local law) by his or her Spouse, and, in either case, the Participant or Terminated Participant has a court order to such effect (and there is no QDRO that provides otherwise); or
  - (C) neither the Participant or Terminated Participant nor the Administrator can locate the Spouse (provided, however, that the Administrator will have no obligation to search for such Spouse).

Any consent by a Spouse (or establishment that the consent of a Spouse may not be obtained) under the next preceding sentence will be effective only with respect to such Spouse. Notwithstanding anything else to the contrary in this Section B9.1(c), a Spouse's consent will not be required if the Participant or Terminated Participant elects an Optional Form of Benefit that provides a benefit to that Spouse that is at least the Actuarial Equivalent of what the Normal Form of Benefit would provide to that Spouse.

- (d) *Small Benefit.* The Administrator may establish a minimum annuity amount from time to time. If the amount of a Recipient's Aggregate DB Benefit is or would be less than the minimum annuity amount, such Aggregate DB Benefit will be converted on an Actuarially Equivalent basis to a lump sum. The Administrator may make such minimum annuity determination and conversion, in its discretion, at the Recipient's Retirement, when the Recipient becomes a Terminated Participant, and/or at the Recipient's Annuity Starting Date. Once such conversion is made, the Administrator will transfer such lump sum to an Account of its choosing in the Core Defined Contribution Plan or partly to an account in another defined contribution plan when so required by another plan administered by the Administrator. Neither the Recipient's consent nor the consent of the Recipient's Spouse will be required to make such conversion or transfer.
- (e) *Election Procedures.* Wherever the Plan provides for a Recipient to elect a form of distribution (including the right to defer receiving a distribution), the Administrator will provide a written explanation of the different forms of distribution. Such explanation will be provided not fewer than 30 nor more than

180 days before the Recipient's Annuity Starting Date for such benefit, or within such other period as may be provided by any applicable provision of the Code. A Recipient who has received such explanation may waive the 30-day period and elect to have his or her benefit distributed as soon as administratively practicable.

- (f) *Rollover.* If a Participant or Terminated Participant, or the surviving Spouse or Alternate Payee of either, receives a distribution that qualifies as an Eligible Rollover Distribution, such person has the right to direct the rollover of all or a portion of such distribution directly to an IRA, a defined contribution pension or profit-sharing trust qualified under Code §401(a), an annuity plan qualified under Code §403(a), a tax-sheltered annuity plan qualified under Code §403(b), or another "eligible retirement plan" as defined in Code §401(a)(31), that will accept such a rollover, provided that the amount so transferred must either be the entire amount of such distribution or must be at least \$200. Any surviving non-Spouse Beneficiary who receives a distribution that qualifies as an Eligible Rollover Distribution has the right to elect a direct rollover of all or a portion of such distribution directly to an inherited IRA that will accept such rollover, provided that the amount so transferred must either be the entire amount of such distribution or be at least \$200. The Administrator may adopt administrative procedures to implement direct rollovers, which may vary the time periods and minimum amounts set forth above, to the extent consistent with final Regulations issued under Code §401(a)(31).
- (g) *Non-Revision.* Subject to Section B3.4, beginning five business days before the first monthly benefit is due, neither the form of payment nor the Spouse entitled to survivor payments may be changed by reason of a changed election, the death of a Spouse, or a divorce.

**B9.2 Time of Payment.** The following provisions are subject to Section B9.4 (relating to required minimum distributions).

- (a) *Distribution at Retirement.* A Participant's or Terminated Participant's Annuity Starting Date will be the Early Retirement Date, Normal Retirement Date, or Late Retirement Date on or immediately following such Participant's Retirement or Terminated Participant's 62<sup>nd</sup> birthday, unless:
  - (i) the Participant's or Terminated Participant's Aggregate DB Benefit exceeds the amount specified in Section B9.1(d), and the Participant or Terminated Participant fails to submit an accurately completed Application for Benefits to the Administrator before such Early, Normal, or Late Retirement Date (or, in the case of a Terminated Participant, his or her 62<sup>nd</sup> birthday), in which case the payment of his or her Early Retirement Benefit, Normal Retirement Benefit, or Late Retirement Benefit will be made in accordance with Section B9.2(b); or
  - (ii) the Participant's or Terminated Participant's Aggregate DB Benefit does not exceed the amount specified in Section B9.1(d), in which case the

payment of his or her Accrued Benefit will be made in accordance with Section B9.2(c).

Notwithstanding the provisions of the previous sentence, such Participant's or Terminated Participant's Annuity Starting Date will be delayed if required to satisfy the conditions of Sections B9.1(e) and B9.2(d).

(b) *Delayed Distribution.* If Section B9.2(a)(i) applies, the Annuity Starting Date for a Participant's or Terminated Participant's Early Retirement Benefit, Normal Retirement Benefit, or Late Retirement Benefit will be the earlier of:

- (i) the date that is:
  - (A) the first of the month following the Administrator's acceptance of the Participant's or Terminated Participant's Application for Benefits; or
  - (B) such later date, if any, as is necessary to satisfy the conditions of Sections B9.1(e) and B9.2(d); or
- (ii) the Participant's or Terminated Participant's Required Beginning Date.

(c) *Lump Sums.*

- (i) *Small Benefit.* Except in the case of a Disabled Participant, if, as of the time:
  - (A) a Participant qualifies for Early Retirement, Normal Retirement, or Late Retirement or attains his or her Annuity Starting Date;
  - (B) a Terminated Participant first becomes a Terminated Participant or attains his or her Annuity Starting Date; or
  - (C) an Alternate Payee's benefit is segregated pursuant to a QDRO or the Alternate Payee attains his or her Annuity Starting Date,

such person's Aggregate DB Benefit does not exceed the amount specified in Section B9.1(d), then such Aggregate DB Benefit will be administered as described in Section B9.1(d). A Disabled Participant must consent to such distribution.

- (ii) *Termination by Withdrawal.* A Participant entitled to a lump sum transfer under Section B9.1(b)(iv)(A) must elect such lump sum transfer:
  - (A) within 180 days of his or her Termination of Conference Relationship under any subparagraph of ¶361.2 of the Discipline;
  - (B) subject to all applicable provisions of Sections B9.1 and B9.2; and

- (C) in accordance with such rules as the Administrator may make from time to time.

Such Terminated Participant's lump sum transfer will be completed as soon as reasonably practicable after the Administrator's receipt of the Terminated Participant's lump sum election. The lump sum transfer will constitute the complete transfer of such Terminated Participant's Accrued Benefit under the Core Defined Benefit Plan to an Account of the Administrator's choosing in the Core Defined Contribution Plan. Following such transfer, the Terminated Participant may leave the transferred lump sum in the Account to which it was transferred or apply for and receive a distribution of such transferred lump sum in accordance with Section C8.

- (d) *Tax Notice.* Before making any Eligible Rollover Distribution, the Administrator will furnish each Recipient with a notice describing his or her right to a direct rollover of the distribution and the tax consequences of the distribution. Such notice will be furnished not more than 180 days nor fewer than 30 days before the Recipient is entitled to receive such distribution, and no distribution will be made until 30 days after he or she has received such notice unless he or she waives such 30-day period in writing in accordance with procedures established by the Administrator.

**B9.3 Payments After a Participant's Death.** The following provisions are subject to Section B9.4 (relating to required minimum distributions).

- (a) *Distribution on Death.* On or after the death of a Participant or a Terminated Participant whose Annuity Starting Date:
  - (i) has already passed, further Plan benefits will be paid (or will cease) in accordance with the terms of the Normal Form of Benefit or Optional Form of Benefit, whichever is in force; or
  - (ii) has not yet arrived,
    - (A) no benefits under the Plan will be payable if such Participant or Terminated Participant has no surviving Spouse; or
    - (B) a monthly 70% Pre-Retirement Survivor Benefit will be paid to such Participant's or Terminated Participant's surviving Spouse as follows:
      - (I) If the Participant or Terminated Participant died while married to a Spouse, that surviving Spouse will receive 70% of the Participant's or Terminated Participant's portion of:

- (1) the benefit payable under Section B9.1(a)(ii) in the case of a surviving Spouse of a Participant; or
- (2) the benefit payable under Section B9.1(a)(iii) in the case of a surviving Spouse of a Terminated Participant,

in either case as though the Participant or Terminated Participant commenced the benefit payable under Section B9.1(a)(ii) or (iii), respectively, on the day before his or her death (disregarding any limitations on when such benefit may be paid) and died immediately thereafter without receiving any payments thereunder, leaving only the surviving Spouse portion of the benefit. Monthly surviving Spouse benefits will be actuarially reduced, as determined by the Administrator, to reflect early commencement in the case of payments beginning before the Participant's or Terminated Participant's Normal Retirement Date.

(II) Monthly benefits will begin on:

- (1) the first of the month following the Participant's or Terminated Participant's date of death; or
- (2) such later date as such surviving Spouse may elect (in accordance with rules and procedures adopted by the Administrator from time to time); and

will end with the payment made on the first of the month in which such surviving Spouse dies.

(III) Monthly benefits will be increased 2% per year, in accordance with the provisions of Section B9.1(a)(ii), when paid to the surviving Spouse of a deceased Participant, but no annual increase will be paid to the surviving Spouse of a deceased Terminated Participant.

- (b) *Proof of Death.* The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of a Normal Form of Benefit, Optional Form of Benefit, or 70% Pre-Retirement Survivor Benefit as the Administrator may deem appropriate. The Administrator's determination of which person will receive payment will be conclusive.
- (c) *Effect of Divorce.* A Participant's or Terminated Participant's divorce after his or her Annuity Starting Date will not change how benefits are paid under the Normal Form of Benefit or an Optional Form of Benefit unless a QDRO otherwise provides. A Participant's or Terminated Participant's divorce (but not his or her legal separation) before his or her Annuity Starting Date will result in benefits



being paid as though the Participant or Terminated Participant does not have a Spouse, unless the Participant or Terminated Participant remarries before his or her Annuity Starting Date or unless a QDRO otherwise provides.

**B9.4 Required Minimum Distributions.** Notwithstanding anything in the Plan to the contrary, distributions under the Plan will comply with Code §403(b)(10) and its provisions related to compliance with Code §401(a)(9) and the applicable provisions of any required minimum distribution Regulations issued thereunder. Such Code and Regulation provisions are hereby incorporated herein by this reference, and will control over any form of distribution or timing of distribution provided in this Plan that is inconsistent therewith. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in the Plan, the Administrator will have the authority to provide for such elections or alternative methods of compliance.

(a) *Time of Distribution.*

(i) *Required Beginning Date.* Monthly benefits will begin to be distributed to the Participant no later than the Participant's Required Beginning Date.

(ii) *Death of Participant Before Distributions Begin.* If the Participant dies before a distribution to the Participant begins, monthly benefits will be distributed to the Participant's surviving Spouse, if any, beginning no later than December 31 of the later of:

(A) the calendar year in which the Participant would have attained age 70½; or

(B) the calendar year following the calendar year in which the Participant died;

and ending with the death of the Participant's surviving Spouse. If the Participant has no surviving Spouse, no benefit will be paid.

(b) *Determination of Amount to be Distributed Each Year.*

(i) *General Annuity Requirements.* If a Participant's interest is paid in the form of an annuity distribution under the Plan, payments under the annuity must satisfy the following requirements:

(A) the annuity distribution will be paid in periodic payments made at intervals not longer than one year;

(B) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section B9.4(c) or (d);

- (C) once payments have begun over a period certain, the period certain will not be changed, even if the period certain is shorter than the maximum permitted; and
- (D) payments will either be non-increasing or will increase only as follows:
  - (I) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
  - (II) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in section B9.4(c) dies or is no longer the Participant's Beneficiary pursuant to a QDRO;
  - (III) to provide cash refunds of participant contributions upon the Participant's death;
  - (IV) to pay increased benefits that result from a Plan amendment; or
  - (V) by an annual percentage increase that complies with any other applicable Regulation.
- (ii) *Amount Required to be Distributed by Required Beginning Date.* The amount that must be distributed on or before a Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section B9.4(a)(ii)) is the payment that is required for one payment interval (i.e., the period for which an annuity payment is received (e.g., bi-monthly, monthly, semi-annually, or annually)). The second payment need not be made until the end of the next such payment interval even if that payment interval ends in the next calendar year. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for such payment intervals ending on or after the Participant's Required Beginning Date.
- (iii) *Additional Accruals After First Distribution Calendar Year.* Any additional benefits accruing to a Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

- (c) *Requirements for Annuity Distributions that Begin During Participant's Lifetime.*
- (i) *Joint-Life Annuities Where the Contingent Annuitant Is Not the Participant's Spouse.* If a Participant's interest is being distributed in the form of a Contingent Annuity for the joint lives of the Participant and a non-Spouse Contingent Annuitant, annuity payments to be made on or after the Participant's Required Beginning Date to the Contingent Annuitant after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Regulation §401(a)(9)-6, Q&A-2. If the form of distribution combines a Contingent Annuity for the joint lives of the Participant and a non-Spouse Contingent Annuitant and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Contingent Annuitant after the expiration of the period certain.
- (ii) *Period-Certain Annuities.* Unless a Participant's Spouse is the sole Designated Beneficiary and the form of distribution is a period certain with no lifetime benefit annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant attains age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's Spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and joint-life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section B9.4(c)(ii), or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.
- (d) *Small Benefit.* Notwithstanding the foregoing portions of this Section B9.4, except in the case of a distribution to a Disabled Participant, if a Participant's or a Terminated Participant's Aggregate DB Benefit does not exceed the amount specified in Section B9.1(d) at the time of distribution, then such Aggregate DB Benefit will be administered as described in Section B9.1(d) as soon as administratively feasible. A Disabled Participant must consent to such administration, subject to the foregoing provisions of this Section B9.4.

**B9.5 Unclaimed Benefits.** The Administrator may prescribe uniform and nondiscriminatory rules for carrying out the following provisions:

- (a) If a portion (or all) of an Early, Normal, or Late Retirement Benefit or a 70% Pre-Retirement Survivor Benefit remains to be distributed to a Recipient at a time when it is due under the Plan (including, but not limited to, the Required Beginning Date) and the Administrator is then unable to locate the Recipient, the Administrator will send notice of such benefit due by a certified letter with return receipt requested to the last known address of the Recipient. If the Recipient fails to contact the Administrator within 12 months, the Recipient will be presumed dead and such benefit will be forfeited (except as provided in Section B9.5(c)) and will become the benefit of the next Recipient in line (except as provided in Section B9.5(b)) in accordance with the applicable form of payment. The Administrator will then send notice by certified letter as provided above to the next Recipient in line, and the process specified above will be repeated until the last successor Recipient is sent a notification.
- (b) If the last successor or default Recipient fails to contact the Administrator within 12 months after being sent notification of a benefit due as provided in Section B9.5(a), then the amount specified in Section B9.5(a) will be forfeited. Such forfeitures will remain in the Funding Account from which they would otherwise have been paid to fund other benefits payable under the Plan.
- (c) If, at any time before the expiration of the 12-month period described in Section B9.5(b), a Recipient who is or was due a benefit described in Section B9.5(a) claims the benefit, the benefit will be paid to such Recipient (notwithstanding any previous forfeiture) if it has not previously been paid to another Recipient. If a benefit has been paid to a successor Recipient, the forfeiture as to all predecessor Recipients will become permanent. If the 12-month period described in Section B9.5(b) has elapsed, then such benefit will be permanently forfeited and will remain in the Funding Account from which it would otherwise have been paid to fund other benefits payable under the Plan.

**B9.6 Payment with Respect to Incapacitated Recipients.** Whenever, in the Administrator's opinion, a person entitled to receive any payment of a benefit under the Plan is under a legal disability (including being a minor) or is incapacitated in any way so as to be unable to manage such person's financial affairs, the Administrator may direct the Trustee to make payments directly to the person, to the person's legal representative (including a custodian for such person under the applicable Uniform Gifts or Transfers to Minors Act or similar legislation), or to a relative or friend of the person to be used exclusively for such person's benefit, or apply any such payment for the benefit of the person in such manner as the Administrator deems advisable. The decision of the Administrator, in each case, will be final, binding, and conclusive upon all persons interested hereunder. The Administrator will not be obligated to see to the proper application or expenditure of any payment so made. Any benefit payment (or installment thereof) made in accordance with the provisions of this Section B9.6 will completely discharge the obligation for making

such payment under the Plan, and the Administrator will have no further liability on account thereof.

**B9.7 Limitation on Liability for Distributions.** All rights and benefits, including benefit elections, provided to a Participant or Terminated Participant under this Plan will be subject to the rights afforded to any Alternate Payee under a QDRO. Further, a distribution to an Alternate Payee will be permitted if such distribution is authorized by a QDRO, even if the affected Participant or Terminated Participant has not incurred a Termination of Conference Relationship or attained any particular age.

**B9.8 Relinquishment.** Any Recipient may Relinquish any benefit or portion thereof that is due to him or her under the Plan if it is done in writing in a form acceptable to the Administrator and before receiving it. The Relinquishment will be effective for any monthly benefit payments due after it is made, will remain in effect in accordance with its terms for future benefit payments (until revoked), and may be revoked at any time (prospectively only), in accordance with rules or procedures adopted from time to time by the Administrator, as to monthly benefits not yet due. Relinquished monthly benefits will be handled in accordance with Section B7.2.

## Part C

### Core Defined Contribution Part

#### SECTION C1 - INTRODUCTION

##### **C1.1 Plan Sponsors.**

- (a) Each Conference is a Plan Sponsor of the Core Defined Contribution Plan under this Part C with respect to Participants who are:
  - (i) Under Episcopal Appointment by a Bishop to:
    - (A) a Local Church located within that Conference;
    - (B) a Pastoral Charge located within that Conference;
    - (C) a Conference-Responsible Unit located within that Conference; or
    - (D) a Conference-Elective Entity approved by that Conference;
  - (ii) Clergy Appointed by the Bishop of that Conference who are covered by CPP and become CPP Disabled;
  - (iii) when elected by a Conference under its Adoption Agreement, members of that Conference who are placed on Medical Leave but not covered under Section C1.1(a)(ii);
  - (iv) Non-Jurisdictional Clergy, Other Methodist Denomination Clergy, or Other Denomination Clergy; or
  - (v) entitled to Credited Service under USERRA but who last served that Conference under Section C1.1(a)(i).

Each such Conference will complete an Adoption Agreement covering such Participants with respect to the Core Defined Contribution Plan.

- (b) GCFA will be a Plan Sponsor of the Core Defined Contribution Plan under this Part C on and after September 1, 2008 with respect to Participants who are:
  - (i) Bishops;
  - (ii) Bishops on Medical Leave; or
  - (iii) Bishops entitled to Credited Service under USERRA.

Notwithstanding the foregoing, in the case of Bishops who were newly consecrated in 2008, then GCFA is the Plan Sponsor of the Core Defined

Contribution Plan under this Part C on and after the date of their consecration. GCFA will complete an Adoption Agreement covering such Participants with respect to the Core Defined Contribution Plan effective as of September 1, 2008.

- (c) If so elected by the Commission on the General Conference on an Adoption Agreement, the Commission on the General Conference is a Plan Sponsor of the Core Defined Contribution Plan under this Part C with respect to Participants who are Appointed to the Commission on the General Conference.
- (d) No other entity may be a Plan Sponsor of the Core Defined Contribution Plan.
- (e) No entity may be a Plan Sponsor of the Core Defined Contribution Plan without simultaneously being a Plan Sponsor of the Core Defined Benefit Plan.

**C1.2 Prospective Application.** No benefits will accrue under the Core Defined Contribution Plan before January 1, 2007.

## SECTION C2 - COMPUTATION OF SERVICE

### C2.1 Method of Computation.

- (a) *Eligibility Service.* A Clergy person does not need to complete a specified period of Service to be eligible for the Plan (although there are other conditions not involving Service).
- (b) *Credited Service.* An Eligible Clergy person's Contributions under the Plan are not determined with reference to Service.
- (c) *Vesting Service.* Participants are always 100% Vested in their Accounts.



## SECTION C3 - PARTICIPATION

### C3.1 Eligibility for Participation.

- (a) *Eligible Clergy person.* An Eligible Clergy person is a Clergy person:
  - (i) who:
    - (A) is Appointed Full-Time and:
      - (I) whose Conference or Salary-Paying Unit is a Plan Sponsor under the terms of the Plan and is Under Episcopal Appointment by the Bishop of such Plan Sponsor Conference; or
      - (II) who is a member of a Conference but is Under Episcopal Appointment by the Bishop of another Plan Sponsor Conference (within the meaning of ¶346.1 of the Discipline); or
    - (B) when a Plan Sponsor has so elected (under both Part B and Part C and in accordance with rules adopted by the Administrator), is Appointed at least Half-Time or is Appointed at least three-quarters time and:
      - (I) whose Conference or Salary-Paying Unit is a Plan Sponsor under the terms of the Plan and is Under Episcopal Appointment by the Bishop of such Plan Sponsor Conference; or
      - (II) who is a member of a Conference but is Under Episcopal Appointment by the Bishop of another Plan Sponsor Conference (within the meaning of ¶346.1 of the Discipline); or
    - (C) is CPP Disabled and was Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence) immediately preceding his or her grant of CPP disability benefits; or
    - (D) is placed on Medical Leave, but only in the case where such Clergy person's Plan Sponsor has elected on its Adoption Agreement to provide benefits for such Clergy, and was Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence)

immediately preceding the date he or she was placed on Medical Leave; or

(ii) who is a Non-Jurisdictional Clergy person, an Other Methodist Denomination Clergy person, an Other Denomination Clergy person, or a Clergy person described in Sections C3.1(a)(i)(A)(II) or (B)(II) above) and:

(A) who:

(I) develops a disability or an incapacity after having been Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence) immediately preceding the onset of his or her disability or incapacity;

(II) remains Appointed by the Bishop of the Plan Sponsor Conference (or, where the Plan Sponsor is not supervised by a Bishop, remains covered by the Plan Sponsor's Adoption Agreement); and

(III) is not reported as discontinued or as having no record of Appointment; or

(B) who is CPP Disabled and was Appointed Full-Time (unless at least Half-Time or at least three-quarters time was elected by the Plan Sponsor) at some time during the 24 months (excluding periods while on Leave of Absence) immediately preceding his or her grant of CPP disability benefits;

but not including any Clergy person who:

(1) is Retired, unless such person returns to an effective relationship under ¶358.7 of the Discipline;

(2) has incurred a Termination of Conference Relationship; or

(3) is Appointed to a General Agency.

The Full-Time-Appointment eligibility condition (unless at least Half-Time or at least three-quarters time is elected by the Plan Sponsor) is satisfied (or not) solely on the basis of the Appointment level (or two or more Appointments that add to Half-Time, three-quarters time, or Full-Time). Actual time served in the Appointment, periods of Leave of Absence, and lesser levels of Appointment with heavy actual service are not relevant.

- (b) *Participation.* Each Eligible Clergy person will become a Participant on the Entry Date determined under Section C3.2, provided that he or she satisfies all of the following requirements on the Entry Date:
- (i) He or she is:
    - (A) an Eligible Clergy person Under Episcopal Appointment to a Local Church, Pastoral Charge, Conference-Responsible Unit, or Conference-Elective Entity; or
    - (B) a Bishop;
  - (ii) He or she is eligible to participate in a Church Plan; and
  - (iii) He or she is:
    - (A) receiving Compensation in connection with his or her Appointment;
    - (B) CPP Disabled or a Bishop on Medical Leave (but in neither of these cases is a Terminated Participant);
    - (C) when elected by a Conference under its Adoption Agreement, a Conference member who is placed on an Medical Leave but not covered under Section C3.1(b)(iii)(B) above; or
    - (D) entitled to participate under USERRA.

After initially becoming a Participant on the Entry Date, an Eligible Clergy person must continue to meet the conditions in Sections C3.1(a) and (b) above to remain a Participant eligible to receive Contributions. Although it will not prevent an Eligible Clergy person from participating in the Plan, the Administrator may require the Plan Sponsor of each Eligible Clergy person who is to become (or has become) a Participant (whether or not such Participant has an Accrued Benefit) to file an application for enrollment in the Plan in such form as may be required by the Administrator or to otherwise provide necessary enrollment information in a manner acceptable to the Administrator.

**C3.2 Determination of Entry Date.** Each Eligible Clergy person's Entry Date will be the earlier of:

- (a) January 1, 2007, if on that date he or she satisfied the requirements of Section C3.1; or
- (b) the first day of any calendar month thereafter on which he or she satisfies the requirements of Section C3.1.

**C3.3 Determination of Eligibility.** Upon receipt of enrollment information from the Plan Sponsor as provided in Section C3.1, the Administrator will accept such information as evidence of eligibility for participation in the Plan. However, the Administrator may from time to time audit such information or obtain additional information, which might result in a determination of ineligibility for a Participant or a determination of eligibility for a non-Participant. The Administrator has the final authority to determine the eligibility of any Clergy person. Such determination will be made pursuant to the provisions of the Plan and the Adoption Agreement and will be conclusive and binding upon all persons.

**C3.4 Cessation and Resumption of Participation.**

- (a) *Cessation of Participation.* A Participant who receives a distribution of his entire Account Balance under the Plan and who no longer qualifies under Section C3.1 will cease to be a Participant in the Plan.
- (b) *Reinstatement.* A person described in Section C3.4(a) who again qualifies under Sections C3.1 and C3.2 will again become a Participant entitled to Contributions.
- (c) *Return to Coverage.* If a Participant ceases to qualify under Sections C3.1 and C3.2 but does not receive a distribution of his entire Account Balance under the Plan and then requalifies under those Sections, he or she will once again be entitled to Contributions under the Plan but will not be entitled to receive distributions under the Plan (except to the extent he or she qualifies under Section C8.2), even for amounts that he or she would have been entitled to receive when he or she previously ceased to qualify under Sections C3.1 and C3.2.
- (d) *Transfer.* A Participant who transfers from one Conference (or other Plan Sponsor) to another (or who otherwise transfers under ¶¶346, 347, or 348 of the Discipline such that he or she was covered under the Plan both before and after the transfer) without a Break in Service will remain a Participant, but his or her Plan Sponsor will change from the first Conference (or other Plan Sponsor) to the second on the date that he or she is Under Episcopal Appointment with the second.

**C3.5 Omission of Eligible Clergy person.** If, in any Plan Year, a Clergy person who should have been included as a Participant in the Plan is erroneously omitted from participation and if the discovery of such omission is not made until after one or more Contributions by his or her Plan Sponsor has been made or is due for such Plan Year, the Plan Sponsor will correct that omission by making one or more replacement contributions to such Participant's Non-Matching Contribution Account or Matching Contribution Account to substitute for the Non-Matching Contributions or Matching Contributions that would have been made with respect to the omitted Participant had he or she not been omitted, subject to the limits of Section C5. In addition, the Plan Sponsor will contribute to the Non-Matching Contribution Account or Matching Contribution Account of the omitted Participant imputed earnings on the replacement contributions based on a fixed rate of interest or on projected earnings as established by the Administrator from case to case or time to time, credited from the Due Date on which any such Contributions were due to

the Plan until the Accounting Date such replacement contributions were actually credited to the omitted Participant's Non-Matching Contribution Account or Matching Contribution Account. Moreover, the Plan Sponsor is subject to one or more administrative charge(s) under Section A3.7(c). In accordance with Revenue Procedure 2003-44 or its successors, replacement contributions made on account of any past Limitation Year will be deemed made in that past Limitation Year for the purpose of Code §415. Replacement contributions made on account of imputed earnings will not be treated as annual additions in any Limitation Year under Code §415.

**C3.6 Inclusion of Ineligible Person.** If, in any Plan Year, any person who should not have been included as a Participant in the Plan is erroneously included and the discovery of such incorrect inclusion is not made until after one or more Contributions for the Plan Year have been made with respect to such person, any such Contributions will constitute a mistake of fact for the Plan Year in which the Contributions are made and will be returned to the Plan Sponsor (adjusted for any gains or losses) if it qualifies under Section A4.3(b). Erroneous Contributions that do not qualify under Section A4.3(b) will be permanently forfeited and used by the Administrator to defray administrative expenses of the Plan.

**C3.7 Election Not to Participate.** Subject to the consent of his or her Plan Sponsor, an Eligible Clergyperson who is a student Local Pastor (within the meaning of ¶¶318 and 318.3 or 318.4 of the Discipline) or who is Appointed on a Part-Time basis may elect voluntarily not to participate in the entire Program by written notice to the Plan Sponsor not later than 60 days after the effective date of such election, which may be made in any form acceptable to the Administrator. As the result of such an election, Contributions will not be made with respect to the electing Eligible Clergyperson while such an election is in force. The Eligible Clergyperson may revoke such an election at any time that such Clergyperson is eligible to be a Participant, but past Contributions related to periods during which the election was in force will not be earned or will be permanently forfeited. If such Clergyperson already has an Account Balance in the Plan, such election not to participate will not affect the Account Balance or Contributions already made to the Plan or the Participant's right to direct the investment of such Account Balance.

## SECTION C4 - AMOUNT AND ALLOCATION OF CONTRIBUTIONS

### C4.1 Plan Sponsor Contributions.

- (a) *Non-Matching Contributions.* For each month, each Plan Sponsor will make a Non-Matching Contribution on behalf of each of its Participants who qualify under Sections C3.1 and C3.2 (and continue to qualify at the end of each such month) in the amount of 2% of such Participant's Compensation for each such month.
- (b) *Matching Contributions.* For each month, each Plan Sponsor will make a Matching Contribution on behalf of each of its Participants who qualify under Sections C3.1 and C3.2 (and continue to qualify at the end of each such month) in an amount equal to the portion of such Participant's Participant Contributions to UMPIP for the current Plan Year to date that does not exceed 1% percent of such Participant's Compensation for the current Plan Year to date, reduced by the amount of Matching Contributions made for such Participant for previous months in the current Plan Year.
- (c) *Disabled Participants.* Sections C4.1(a) and (b) above will apply to CPP Disabled Participants and Participants on Medical Leave only as provided in this Section C4.1(c):
  - (i) *Disabled Participant Eligibility.* In accordance with the provisions of this Section C4.1(c), Plan Sponsors (or CPP on their behalf) will also make Non-Matching Contributions and Matching Contributions to:
    - (A) CPP Disabled Participants and Bishops on Medical Leave who are eligible under Sections C3.1 and C3.2 (and continue to qualify at the end of each month); and
    - (B) Participants on Medical Leave who are eligible under Sections C3.1 and C3.2 (and continue to qualify at the end of each month) whose Plan Sponsors have elected on their Adoption Agreements to cover such Participants.

Notwithstanding the foregoing provisions of this Section C4.1(c)(i), a Participant will cease to qualify for further Non-Matching and Matching Contributions on account of periods after he or she becomes a Terminated Participant.

- (ii) *Amount of Contributions.* Participants eligible under Section C4.1(c)(i) above will be entitled to Non-Matching Contributions and Matching Contributions:
  - (A) in the case of CPP Disabled Participants and Bishops on Medical Leave covered under Section C4.1(c)(i)(A) above, in the amount of:

- (I) 2% of such Participant's Compensation determined as of the month immediately preceding the start of such Participant's CPP Disability (subject to annual imputed increases described below); plus
- (II) an additional amount of Matching Contributions up to 1% of such Participant's Compensation determined as provided in Section C4.1(c)(ii)(A)(I) above, to the extent that such Participant makes Participant Contributions under UMPIP while CPP Disabled,

with 3% annual imputed increases in Compensation starting with the year following the year in which such Contributions were first made (all of which may be paid by CPP);

- (B) in the case of Participants on Medical Leave covered under Section C4.1(c)(i)(B) above, in the amount of:

- (I) 2% of such Participant's Compensation determined as of the month immediately preceding the start of such Participant's Medical Leave (subject to annual imputed increases described below); plus
- (II) an additional amount of Matching Contributions up to 1% of such Participant's Compensation determined as provided in Section C4.1(c)(ii)(B)(I) above, to the extent that such Participant makes Participant Contributions under UMPIP while on Medical Leave,

with 3% annual imputed increases in Compensation starting with the year following the year in which such Contributions were first made,

in either case, to the extent permitted under Code §415(c)(3)(C) (or any other applicable Code provisions) and Section C5.

- (iii) *Period of Contributions.* The Contributions provided for under Section C4.1(c)(ii) above will be made from the date such Participant is eligible under C4.1(c)(i) above until the earliest of:

- (A) the date such Participant ceases to qualify under C4.1(c)(i) above;  
or
- (B) in the case of a CPP Disabled Participant, the date that CPP disability retirement plan contribution benefits under CPP cease.

- C4.2 Allocation and Deposit of Contributions.** All Contributions will be forwarded to the Administrator by the Plan Sponsor as soon as possible, but in no event later than the Due Date. The Administrator will deposit Contributions in the Trust as soon as possible after receiving them. Each Participant's share of the Non-Matching Contributions will be allocated to the Participant's Non-Matching Contribution Account as of the Accounting Date coinciding with or next succeeding the date they are deposited in the Trust. Each Participant's share of the Matching Contributions will be allocated to the Participant's Matching Contribution Account as of the Accounting Date coinciding with or next succeeding the date they are deposited in the Trust.
- C4.3 Late Contributions.** If a Plan Sponsor delays in making a Contribution to the Plan on behalf of any Participant until after the Due Date specified in Section C4.2, then the Plan Sponsor will make such delayed Contribution to the Plan as soon as possible thereafter, along with missed earnings on such delayed Contribution in accordance with any applicable Internal Revenue Service correction program, credited from the day after such Due Date until the Accounting Date such Contribution was actually credited to the Participant's Account. For the purpose of Code §415, such replacement Contributions (including imputed earnings) will be treated as specified in Section C3.5. Any special services provided by the Administrator in connection with this Section C4.3 are subject to the additional charges provided for in Section A3.7(c). If any Contributions are more than two months overdue, the Administrator may compel payment by bringing the matter to Judicial Council or by any other means the Administrator may elect to pursue.
- C4.4 Ineligible Participants.** If a Participant ceases to qualify under Section C3.1, is on an unpaid Leave of Absence (except as otherwise required under Section A4.9 (relating to USERRA) or applicable law), is suspended from employment without pay, or is otherwise not earning Compensation for a month for a reason not covered under Section C3.1, but has not Retired or incurred a Termination of Conference Relationship, then for any such period the Participant's Accounts will not be credited with any Non-Matching Contributions.



## SECTION C5 - LIMITS ON CONTRIBUTIONS

### C5.1 Limit on Annual Additions.

(a) *Limitation.* Notwithstanding any other provisions of the Plan (except for this Section C5), the amount of Annual Additions allocated to a Participant's Account for any Limitation Year will not exceed an amount equal to the limit of Section C5.1(a)(i) below, as increased, if at all, by the provisions of Sections C5.1(a)(ii) and C5.1(a)(iii) below.

(i) *Standard Limit.* The limit of this Section C5.1(a)(i) is the lesser of:

(A) \$51,000 (in 2013 or as indexed under Code §415(d) in later years);  
or

(B) 100% of the Participant's 415 Compensation for the Limitation Year;

reduced, in either case, by the amount of Annual Additions credited to the Participant's account for the Limitation Year under any other Code §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate.

(ii) *\$3,000 Missionary Minimum.* To the extent permitted under Code §415(c)(7) and Regulations, if the amount of Annual Additions allocated to a Participant's Account for any Limitation Year exceeds the limit of Section C5.1(a)(i) above, in the case of a Participant performing services outside of the United States for any entity that is controlled by or associated with The United Methodist Church or any autonomous affiliated church, such limit will be increased (if this Section C5.1(a)(ii) provides an increase) to \$3,000, provided that such Participant's adjusted gross income for such Limitation Year (determined separately and without regard to community property laws) does not exceed \$17,000.

(iii) *\$10,000 Minimum.* To the extent permitted under Code §415(c)(7) and Regulations, if the amount of Annual Additions allocated to a Participant's Account for any Limitation Year exceeds the limit of Section C5.1(a)(i) above, as increased to the limit of Section C5.1(a)(ii) above (if such Section provides an increase), such limit will be increased to the lesser of:

(A) \$10,000 minus the limit of Section C5.1(a)(i) above as applied to such Participant in such Limitation Year; or

(B) \$40,000 minus the aggregate of all previous Annual Additions for all previous Limitation Years made because of the extended limit attributable to Code §415(c)(7).

This Section C5.1(a)(iii) will be applied, to the extent required under Code §415(c)(7) and Regulations, to the Participant's account for the Limitation Year under any other Code §403(b) defined contribution plan maintained by any entity controlled by or associated with The United Methodist Church within the meaning of Code §414(e)(3)(B)(ii).

- (b) *Error in Previous Limitation Year.* To the extent permitted by applicable law, an amount credited to a Participant's Account in order to correct an error made in a previous Limitation Year will be treated for the purpose of Section C5.1(a) as having been credited to such Account in the Limitation Year to which the error relates.
- (c) *Correction of Excess Annual Additions.* If the amount otherwise allocable to a Participant's Account, or with respect to a Participant in any other Code §403(b) defined contribution plan described in Section C5.1(d) below, in a Limitation Year would exceed the limitation set forth in Section C5.1(a) above, the amount of such excess will be corrected as soon as is practicable in accordance with any applicable Internal Revenue Service correction program, which correction will be implemented, if permitted:
  - (1) as provided in UMPIP, or, if there is a conflict in the application of this Plan and UMPIP or another plan, then according to the plan with the smaller amount of plan sponsor contributions, or, if the foregoing does not correct the excess Annual Additions, then
  - (2) by the application of one or more of Sections C5.1(c)(2)(i)-(xi) below in the following order to the extent necessary and to the extent permissible under the Code or Regulations or Internal Revenue Service programs (such as the Employee Plans Compliance Resolution System) thereunder:
    - (i) first, in the case of a Participant eligible to make before-tax elective deferral contributions (including any qualified as 15-year catch-up contributions in accordance with Code §402(g)(7)) to a Code §403(b) defined contribution plan, by a recharacterization of any such contributions (and any earnings thereon) for the Limitation Year as age 50 catch-up contributions to the extent permissible under Code §414(v) and any such defined contribution plan;
    - (ii) second, in the case of a Participant eligible to make Roth elective deferral contributions (including any qualified as 15-year catch-up contributions in accordance with Code §402(g)(7)) to a Code §403(b) defined contribution plan, by a recharacterization of any such contributions (and any earnings thereon) for the Limitation Year as age 50 catch-up contributions to the extent permissible under Code §414(v) and any such defined contribution plan;

- (iii) third, in the case of a Participant eligible to make after-tax participant contributions to a Code §403(b) defined contribution plan, by returning all or a portion of such contributions (and any earnings thereon) for the Limitation Year, except that in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP), such return of after-tax participant contributions will be made only to the extent that they were not pre-requisites to earning matching contributions (including such conditional contributions) and only to the extent permitted by such defined contribution plan;
- (iv) fourth, by returning all or a portion of the Participant's before-tax elective deferral contributions to a Code §403(b) defined contribution plan (and any earnings thereon) for the Limitation Year, except that in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP), such return of before-tax elective deferral contributions will be made only to the extent that they were not pre-requisites to earning matching contributions (including such conditional contributions) and only to the extent permitted by such defined contribution plan;
- (v) fifth, by returning all or a portion of the Participant's Roth elective deferral contributions to a Code §403(b) defined contribution plan (and any earnings thereon) for the Limitation Year, except that in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP), such return of Roth elective deferral contributions will be made only to the extent that they were not pre-requisites to earning matching contributions (including such conditional contributions) and only to the extent permitted by such defined contribution plan;
- (vi) sixth, in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP) to a Code §403(b) defined contribution plan, by repeating the following cycle: returning one dollar of after-tax participant contributions (and any earnings thereon) for the Limitation Year to the Participant and forfeiting any corresponding matching contributions (including such conditional contributions) (and any earnings on either) and crediting them to a 415 Suspense Account in the name of the Plan Sponsor or employer, until such excess is corrected or all after-tax participant contributions and matching contributions (including such conditional contributions) (and any earnings on either) have

been returned or forfeited, all to the extent permitted by such defined contribution plan;

- (vii) seventh, in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP) to a Code §403(b) defined contribution plan, by repeating the following cycle: returning one dollar of before-tax elective deferral contributions (and any earnings thereon) for the Limitation Year to the Participant and forfeiting any corresponding matching contributions (including such conditional contributions) (and any earnings on either) and crediting them to a 415 Suspense Account in the name of the Plan Sponsor or employer, until such excess is corrected or all before-tax elective deferral contributions and matching contributions (including such conditional contributions) (and any earnings on either) have been returned or forfeited, all to the extent permitted by such defined contribution plan;
- (viii) eighth, in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP) to a Code §403(b) defined contribution plan, by repeating the following cycle: returning one dollar of Roth elective deferral contributions (and any earnings thereon) for the Limitation Year to the Participant and forfeiting any corresponding matching contributions (including such conditional contributions) (and any earnings on either) and crediting them to a 415 Suspense Account in the name of the Plan Sponsor or employer, until such excess is corrected or all Roth elective deferral contributions and matching contributions (including such conditional contributions) (and any earnings on either) have been returned or forfeited, all to the extent permitted by such defined contribution plan;
- (ix) ninth, by crediting any other non-Vested Plan Sponsor or employer contributions made for the Limitation Year to a Code §403(b) defined contribution plan that are not specified in Sections C5.1(c)(vi) through (viii) above (and any earnings thereon) to a Code §415 suspense account in the name of the Plan Sponsor or employer, to be used to reduce the need for future Plan Sponsor or employer contributions, all to the extent permitted under such other plan;
- (x) tenth, by crediting any other Plan Sponsor or employer contributions made for the Limitation Year to a Code §403(b) defined contribution plan that are not specified in Sections C5.1(c)(vi) through (ix) above (and any earnings thereon) to a Code §415 suspense account in the name of the Plan Sponsor or

employer, to be used to reduce the need for future Plan Sponsor or employer contributions, all to the extent permitted under such other plan; and

- (xi) finally, by returning any other contributions not previously returned (and any earnings thereon) for the Limitation Year, in the case of Plan Sponsor Contributions under this Plan, to a 415 Suspense Account in the name of the Plan Sponsor, to be used to reduce the need for future Contributions from such Plan Sponsor.

Any amounts in a Plan Sponsor's 415 Suspense Account will be used to reduce future Contributions to Participants from that Plan Sponsor to Non-Matching Contribution Accounts and Matching Contribution Accounts. 415 Suspense Account amounts will be so applied as soon as possible after the amounts are allocated to the 415 Suspense Account. If a sum in a 415 Suspense Account has not been so reallocated to Non-Matching Contribution Accounts or Matching Contribution Accounts within two Plan Years after the close of the Plan Year in which the sum was first allocated to the 415 Suspense Account, then such sum will be contributed to the Funding Account of the Participant's Plan Sponsor.

- (d) *Aggregation of Plans.* For the purpose of this Section C5.1, all Code §403(b) defined contribution plans of, and all 415 Compensation from, any Plan Sponsor or its 415 Affiliates, whether or not such plans are terminated, are to be aggregated and/or treated as one defined contribution plan. If the limit of Section C5.1(a) is exceeded, Annual Additions must be limited, more than one plan is aggregated, and the provisions of Section C5.1(c) do not specify which plan's Annual Additions will be limited, then Annual Additions to a plan with a smaller dollar amount of plan sponsor contributions will be limited before a plan with a larger dollar amount.
- (e) *Contribution Timing.* A contribution will be deemed made for a Limitation Year if all conditions necessary for a Participant to earn the contribution are satisfied in such Limitation Year and if the plan sponsor actually makes the contribution not later than October 15 of the year following such Limitation Year.

**C5.2 Contributions to Disabled Persons.** Contributions may be made with respect to a Disabled Participant or a Disabled Terminated Participant only to the extent (if any) that such Contributions may be made in accordance with:

- (a) Code §415(c)(3)(C),
- (b) Code §§414(e)(3)(E)(ii) and/or 415(c)(7),
- (c) Code §415(c) because of the 415 Compensation received by such Eligible Clergy person, or
- (d) any other applicable provisions of the Code.

If Contributions made with respect to a Disabled Participant or a Disabled Terminated Participant exceed the above limits because of a reasonable mis-estimation of such Disabled Participant's or a Disabled Terminated Participant's 415 Compensation or for any other reason described in Regulations, the resulting excess Annual Additions will be corrected as provided in Section C5.1(c).

**C5.3 Purpose of Limitations; Authority of Administrator.** The limitations of this Section C5 are intended to comply with the requirements of Code §415, and the Regulations issued thereunder, and will be construed accordingly. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in this Section C5, the Administrator will have the authority to make or revoke such election or use such alternative method of compliance unless such election or alternative method of compliance by its terms requires an amendment to the Plan.

## SECTION C6 - INVESTMENTS AND PLAN ACCOUNTING

**C6.1 Participant Accounts.** The Administrator will establish and maintain a Non-Matching Contribution Account on behalf of each Accountholder who is allocated any Non-Matching Contributions under the Plan or who succeeds to any such amounts. The Administrator will establish and maintain a Matching Contribution Account on behalf of each Accountholder who is allocated any Matching Contributions under the Plan or who succeeds to any such amounts. Each Non-Matching Contribution Account or Matching Contribution Account represents the aggregate amount of Non-Matching Contributions or Matching Contributions, respectively, less any withdrawals or distributions charged thereto, and adjusted by the earnings, gains, losses, expenses, and unrealized appreciation or depreciation attributable to such Contributions, all in accordance with accounting rules and procedures established by the Administrator from time to time. The maintenance of separate Account Balances will not require physical segregation of plan assets with respect to any Account. The Accounts maintained hereunder represent the Accountholders' interests in the Plan and Trust and are intended as bookkeeping records to assist the Administrator in the administration of the Plan. Any reference in the Core Defined Contribution Plan to an Accountholder's "Account(s)" or "Account Balance(s)" refers to all amounts credited to both the Non-Matching Contribution Account and Matching Contribution Account maintained in the Accountholder's name under the Plan unless the context otherwise requires. The Administrator may aggregate similar Accounts from more than one Plan in the Program for the purposes of accounting, investment, distributions, and other purposes in accordance with rules and procedures adopted from time to time.

### **C6.2 Separate Fund Accounting.**

- (a) *Manner of Accounting.* To the extent the Trust is divided into separate funds, including funds established pursuant to Section C6.3, the undivided interest of each Accountholder's Account in each such fund will be determined in accordance with the accounting procedures specified in the trust agreement, investment management agreement, insurance contract, custodian agreement, or other document under which such fund is maintained. To the extent not inconsistent with such procedures, the following rules will apply:
- (i) Amounts deposited in a fund will be deposited by means of a transfer of such amounts to such fund from another fund or from a Plan Sponsor, as required.
  - (ii) Amounts required to be transferred from a fund to satisfy benefit payments will be transferred from such investment fund as soon as practicable following receipt by the trustee or investment manager of such fund of proper instructions to complete such transfers.
  - (iii) Except as provided in the applicable fund document, all amounts deposited in a fund will be invested as soon as practicable following receipt of such deposit. Pending investment in the appropriate fund, assets

may be invested in short-term instruments or funds as directed by the Trustee, an investment manager, or an applicable policy of the Trustee or Administrator.

- (b) *Separate Accountholder Accounts.* Notwithstanding the foregoing, if any portion of the Trust is invested in a fund that permits each Accountholder's interest in the fund to be accounted for as a separate account, all Contributions, distributions, and earnings will be accounted for as they are actually received, disbursed, or earned.

**C6.3 Accountholder-Directed Accounts.** Accountholders may direct the investment of their Accounts in this Plan among any one or combination of investment funds as are offered for such purpose by the Administrator from time to time. The Administrator will establish a written procedure to govern such investments, including specifying a default investment fund or funds when Accountholders do not direct the investment of their Accounts.



## SECTION C7 - VESTING AND FORFEITURE

- C7.1 Full Vesting.** An Accountholder's Account in the Plan will be fully Vested at all times to the extent funded, and will not be forfeited for any reason except as provided in Section C7.2.
- C7.2 Forfeitures.** Notwithstanding Section C7.1, an Accountholder may forfeit an otherwise Vested Account in the following circumstances:
- (a) *Missing Accountholder.* The Accounts of Accountholders who cannot be located will be handled as described in Section C8.6.
  - (b) *Uncashed Check.* Any Accountholder who has been issued a check for benefits due but who does not return or cash the check within a reasonable period established by the Administrator, after such reasonable notice (or in the case of very small benefit amounts, no notice) as the Administrator may determine, will forfeit such benefits. Such forfeited amounts will be contributed to the Funding Account of the Accountholder's Plan Sponsor. Uncashed checks returned to the Administrator because the payee is missing or for other reasons are not covered by this Section C7.2(b).
  - (c) *Relinquished Benefits.* If a Participant Relinquishes a benefit, it is forfeited. The Relinquished benefit will be contributed to the Funding Account of the Accountholder's Plan Sponsor.
  - (d) *Ineligible Person.* Benefits credited to an ineligible person will be handled as described in Section C3.6.
  - (e) *Election Not to Participate.* Eligible Clergy who elect not to participate in the Plan will be handled as described in Section C3.7.
  - (f) *Contributions in Excess of Limits.* Contributions and earnings thereon may be forfeited in accordance with the terms of Section C5.

## SECTION C8 - PAYMENT OF BENEFITS

**C8.1 Methods of Benefit Payment.** The following provisions are subject to Section C8.4 (relating to required minimum distributions).

- (a) *Normal Form of Payment.* The normal form of payment of an Accountholder's benefit is a cash lump-sum distribution equal to the Accountholder's total Account Balance in the Plan valued as of the Accounting Date coincident with or immediately before such distribution, and, except as otherwise provided herein, all benefits will be paid in such form.
- (b) *Small Account Balance.* Except in the case of a Disabled Participant and subject to Section C8.2(a), if the Accountholder's Aggregate Benefit does not exceed \$5,000 at the Accountholder's Retirement, when the Accountholder becomes a Terminated Participant, and/or at the Accountholder's Annuity Starting Date, subject to policies established by the Administrator from time to time, the entire amount of the Accountholder's Vested Account Balance in the Plan will be distributed as a lump sum to the Accountholder as soon as administratively feasible. A Disabled Participant must consent to such distribution.
- (c) *Payment in Cash Installments.* In accordance with rules established by the Administrator, an Accountholder may elect to receive his or her Account Balance in this Plan in cash installments. Such installments will be made in a series of distributions, payable annually or at more frequent intervals, determined in accordance with the provisions set forth below and rules issued by the Administrator. The payments will continue until the Accountholder changes his or her distribution option or until the Accountholder's entire Account Balance in the Plan has been distributed. Until such time, income, gains, losses, expenses, and unrealized appreciation or depreciation will continue to be allocated to the Account in accordance with Section C6. All payments of cash installments will be subject to the following.
  - (i) When required by Code §401(a)(9), the amount distributed in each calendar year beginning with the calendar year in which the payment begins will not be less than the Account Balance in this Plan on the last Accounting Date in the preceding calendar year divided by the divisor determined under Regulations issued under Code §401(a)(9). If the first payment is made in the year that includes the last day (April 1) of the Required Beginning Date, such payment will relate to the immediately preceding year, will be computed as though paid in such preceding year, and will be subtracted from the Account Balance in computing the second annual payment, which will be due by December 31 of the same year in which the first payment was made.
  - (ii) Installments may be paid more often than annually, in accordance with rules established by the Administrator, so long as, when required by Code §401(a)(9), the total amount distributed in any year satisfies the minimum

distribution requirement of Sections C8.1(c)(i) and C8.4. Distributions in excess of the minimum requirement in any year will not reduce the minimum required distribution in later years. Corrective distributions made to satisfy any of the limitations of Section C5 will not be considered distributions for the purpose of the minimum distribution requirement.

- (d) *Partial Distributions.* An Accountholder may elect one or more partial distributions of his or her Account Balance under the Plan, in accordance with rules established by the Administrator, provided that each such distribution is made on or before the required date for such distribution under Section C8.4.
- (e) *Election Procedures.* Wherever the Plan provides for an Accountholder to elect a form of distribution (including the right to defer receiving a distribution), the Administrator will provide a written explanation of the different forms of distribution. Such explanation will be provided not fewer than 30 nor more than 180 days before the scheduled commencement of such benefit, or within such other period as may be provided by any applicable provision of the Code. An Accountholder who has received such explanation may waive the 30-day period and elect to have his or her benefit distributed as soon as administratively practicable.

**C8.2 Distributions.** The following provisions are subject to Section C8.4 (relating to required minimum distributions).

- (a) *Small Account Balances.* Except in the case of a Disabled Participant, and subject to policies established by the Administrator from time to time, if, at the time:
  - (i) a Participant qualifies for Early Retirement, Normal Retirement, or Late Retirement or attains his or her Annuity Starting Date;
  - (ii) a Terminated Participant first becomes a Terminated Participant or attains his or her Annuity Starting Date; or
  - (iii) an Alternate Payee's benefit is segregated pursuant to a QDRO or the Alternate Payee attains his or her Annuity Starting Date,

such person's Aggregate Benefit does not exceed \$5,000, the entire amount of the Accountholder's Vested Account Balance will be distributed as a lump sum to the Accountholder as soon as administratively feasible unless the Accountholder elects a rollover under Section C8.5(a) to a specified plan or IRA. Notwithstanding the foregoing, if the portion of the Accountholder's Aggregate Benefit that is being distributed from this Program at one time is in excess of \$1,000, such distribution will be rolled over in accordance with Section C8.5(b) unless such Accountholder:

- (1) actively elects a distribution or a rollover under Section C8.5(a) to a specified plan or IRA;

- (2) has attained his or her Normal Retirement Date;
- (3) is a Beneficiary;
- (4) is an Alternate Payee; or
- (5) has attained his or her Required Beginning Date.

A Disabled Participant must consent to such distribution, which will be made in accordance with Section C8.2(d).

- (b) *Distribution at Retirement.* A Participant with an Aggregate Benefit that exceeds \$5,000 who attains his or her Early, Normal, or Late Retirement Date may elect to begin receiving the distribution of some or all of his or her Account Balance as soon as administratively feasible thereafter (subject to the limitations of Sections C8.1(e) and C8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution under Section C8.2(e). Such distribution will be made either in the normal form of payment provided in Section C8.1(a) or, if the Participant so elects, in any optional form of payment provided under Section C8.1.
- (c) *Distribution at Termination.* A Participant with an Aggregate Benefit that exceeds \$5,000 who undergoes a Termination of Conference Relationship, otherwise becomes a Terminated Participant, or incurs a Five-Year No Record of Appointment may elect to begin receiving the distribution of some or all of his or her Account Balance as soon as administratively feasible thereafter (subject to the limitations of Sections C8.1(e) and C8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution until a later date to be specified by the Participant that is not later than the latest date determined under Section C8.2(f). Such distribution will be made either in the normal form provided in Section C8.1(a) or, if the Participant so elects, in any optional form provided by Section C8.1.
- (d) *Distribution at Disability.* A Participant who is Disabled may elect to begin receiving the distribution of some or all of his or her Account Balance as soon as administratively feasible thereafter (subject to the limitations of Sections C8.1(e) and C8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution until a date not later than the latest date determined under Section C8.2(f). Such distribution will be made either in the normal form provided in Section C8.1(a) or, if the Participant so elects, in any optional form provided by Section C8.1.
- (e) *Delayed Distribution.* A Participant who has deferred the Distribution of some or all of his or her Accounts under the Plan under Sections C8.2(b)-(d) may elect to receive some or all of his or her remaining Accounts under the Plan at any later time (subject to the limitations of Sections C8.1(e) and C8.2(g), but not later than the date specified in Section C8.2(f)) in any optional form provided by Section C8.1.

- (f) *Latest Commencement Date.* Notwithstanding any other provision of this Plan, the latest date upon which the distribution of a Participant's Account under the Plan may begin is the Required Beginning Date. Periodic distributions, including mandatory partial lump sum distributions, will be required thereafter as provided in Section C8.4.
- (g) *Tax Notice.* Before making any Eligible Rollover Distribution, the Administrator will furnish each Accountholder with a notice describing his or her right to a direct rollover of the distribution and the tax consequences of the distribution. Such notice will be furnished not more than 180 days nor fewer than 30 days before the Recipient is entitled to receive such distribution, and no distribution will be made until 30 days after he or she has received such notice unless he or she waives such 30 day period in writing in accordance with procedures established by the Administrator.

**C8.3 Payments After an Accountholder's Death.** The following provisions are subject to Section C8.4 (relating to required minimum distributions).

- (a) *Distribution on Death.* Upon the death of an Accountholder, all amounts credited to such Accountholder's Account will be distributed to his or her Beneficiary in accordance with the provisions of the Plan or as otherwise specified in the Plan.
- (b) *Proof of Death.* The Administrator may require such proof of death and such evidence of the right of any person to receive payment of the value of the Account of a deceased Accountholder as the Administrator may deem appropriate. The Administrator's determination of which person will receive payment will be conclusive.
- (c) *Beneficiary Designation.* A Participant may name a Designated Beneficiary in accordance with Section A6.
- (d) *Surviving Spouse.* Notwithstanding a Participant's Beneficiary designation to the contrary, if the deceased Participant's Spouse survives him or her, the Participant's surviving Spouse will be his or her Beneficiary and the Participant's Account will be paid to that Spouse unless:
  - (i) the Spouse consents in writing after the Participant's death, or had consented in writing before the Participant's death, witnessed in either case by a Plan Sponsor or Administrator representative or a notary public, to the Participant's designation of another Designated Beneficiary; provided, however, that the Administrator need not solicit such a Spousal consent. Effective January 1, 2010, the Spouse must consent as specified above to each change in Designated Beneficiary;
  - (ii) the Participant is legally separated from his or her Spouse or has been abandoned (within the meaning of local law) by his or her Spouse, and, in either case, the Participant has a court order to such effect;

- (iii) the Spouse disclaims the Participant's Account, in writing in a form acceptable to the Administrator, before receiving it. The disclaimer must be of the entire benefit. The effect of such disclaimer is to treat the Spouse as if he or she had predeceased the Participant; or
- (iv) neither the Participant nor the Administrator can locate the Spouse (provided, however, that the Administrator will have no obligation to search for such Spouse).
- (e) *Change of Beneficiary.* An Accountholder may at any time revoke his or her designation of a Beneficiary or change his or her Designated Beneficiary by filing written notice (in such form as may be required by the Administrator) of such revocation or change with the Administrator.
- (f) *Effect of Divorce.* A Participant's divorce on or after January 1, 1998 will automatically revoke any Beneficiary designation in favor of the Participant's Spouse made before the divorce, unless the Participant completes another Beneficiary designation in favor of the former Spouse after the divorce. Until such time as a new designation of Beneficiary is filed with the Administrator in accordance with the provisions of this Section C8.3(f), benefits will be payable as though the former Spouse had predeceased the Participant.

**C8.4 Required Minimum Distributions.** The provisions of Sections C8.1, C8.2, and C8.3 are intended to comply with the requirements of Code §401(a)(9), including specifically the minimum distribution incidental death benefit rule of Code §401(a)(9)(G), and the Regulations issued thereunder, and will be construed accordingly. Such Code and Regulation provisions are hereby incorporated herein by this reference, and will control over any form of distribution provided in this Plan that is inconsistent therewith. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in Sections C8.1, C8.2, or C8.3, the Administrator will have the authority to make or revoke such election or use such alternative method of compliance. The requirements of this Section C8.4 will take precedence over any inconsistent provisions of the Plan.

- (a) *Time and Manner of Distribution.*
  - (i) *Required Beginning Date.* The Participant's entire interest will be distributed, or will begin to be distributed, to the Participant no later than the Participant's Required Beginning Date. Unless a Participant or other Accountholder otherwise elects, a distribution at the Required Beginning Date or at the time of a later required distribution will not exceed the amount of the minimum required distribution.
  - (ii) *Death of Participant Before Distributions Begin.* If the Participant dies before a distribution to the Participant begins, the Participant's entire interest will be distributed no later than as follows:

(A) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then distributions will begin to the surviving Spouse:

(I) if the surviving Spouse timely elects the Five-Year Distribution Option, then by December 31 of the calendar year containing the fifth anniversary of the Participant's death; or

(II) if the surviving Spouse does not timely elect the Five-Year Distribution Option, then by December 31 of the later of:

(1) the calendar year immediately following the calendar year in which the Participant died; or

(2) the calendar year in which the Participant would have attained age 70½;

and the Participant's entire interest will be distributed no later than:

(III) if the surviving Spouse timely elects the Five-Year Distribution Option, December 31 of the calendar year containing the fifth anniversary of the Participant's death; and

(IV) if the surviving Spouse does not timely elect the Five-Year Distribution Option, either:

(1) over the Life Expectancy of the surviving Spouse; or

(2) over a period certain not exceeding the Life Expectancy of the surviving Spouse determined using the surviving Spouse's age as of the surviving Spouse's birthday in the calendar year:

(a) that contains the Annuity Starting Date where the Annuity Starting Date is before the first Distribution Calendar Year; or

(b) immediately following the calendar year of the Participant's death where the Annuity Starting Date is not before the first Distribution Calendar Year.

A timely election is one made before the earlier of the two applicable deadlines.

(B) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then distributions will begin to the Designated Beneficiary:

(I) if the Designated Beneficiary timely elects the Lifetime Distribution Option (not available to Beneficiaries that are estates or trusts), by December 31 of the calendar year immediately following the calendar year in which the Participant died; or

(II) if the Designated Beneficiary does not timely elect the Lifetime Distribution Option, by December 31 of the calendar year containing the fifth anniversary of the Participant's death;

and the Participant's entire interest will be distributed no later than:

(III) if the Designated Beneficiary timely elects the Lifetime Distribution Option, then over the life of the Designated Beneficiary as provided in Section C8.4(c)(ii)(A); or

(IV) if the Designated Beneficiary does not timely elect the Lifetime Distribution Option, then by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

A timely election is one made before the earlier of the two applicable deadlines.

(C) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section C8.4(a)(ii), other than section C8.4(a)(ii)(A), will apply as though the surviving Spouse were the Participant.

For the purposes of this Section C8.4(a)(ii), unless Section C8.4(a)(ii)(D) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section C8.4(a)(ii)(D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section C8.4(a)(ii)(A).

(iii) *Forms of Distribution.* Unless a Participant's interest is distributed in the form of a single sum on or before the Required Beginning Date, as of the



first Distribution Calendar Year, distributions will be made in accordance with Sections C8.4(b), (c), and (d).

- (b) *Required Minimum Distributions During Participant's Lifetime.*
  - (i) *Amount of Required Minimum Distribution for Each Distribution Calendar Year.* During a Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
    - (A) the quotient obtained by dividing the Participant's Valuation Account Balance by the distribution period in the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
    - (B) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Valuation Account Balance by the number in the Joint and Last Survivor Table set forth in Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.
  - (ii) *Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.* Required minimum distributions will be determined under this Section C8.4(b) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.
- (c) *Required Minimum Distributions After Participant's Death.*
  - (i) *Death on or After Date Distributions Begin.*
    - (A) *Participant Survived by Designated Beneficiary.* If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Valuation Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:
      - (I) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of the Participant's death, reduced by one year for each year after the Participant's death.

- (II) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one year for each later calendar year.
  - (III) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Designated Beneficiary in the year following the year of the Participant's death, reduced by one year for each later year.
- (B) *No Designated Beneficiary.* If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed to the Default Beneficiary for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Valuation Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of the Participant's death, reduced by one year for each later year.
- (ii) *Death Before Date Distributions Begin.*
- (A) *Participant Survived by Designated Beneficiary.* Except as otherwise provided in Section C8.4(d), if the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Valuation Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section C8.4(c)(i).
  - (B) *No Designated Beneficiary.* If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest to the Default

Beneficiary will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

- (C) *Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.* If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and such surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section C8.4(a)(ii)(A), this Section C8.4(c)(ii) will apply as if the surviving Spouse were the Participant.
- (d) *Small Account Balance.* Except in the case of a Disabled Participant or a Disabled Terminated Participant, notwithstanding the provisions of Sections C8.4(a)-(c) to the contrary, if an Accountholder's or Designated Beneficiary's Aggregate Benefit at the time of distribution does not exceed \$5,000, his or her entire Account Balance will be distributed as a lump sum to such Accountholder or Designated Beneficiary as soon as administratively feasible in accordance with Section C8.2(a). A Disabled Participant or a Disabled Terminated Participant must consent to such distribution, which will be made in accordance with Section C8.2(d).

#### **C8.5 Direct Rollovers.**

- (a) *Elective Rollovers.* If a Participant or Terminated Participant, or the surviving Spouse or Alternate Payee of either, receives an Eligible Rollover Distribution, the Participant or Terminated Participant, or the surviving Spouse or Alternate Payee of either, has the right to direct the rollover of all or a portion of such distribution directly to an IRA, a defined contribution pension or profit-sharing trust qualified under Code §401(a), an annuity plan qualified under Code §403(a), a tax-sheltered annuity plan qualified under Code §403(b), or another "eligible retirement plan" as defined in Code §401(a)(31), that will accept such a rollover, provided that the amount so transferred must either be the entire amount of such distribution or at least \$200. Any surviving non-Spouse Beneficiary who receives a lump sum cash-out that qualifies as an Eligible Rollover Distribution has the right to elect a direct rollover of all or a portion of such distribution directly to an inherited IRA that will accept such rollover, provided that the amount so transferred must either be the entire amount of such distribution or at least \$200. The Administrator may adopt administrative procedures to implement direct rollovers, which may vary the time periods and minimum amounts set forth above, to the extent consistent with final Regulations issued under Code §401(a)(31). The Administrator will furnish each Accountholder to whom this Section C8.5(a) applies with a notice describing his or her right to a direct rollover and the tax consequences of a distribution. Such notice will be furnished not more than 180 days nor fewer than 30 days before the Accountholder is entitled to receive such distribution, and no distribution will be made until 30 days after he or she has received such notice unless he or she waives such 30 day

period in writing. The Administrator may adopt administrative procedures to implement direct rollovers, which may vary the time periods and minimum amounts set forth above, to the extent consistent with final Regulations issued under Code §401(a)(31).

(b) *Auto-Rollovers.* When:

- (i) a distribution from this Program to an Accountholder exceeds \$1,000;
- (ii) the Accountholder's Aggregate Benefit does not exceed \$5,000; and
- (iii) the Accountholder:
  - (A) has not requested to receive the distribution;
  - (B) has not requested that the distribution be rolled over to another eligible retirement plan or IRA specified by the Accountholder;
  - (C) has not attained his or her Normal Retirement Date;
  - (D) is not a Beneficiary;
  - (E) is not an Alternate Payee; and
  - (F) has not attained his or her Required Beginning Date;

then the Administrator will pay the distribution in a direct rollover to an IRA designated by the Administrator and invested in an investment type designated by the Administrator for the benefit of the Accountholder. Before making such rollover, the Administrator will provide, separately or as part of the notice specified in Section C8.5(a) above, a notice to such Accountholder stating that, absent his or her affirmative election, the distribution will be automatically rolled over to an IRA. The notice will also identify the custodian, trustee, or other issuer of the IRA. In carrying out this Section C8.5(b), the Administrator will comply with IRS Notice 2005-5 and other applicable advice from the Internal Revenue Service or Regulations.

**C8.6 Unclaimed Benefits.** The Administrator may prescribe uniform and nondiscriminatory rules for carrying out the following provisions:

- (a) If a portion (or all) of an Account remains to be distributed to an Accountholder at a time when it is due under the Plan (including, but not limited to, the Required Beginning Date) and the Administrator is then unable to locate the Accountholder, the Administrator will send notice of such benefit due by a certified letter with return receipt requested to the last known address of the Accountholder. If the Accountholder fails to contact the Administrator within 12 months (except as provided in Section C8.6(b)), such benefit will be forfeited (except as provided in Section C8.6(c)) and will become the benefit of, in the case

of a Participant or Alternate Payee, such person's Beneficiary, or, in the case of a Beneficiary, the Participant's or Alternate Payee's successor Beneficiary (including any Default Beneficiaries provided under the terms of the Plan), except in the case where a Beneficiary defers the distribution of an Account and is permitted to name his or her own Beneficiary, and in that case the Beneficiary's Beneficiary. The Administrator will then send notice by certified letter as provided above to the Beneficiary or successor Beneficiary (including a Default Beneficiary), and the process specified above will be repeated until the last successor Beneficiary is sent a notification.

- (b) If the last successor or Default Beneficiary fails to contact the Administrator within 12 months after being sent notification of a benefit due as provided in Section C8.6(a), then the amount specified in Section C8.6(a) will be forfeited. The Administrator will contribute such forfeitures to the Funding Account of the Plan Sponsor of the Accountholder referred to in Section C8.6(a) above.
- (c) If, at any time before the expiration of the 12-month period described in Section C8.6(b), an Accountholder who is or was due a benefit described in Section C8.6(a) claims the benefit, the benefit will be paid to such Accountholder (notwithstanding any previous forfeiture) if it has not previously been paid to another Accountholder. If the 12-month period described in Section C8.6(b) has elapsed, then such benefit will be permanently forfeited and used by the Administrator as described in Section C8.6(b).

**C8.7 Payment with Respect to Incapacitated Accountholders.** Whenever, in the Administrator's opinion, a person entitled to receive any payment of a benefit under the Plan is under a legal disability (including being a minor) or is incapacitated in any way so as to be unable to manage such person's financial affairs, the Administrator may direct the Trustee to make payments directly to the person, to the person's legal representative (including a custodian for such person under the applicable Uniform Gifts or Transfers to Minors Act or similar legislation), or to a relative or friend of the person to be used exclusively for such person's benefit, or apply any such payment for the benefit of the person in such manner as the Administrator deems advisable. The decision of the Administrator, in each case, will be final, binding, and conclusive upon all persons interested hereunder. The Administrator will not be obligated to see to the proper application or expenditure of any payment so made. Any benefit payment (or installment thereof) made in accordance with the provisions of this Section C8.7 will completely discharge the obligation for making such payment under the Plan, and the Administrator will have no further liability on account thereof.

**C8.8 Limitation on Liability for Distributions.** All rights and benefits, including benefit and investment elections, provided to a Participant in this Plan will be subject to the rights afforded to any Alternate Payee under a QDRO. Further, a distribution to an Alternate Payee will be permitted if such distribution is authorized by a QDRO, even if the affected Participant has not incurred a Termination of Employment or attained any particular age.

**C8.9 In-Service Withdrawals.** A Participant may withdraw all or any portion of his or her Account under this Plan if the Participant is Disabled.

**C8.10 Disclaimer.** Any Beneficiary may disclaim any benefit or portion thereof that is due to him or her if done in writing in a form acceptable to the Administrator and if done before receiving it. The effect of a disclaimer is to treat such Beneficiary as if he or she had died before the benefit or portion was due to him or her.

**C8.11 Trailing Account Balances.** If an Accountholder who has received a distribution of his or her entire Account Balance later receives a credit to such Account, because of a delayed Contribution, a delayed crediting of earnings, or a correction in accounting or for some other reason, the Administrator will distribute the balance in the Account to the Accountholder as soon as practicable thereafter. If the Account Balance is under \$200, the Account Balance will be distributed as a lump sum to the Accountholder as soon as administratively feasible. If the Account Balance is \$200 or more, it will be distributed in the same form of payment that applied to the Accountholder's previous distribution.

**Supplement One**  
**to the**  
**Clergy Retirement Security Program**

**PRE-82 PLAN**

**SECTION S1.1 – THE PLAN**

**S1.1.1 Prior Plans.** Effective January 1, 1982, the Ministers Reserve Pension Fund, the Partial Reserve Pension Fund, the Local Pastors Reserve Pension Fund, the Senior Plan, the Ministers Reserve Pension Plan, or the Current Income Distribution Pension Plan (hereinafter collectively referred to as the “Prior Plans”) were merged into supplement one to the Ministerial Pension Plan. Effective January 1, 2007, MPP was amended and restated as the Program, and supplement one to MPP was amended and restated as this Supplement One to the Program. On and after January 1, 2007, the benefits payable under the Prior Plans will be paid in accordance with the provisions of this Supplement One and will benefit members of Participating Group No. Pre-82-1 (see Section S1.2 below).

**S1.1.2 Use of Assets of Prior Plans.** The assets of the Prior Plans (other than those in the Disability and Survivor Benefit Fund) are designated as a part of the Pre-82 Plan for the purpose of funding the Past Service Benefits for such persons. Such assets will be collectively referred to as the Pre-82 Assets and will be accounted for separate and apart from the other funds under the Program, subject to Section A1.6(d). The assets of the Prior Plans in the Disability and Survivor Benefit Fund were transferred to CPP, which replaced the provisions of the Prior Plans related to the Disability and Survivor Benefit Fund.

## SECTION S1.2 - ELIGIBILITY

**S1.2.1 Participating Group No. Pre-82-1.** Participating Group No. Pre-82-1 consists of:

- (a) All participants in supplement one to MPP on January 1, 1982 who:
  - (i) on December 31, 1981 were covered by the Prior Plans, and
  - (ii) on December 31, 2006 were receiving pension benefits or by their Annuity Starting Dates were entitled to receive deferred Vested pension benefits from the Pre-82 Plan; and
- (b) All other persons (other than those specified in Section S1.2.1(a)) who:
  - (i) on December 31, 1981 were receiving pension benefits or were entitled to receive deferred Vested pension benefits from the Prior Plans, and
  - (ii) on December 31, 2006 were receiving pension benefits or by their Annuity Starting Dates were entitled to receive deferred Vested pension benefits from the Pre-82 Plan.

**S1.2.2 Eligibility.** Members of Participating Group Pre-82-1 are eligible to receive benefits pursuant to the provisions of this Supplement One and are known hereunder as Pre-82 Participants.



## SECTION S1.3 - FUNDING OF BENEFITS

**S1.3.1 Liability for Contributions.** Except as otherwise specifically provided in this Supplement One, the Past Service Benefits due to or with respect to Pre-82 Participants:

- (a) who were members of an Annual Conference will be funded by each such Annual Conference; and
- (b) with service rendered in a missionary conference (as described in ¶¶585-588 of the Discipline), provisional annual conference (as described in ¶¶580-583 of the Discipline), or former mission (within the meaning of ¶590 of the Discipline) within the United States that has been approved by such entities for pre-1982 pension credit, will be funded as provided in ¶1506.13 of the Discipline.

The responsible Pre-82 Sponsors specified above will make annual past service Contributions to the Trustee in accordance with the schedule for such Contributions determined by the Administrator on the basis of periodic actuarial valuations. All such Contributions will be made by the Due Date specified by the Administrator to the Funding Account for the responsible party in the Consolidated DB Plan (although a separate accounting as Pre-82 Assets will be maintained as to such contributions for administrative purposes). If a Pre-82 Sponsor delays in making a specified Contribution to the Plan beyond such Due Date, then the Pre-82 Sponsor will make such delayed Contribution to the Plan as soon as possible thereafter. In addition, such Pre-82 Sponsor will pay a Contribution equal to the greater of:

- (1) the annual interest rate used by the Plan's actuary to value Plan benefits, times the missed Contribution (although the Administrator may waive this alternate computation in the case of exigent circumstances); or
- (2) missed net earnings (but ignoring net losses) on such delayed Contribution (determined in accordance with the actual returns on Plan assets);

computed, in either case, from the Due Date until the date such delayed Contribution was actually transferred to the Trustee. Any special services provided by the Administrator in connection with this Section S1.3.1 are subject to the additional charges provided for in Section A3.7(c). If any amounts are more than two months overdue, the Administrator may compel payment by bringing the matter to Judicial Council or by any other means the Administrator may elect to pursue.

**S1.3.2 Amortization of Liability.** The initial unfunded liability for the Past Service Benefits, based on the past service rate in effect as of January 1, 1982, will be funded by an annual past service contribution due from each Pre-82 Sponsor to its Funding Account under the Trust not later than December 31 of each Plan Year that is at least equal to the greater of:

- (a) an amount (when taken together with expected future contributions) determined by the Administrator to amortize the unfunded accrued past service liability over a period ending on or before December 31, 2021; or

- (b) the amount of the unfunded Past Service Benefits paid out during the year.

**S1.3.3 Determination of Initial Unfunded Portion.** In determining the initial unfunded portion of the accrued past service liability as of January 1, 1982, the following items will be subtracted from the total accrued past service liability:

- (a) the funded past service liability; and
- (b) the sum of:
  - (i) the Service Annuity Accumulations; and
  - (ii) any portion of the Personal Contributions Accumulations that are required to be applied toward the payment of the Formula Benefit, to the extent that these amounts do not exceed the amount necessary to fund the Formula Benefit.

**S1.3.4 Past Service Rate Amount Increases.**

- (a) *Elective Increases.* A Conference is encouraged to consider the increased cost of living when setting its Past Service Rate Amount. A Conference may increase its Past Service Rate Amount as of January 1 of any Plan Year by amending its Adoption Agreement, subject to the funding requirements of Section S1.3.4(b) below. In no event may a Conference reduce its Past Service Rate Amount.
- (b) *Funding Liability.* Effective January 1, 2014, before implementing any elective increase in its Past Service Rate Amount provided under this Section S1.3.4 or its Contingent Annuitant percentage under Section S1.3.7, a Conference must:
  - (i) if such Conference does not already have sufficient funding in its Funding Account to fully fund any such elective increase, fund the liability related to any such elective increase by making a Contribution to the Trust of the full amount of the liability incurred as a result of such increase, being the present value of all future additional benefits paid as a result of such increase as determined by the Administrator, adjusted using a reasonable interest rate selected from time to time by the Administrator to reflect any differences between the date the liability was calculated and the date payment is made, and in accordance with any timing or administrative rules the Administrator may establish; and
  - (ii) have, and be in compliance with, a funding plan to cover all Pre-82 Plan liabilities, including those generated by such increase, which funding plan must meet minimum standards set by the Administrator.
- (c) *Merging Conferences.* When two or more Conferences merge, the merged Conference may:

- (i) elect one Past Service Rate Amount for all Pre-82 Participants in the merged conference, in which case such single Past Service Rate Amount may not be any lower than the highest Past Service Rate Amount applicable to each merged Conference on the day before the merger; or
- (ii) maintain more than one Past Service Rate Amount for the Pre-82 Participants in the merged conference, in each case retaining or increasing the Past Service Rate Amount that previously applied to each such Pre-82 Participant. Separate Past Service Rate Amounts may be maintained for one or more years after a merger, with any one or more of such Past Service Rate Amounts being retained or increased, provided that no Pre-82 Participant's Past Service Rate Amount is reduced.

Any increases in Past Service Rate Amounts under this Section S1.3.4(c) will be treated as elective increases that must meet the requirements of Section S1.3.4(b).

- (d) *Subdividing Conference.* When a Conference subdivides into two or more Conferences or when a portion of a Conference subdivides from its original Conference to merge with another Conference, each resulting Conference may maintain one or more Past Service Rate Amounts, provided that the Past Service Rate Amount applicable to any Pre-82 Participant may not be reduced. Any increases in Past Service Rate Amounts under this Section S1.3.4(d) will be treated as elective increases under Section S1.3.4(a) that must meet the requirements of Section S1.3.4(b).

**S1.3.5 Amortization of Other Liability.** Unfunded liability for Past Service Benefits not otherwise covered under another Section, such as liability for benefits due after December 31, 2021 and liability for actuarial losses, will be funded by Pre-82 Sponsors in an actuarially reasonable manner specified by the Administrator from time to time.

**S1.3.6 Personal Account.** The Trustee will maintain an Account, which may be called the personal account, for each Pre-82 Participant who has a Personal Contributions Accumulation under the Plan. The Personal Contributions Accumulation of the Pre-82 Participant will be held in this Account and will be invested by the Trustee in the same manner as is described in Section S1.3.8.

**S1.3.7 Contingent Annuitant Percentage.**

- (a) *Fixed Percentage.* Before January 1, 2007, a Pre-82 Sponsor was able to elect in its Adoption Agreement to increase the Contingent Annuitant percentage from 70% to a higher percentage, with the Pre-82 Sponsor funding the added liability caused by such election by making annual contributions determined by the Administrator to be sufficient to amortize the liability over the period from the current year to December 31, 2021. On and after January 1, 2007, the Contingent Annuitant percentage will remain at the level it was for each Pre-82 Sponsor on the day before January 1, 2007, unless a change is adopted in accordance with Section S1.3.7(b) below. Funding will continue as previously provided until

December 31, 2021. Thereafter, any remaining funding obligations will be satisfied as provided in Section S1.3.5.

- (b) *Changes to Percentage.* On or after the Effective Date, a Pre-82 Sponsor may elect in its Adoption Agreement, as of any January 1, to increase (but not decrease) its Contingent Annuitant percentage. Any increases in Contingent Annuitant Percentage under this Section S1.3.7(b) will be treated as elective increases that must meet the requirements of Section S1.3.4(b).
- (c) *Conference Mergers.* When Conferences merge or subdivide as described in Sections S1.3.4(c) and (d), a resulting Conference may:
  - (i) apply the highest Contingent Annuitant percentage applicable to any of its Pre-82 Participants to all of its Pre-82 Participants; or
  - (ii) maintain more than one Contingent Annuitant percentage for the Pre-82 Participants in the merged conference, in each case retaining or increasing the Contingent Annuitant percentage that previously applied to each such Pre-82 Participant. Separate Contingent Annuitant percentages may be maintained for one or more years after a merger, with any one or more of such Contingent Annuitant percentages being retained or increased,

Any increases in Contingent Annuitant Percentage under this Section S1.3.7(c) will be treated as elective increases that must meet the requirements of Section S1.3.4(b).

- (d) *Non-Reduction.* The Contingent Annuitant percentage for any Pre-82 Participant or surviving Spouse may not be reduced.

**S1.3.8 Investment of Contributions.** The Trustee will invest amounts in each Pre-82 Sponsor's Funding Account in accordance with the Trust. The Administrator will credit each such Funding Account with earnings and debit each such Funding Account with losses accrued from time to time.

**S1.3.9 Liability for Students.** A Pre-82 Sponsor Conference's funding responsibility for a Pre-82 Participant who was Appointed to attend school before 1982 was allocated to the Conference or Conferences in which the Pre-82 Participant first thereafter rendered six years of service under Appointment: to a Local Church, to Conference staff, as a district superintendent, or beyond the Local Church normally considered to be eligible for Approved Service by the Conference. The foregoing allocation procedure continued through December 31, 1987. Thereafter, any unallocated years of Approved Service were assigned on a pro rata basis to the Conference or Conferences in which service normally considered to be eligible for Approved Service was rendered under Appointment: to a Local Church, to Conference staff, as a district superintendent, or beyond the Local Church. Notwithstanding the foregoing, however, such allocation did not apply in cases where pension payments were in effect before January 1, 1985, on the basis of the allocation of responsibility under previous rules.

## SECTION S1.4 - PAST SERVICE BENEFITS

A member of Participating Group No. Pre-82-1, in addition to any benefits based on service on or after January 1, 1982, will be entitled to benefits based on service before January 1, 1982, in accordance with the following provisions:

### S1.4.1 Approved Service.

- (a) A Pre-82 Participant's Approved Service will be the same under the Pre-82 Plan as it was as of January 1, 1982, determined under supplement one to MPP or under the Prior Plans, including the following service rendered for a Pre-82 Sponsor before January 1, 1982:
  - (i) By a Pre-82 Participant who was a Provisional Member, who was in the effective relation as an Associate Member, or who was a member in full connection in a Conference:
    - (A) as pastor, associate or assistant pastor, or other Clergyperson in a pastoral charge;
    - (B) as district superintendent, presiding elder, Conference president, Conference superintendent, or other full-time salaried official of the Conference;
    - (C) under appointment beyond the Local Church to an institution, organization, or agency that in the judgment of the Conference rendered to it some form of service, direct or indirect, sufficient to warrant Approved Service, or to a community church, or as a Conference-approved evangelist; provided, however, that such institution, organization, agency, community church, or evangelist paid such apportionments as the Conference required;
    - (D) as a student appointed to attend school, but only if the Pre-82 Participant later served with Approved Service in a Conference or Conferences for three or more years under Appointment other than to attend school, such Approved Service as a student not to exceed three years; provided, however, that all years for which Approved Service was given under legislation in effect before the 1972 General Conference, on account of appointment to attend school, will be counted in determining the pension claim thereon; and provided further, that if a Pre-82 Participant is again appointed for six consecutive years as a clergy member in full connection with Approved Service in a Conference or Conferences other than under Appointment to attend school, Approved Service will be given for up to, but not more than, three additional years under Appointment to attend school if the Pre-82 Participant later served with Approved Service in a Conference or

Conferences for three or more additional years under Appointment other than to attend school;

- (E) as a Pre-82 Participant on sabbatical leave, provided that not less than five of the 10 years just preceding the granting of such leave were served with Approved Service in the Conference that grants the sabbatical leave; and
  - (F) as a Pre-82 Participant on disability leave after the 1968 Uniting Conference, not to exceed 15 years of Approved Service.
- (ii) By a person classified by the Conference board of ordained ministry as eligible to be appointed as a Full-Time Local Pastor, and by an approved supply pastor before the United Methodist Church union in 1968, as a pastor or assistant pastor of a pastoral charge in Full-Time service under Appointment; provided, however, that such Approved Service will be conditional and subject to provisions hereinafter stated in this Section S1.4.1.
  - (iii) By an ordained minister from another Christian denomination who has not attained the age of mandatory retirement for a Conference clergy member, who has not retired from the denomination, and who is approved by the Conference on recommendation of the Conference board of ordained ministry as provided in Discipline ¶346.2 who renders Full-Time service under Appointment as a pastor or assistant pastor subject to provisions hereinafter stated in this Section S1.4.1.

In calculating fractions of years of service for Approved Service earned before January 1, 1982, the following formula will be used:

- (1) Any period of up to and including 45 days will not be counted;
  - (2) Forty-six days up to and including 136 days will be counted as one-quarter of a year;
  - (3) One hundred thirty-seven days up to and including 228 days will be counted as one-half of a year;
  - (4) Two hundred twenty-nine days up to and including 319 days will be counted as three-quarters of a year; and
  - (5) Three hundred twenty days up to and including 365 days will be counted as one year.
- (b) The following provisions apply for service rendered before January 1, 1982 in determining the granting of Approved Service, eligibility for pension, and allocation of funding responsibility:

- (i) *Normal Conditions.* The normal conditions required of a Pre-82 Participant for full Approved Service are:
  - (A) to be Appointed on a Full-Time basis;
  - (B) not to be attending school as a regular student except as provided in Section S1.4.1(a)(i)(D);
  - (C) not to be on a Leave of Absence;
  - (D) not to be substantially employed in work other than that to which he or she is Appointed; and
  - (E) to receive not less Compensation per annum from all United Methodist Church and/or Conference-related sources than that provided in the schedule of equitable salaries adopted by the Conference for persons in this Pre-82 Participant's classification.
- (ii) *Proportional Pension Credit.* Effective as of the closing day of the 1980 annual conference session, pro rata Approved Service may be granted to persons appointed to less than Full-Time service under the provisions of Discipline ¶338.2 by a three-fourths vote of those present and voting in the annual conference session on recommendation of the Conference board of pensions. Such Approved Service will be granted in one-quarter year increments; provided, however, that no one individual receives in excess of one year of Approved Service per annum.
- (iii) *Full Pension Credit.* Full Approved Service may be granted for persons not meeting some or all of the above conditions by a three-fourths vote of those present and voting in the annual conference on recommendation of the Conference board of pensions.
- (iv) *Chaplain Service.* Service as a chaplain on full-time duty before January 1, 1947 will be recognized as Approved Service.
- (v) *Local Pastor Service.* Service of a Local Pastor before 1982 may be approved for pension credit only by vote of the annual conference, on recommendation of the Conference board of pensions, after consultation with the district superintendents. If such credit is granted, it should be included under the Discipline question: "What other personal notation should be made?" in the Conference journal.
- (vi) *Conference Approval.* Upon recommendation of the Conference board of pensions and by a three-fourths vote of those present and voting in the annual conference, Approved Service may be granted to a clergy member in full connection, a Provisional Member, or an Associate Member of the Conference on account of Full-Time service previously rendered as an approved Local Pastor or approved supply pastor to an institution,

organization, or agency, which in the judgment of the annual conference rendered to it some form of service sufficient to warrant the granting of Approved Service; provided, however, that such institution, organization, or agency shall accept and pay such apportionment as the Conference may require.

- (vii) *Local Pastor or Supply Pastor Service.* Approved Service will be awarded for Service before 1982 as a Full-Time Local Pastor or supply pastor if:
  - (A) the Local Pastor or supply pastor was admitted as an Associate or Provisional Member or member in full connection in a Conference and was later placed in the Retired relation by the Conference; or
  - (B) the Local Pastor or supply pastor rendered no less than four consecutive years of full-time service with Approved Service for Service before 1982 or with full participation in the Comprehensive Protection Plan since 1981, or a combination thereof, in one Conference.
- (viii) *Other Denomination Clergy.* If the Conference board of pensions so recommends, Approved Service will be awarded to an ordained minister from another Christian denomination who rendered not less than four consecutive years of Full-Time Service before 1982 or who had full participation in the Comprehensive Protection Plan since 1981, or a combination thereof, in one Conference while qualified under Discipline ¶346.2.

#### **S1.4.2 Past Service Benefits.**

- (a) *Past Benefits Continued.* All persons who, as of December 31, 2006, were receiving pension benefits from supplement one to MPP will thereafter continue to receive such Past Service Benefits in the same form and amount from this Pre-82 Plan.
- (b) *Annuity Starting Date.* If a Pre-82 Participant was not receiving pension benefits from supplement one to MPP as of December 31, 2006 or ceased receiving them after that date because of re-employment, his or her Annuity Starting Date for his or her Past Service Benefits will be the first day of the month following the month in which occurs the later of:
  - (i) his or her Early, Normal, or Late Retirement Date; or
  - (ii) the date he or she applies for a Past Service Benefit;

provided, however, that notwithstanding this provision:



- (A) an Annual Conference may designate a Pre-82 Participant's Annuity Starting Date to be the first day of the month in which his or her Retirement takes place;
- (B) a Pre-82 Participant's Annuity Starting Date must meet the conditions of Section S3.4.5(e); and
- (C) a Pre-82 Participant's Annuity Starting Date may not be later than his or her Required Beginning Date, notwithstanding the foregoing.

Distributions under the Plan will comply with Code §403(b)(10) and its provisions related to compliance with Code §401(a)(9) and the applicable provisions of any required minimum distribution Regulations issued thereunder. Such Code and Regulation provisions are hereby incorporated herein by this reference, and will control over any form of distribution or timing of distribution provided in this Plan that is inconsistent therewith. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in the Plan, the Administrator will have the authority to provide for such elections or alternative methods of compliance.

- (c) *Amount of Benefit.* A Pre-82 Participant will receive a monthly Past Service Benefit equal to the greater of (on an annual basis):
  - (i) the sum of:
    - (A) such Pre-82 Participant's Service Annuity; plus
    - (B) his or her Personal Contributions Annuity, if any; or
  - (ii) the following sum or amount:
    - (A) such Pre-82 Participant's Formula Benefit; plus
    - (B) if his or her Pre-82 Sponsor does not stipulate in its Adoption Agreement that the Personal Contributions Annuity will apply toward the payment of the Pre-82 Participant's Formula Benefit, his or her Personal Contributions Annuity, if any;

provided, however, that if:

- (1) such Pre-82 Participant's Annuity Starting Date occurs before his or her Normal Retirement Date, the amount of his or her Past Service Benefit, or later increases, will be actuarially reduced by the lesser of:
  - (A) 0.5% per month or fraction of a month of the Pre-82 Participant's age less than 65 years attained on the date the

actuarially reduced Past Service Benefit is to commence (or the date of such Past Service Rate Amount increase); or

- (B) 0.5% per month for each month of difference between:
  - (I) the assumed date at which the Pre-82 Participant would have completed 40 years of Service under Appointment; and
  - (II) the Pre-82 Participant's actual Annuity Starting Date for the actuarially reduced Formula Benefit, or date of a Past Service Rate Amount increase; or

- (2) such Pre-82 Participant Retires on his or her Late Retirement Date, the amount of his or her Past Service Benefit will be actuarially increased to reflect the delay from his or her Normal Retirement Date to his or her Late Retirement Date. Such actuarial adjustment will be on an Actuarially Equivalent basis determined pursuant to procedures developed by the Administrator.

Effective at the close of the 1988 General Conference, if a Conference grants a deferred retirement in accordance with Discipline ¶358.2e), the actuarially reduced Formula Benefit will be calculated from the deferred Retirement Date. Such actuarially reduced Formula Benefit will be calculated by the Administrator and allocated pro rata to the Conference or Conferences that are charged with the funding responsibility.

(d) *Form of Benefit.*

- (i) If the Pre-82 Participant has a Spouse at the time of Retirement or his or her Annuity Starting Date and his or her marriage to that Spouse took place before the cessation of service rendered by the Pre-82 Participant while Under Episcopal Appointment, the form of the annuity will be a Contingent Annuity with 70% (or 75%, 85%, or 100%, if elected by the applicable Pre-82 Sponsor and so set forth in the Adoption Agreement) payable to the Contingent Annuitant on the death of the Pre-82 Participant. The Pre-82 Participant will be the primary annuitant and his or her Spouse will be the Contingent Annuitant.
- (ii) If the Pre-82 Participant is not married at the time of Retirement or his or her Annuity Starting Date or if the Pre-82 Participant's marriage took place after he or she ceased serving Under Episcopal Appointment, the form of the annuity will be a Single-Life Annuity.

(e) *Funding.* The funding for a Pre-82 Participant's Past Service Benefit will come from the following sources in the following order:

- (i) First, such Pre-82 Participant's Service Annuity Accumulation;
  - (ii) Second, such Pre-82 Participant's Personal Contributions Accumulation; and
  - (iii) Finally, the Funding Account in the Consolidated DB Plan for such Pre-82 Participant's Pre-82 Sponsor.
- (f) *Supplement Three Benefits.* The defined contribution organizational reserve and defined benefit Vested funds contributed on behalf of a Pre-82 Participant or a Retired Pre-82 Participant will be paid in accordance with Section S3.4.5 of Supplement Three.
- (g) *Terminated Participants.* Notwithstanding the above provisions, the pension of a Pre-82 Participant who became a Terminated Participant before January 1, 1982 will be determined in accordance with:
- (i) the provisions of the Discipline and the Prior Plans in effect at the time of such termination, or
  - (ii) the special provisions of Sections S1.4.3(d)-(g).
- (h) *Non-Revision.* Except in the case of a permanent suspension of benefits due to re-employment, beginning five business days before the first monthly Past Service Benefit is due, neither the form of payment nor the Spouse entitled to survivor payments may be changed by reason of the death of a Spouse or a divorce.

### **S1.4.3 Vesting.**

- (a) A Pre-82 Participant will at all times be fully Vested in his or her Personal Contributions Accumulation.
- (b) A Pre-82 Participant will be fully Vested in his or her Past Service Benefits at his or her Retirement.
- (c) A Pre-82 Participant will be fully Vested in his or her Past Service Benefits if he or she has at least:
  - (i) 10 years of Pre-82 Plan Vesting Service if he or she is a Bishop, an Elder in Full Connection, a Provisional Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, or an Associate Member, and became a Terminated Participant after December 31, 1981; or

- (ii) 10 years of Pre-82 Plan Vesting Service or four consecutive years of Pre-82 Plan Vesting Service if he or she is a Local Pastor or an ordained minister of another denomination within the meaning of ¶¶346.2 or 346.3 of the Discipline and if his or her Annuity Starting Date is on or after January 1, 1997.
  
- (d) A Pre-82 Participant who is a former Elder in Full Connection, Provisional Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, or Associate Member who became a Terminated Participant on or after January 1, 1973, and before January 1, 1982, after the completion of 10 or more years of service with pension credit in one or more Conferences will be Vested in the right to receive a pension beginning on the first of any month following the date such Pre-82 Participant attains age 62, based on the years of service approved for pension credit. Such Pre-82 Participant's pension will be based on all years of service with pension credit if such Pre-82 Participant had 20 or more such years. If such Pre-82 Participant had fewer than 20 such years but at least 10 years, the years used in the calculation of the benefit will be a percentage of the Approved Service years; such percentage will be determined by multiplying the credited whole years by 5%, resulting in 50% of such years for 10 years of credited service and 100% for 20 years of such service. Effective at the close of the 1976 General Conference, Pre-82 Participants who were former Elders in Full Connection, Provisional Members, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, or Associate Members of the Conference who became Terminated Participants on or after such date will have any vested pension benefits calculated at the annuity rate in effect on the date he or she became a Terminated Participant.
  
- (e) The foregoing notwithstanding, a Pre-82 Participant who participated in the Ministers Reserve Pension Fund before January 1, 1973, and, upon his or her Termination of Conference Relationship, allows his or her Personal Contributions Accumulation to remain in the Pre-82 Plan until he or she attains age 60, will be Vested fully in his or her Service Annuity, payable in the same form as provided in Section S3.4.5 of Supplement Three.
  
- (f) A Pre-82 Participant who was an Elder in Full Connection, Provisional Member, affiliate member within the meaning of ¶¶344.4, 370.1, or 586.4 of the Discipline, or Associate Member and who voluntarily withdrew from the ministry of The United Methodist Church to enter the ministry of another church or denomination, upon
  - (i) the attainment of age 62,
  - (ii) the recommendation of the board of pensions of any Conference in which he or she had Approved Service rendered before January 1, 1982, or the legal successor of such Conference, and
  - (iii) a three-fourths vote of those present and voting in such Conference,

may be recognized and granted a pension on account of Approved Service rendered in such Conference.

- (g) A Pre-82 Participant who has been granted the retired relation in a Central Conference or an affiliated autonomous church will be entitled to a pension from a Conference or Conferences for the years of Approved Service rendered therein upon attainment of the required age or the completion of the required years of Approved Service. Such clergyperson will notify the General Board of Pension and Health Benefits upon his or her retirement. The Administrator will certify the years of Approved Service to each Conference concerned. Payments due thereunder will be collected from the Conference concerned and forwarded to such Pre-82 Participant by the Administrator in such manner as it may deem most expedient and economical. If such Pre-82 Participant dies before his or her Annuity Starting Date, his or her Spouse will be eligible for a benefit equal to 70% (or 75%, 85%, or 100% percent if elected by the applicable Conference) of such Pre-82 Participant's Formula Benefit. If no Spouse survives such Pre-82 Participant, his or her Service Annuity Accumulation will be paid in accordance with Section S3.4.6 of Supplement Three.
- (h) Any funding for a Pre-82 Plan benefit that is forfeited by an unvested Pre-82 Participant will stay in the Pre-82 Plan to be used to fund benefits for other Pre-82 Participants of the same Pre-82 Sponsor.

#### **S1.4.4 Disability Benefits.**

- (a) *Eligibility.* All persons who:
  - (i) as of December 31, 1981, were receiving disability benefits under the Current Income Distribution Pension Plan; and
  - (ii) continued to receive such benefits on December 31, 2006 under supplement one to MPP

will be entitled to continue the annual disability benefit, payable in monthly installments, for as long as they remain disabled within the meaning of that plan.

- (b) *Amount.* Each eligible person described in Section S1.4.4(a) will continue the monthly benefit he or she was receiving as of December 31, 2006 for as long as he or she remains eligible. Effective January 1, 2007, that amount will increase by 3% annually thereafter on the anniversary date of the first payment of each recipient's disability benefits.
- (c) *Payment.* Payment of the disability benefits set forth in this Section S1.4.4 will be subject to the provisions of subsections 5.04(d), (e), and (f) of CPP as of January 1, 1982 or their successors.

#### **S1.4.5 Surviving Spouse Benefits.**

- (a) All surviving Spouses who:
  - (i) as of December 31, 1981, were receiving surviving spouse benefits from the Prior Plans; and
  - (ii) as of December 31, 2006, were receiving such benefits under supplement one to MPP

will thereafter continue to receive such benefits from this Plan, except that such benefits that were formerly being paid from the Disability and Survivor Benefit Fund will be continued under CPP.

- (b) The benefit payable hereunder to a surviving Spouse who remarried before January 1, 1982, will cease upon his or her remarriage. Upon the earlier of:
  - (i) the dissolution of the marriage; or
  - (ii) the spouse attaining age 65,

and after application to the Administrator, the benefit will begin again with no consideration being given for the period during which no benefit was being paid.

- (c) Notwithstanding the definition of “Spouse” in Section 2, a surviving “Spouse” under Supplement One must have been married to a Pre-82 Participant:
  - (i) at some point while the Pre-82 Participant was Under Episcopal Appointment;
  - (ii) at the Pre-82 Participant’s Retirement or the date the Participant becomes a Terminated participant; and
  - (iii) at the Pre-82 Participant’s Annuity Starting Date

to receive a surviving Spouse benefit. During the period starting January 1, 1982 and continuing through December 31, 1997, such surviving Spouse must also have been married to the Pre-82 Participant at the Pre-82 Participant’s death.

- (d) Upon the death of a Pre-82 Participant on or after January 1, 1982, and before his or her Retirement, or, for Vested Terminated Participants, before his or her Annuity Starting Date, the following provisions will apply:
  - (i) His or her surviving spouse will receive a monthly benefit equal to the sum of such Pre-82 Participant’s Service Annuity and Personal Contributions Annuity. If the Service Annuity, on an annual basis, is less than 70% (or 75%, 85%, or 100% if elected by the applicable Pre-82 Sponsor and so set forth in the Adoption Agreement) of the Pre-82

Participant's Formula Benefit, and if the applicable Pre-82 Sponsor does not stipulate that a Pre-82 Participant's Personal Contributions Annuity applies toward the payment of his or her Formula Benefit, a past service supplement will be added so that the sum of the Service Annuity and the past service supplement is equal, on an annual basis, to 70% (or 75%, 85%, or 100% if elected by the applicable Pre-82 Sponsor and so set forth in the Adoption Agreement) of the Pre-82 Participant's Formula Benefit.

- (ii) The Surviving Spouse Benefit will be based on all of the Pre-82 Participant's years of Approved Service, provided the marriage took place before the cessation of service rendered by the Pre-82 Participant while Under Episcopal Appointment.
- (iii) If the applicable Pre-82 Sponsor stipulates in the Adoption Agreement that the Personal Contributions Annuity will apply toward the payment of the Pre-82 Participant's Formula Benefit, and if the Pre-82 Participant's Service Annuity plus the Pre-82 Participant's Personal Contributions Annuity, on an annual basis, is less than 70% (or 75%, 85%, or 100% if elected by the applicable Pre-82 Sponsor and so set forth in the Adoption Agreement) of the Pre-82 Participant's Formula Benefit, a past service supplement will be added so that the sum of the Service Annuity, the Personal Contributions Annuity, and the past service supplement is equal, on an annual basis, to 70% (or 75%, 85%, or 100% if elected by the applicable Pre-82 Sponsor and so set forth in the Adoption Agreement) of the Pre-82 Participant's Formula Benefit.

**S1.4.6 Small Benefit.** Notwithstanding anything to the contrary in Section S1.4:

- (a) if any person entitled to a Formula Benefit under Section S1.4 has an Aggregate DB Benefit at Retirement, Termination of Conference Relationship, and/or Annuity Starting Date, as determined by the Administrator, that does not exceed the amount specified in Section B9.1(d), his or her Formula Benefit payable under Section S1.4 will be paid under Section B9.1(d) as though such person were a Participant thereunder; and
- (b) if any person entitled to a Service Annuity Accumulation under Section S1.4 or a benefit under Section S1.4.8 has, when such benefits are converted to an annuity, an Aggregate DB Benefit at Retirement, Termination of Conference Relationship, and/or his or her Annuity Starting Date, as determined by the Administrator, that does not exceed the minimum annuity amount established by the Administrator from time to time, such Section S1.4 benefits will be converted to an Actuarially Equivalent lump sum and transferred to the Core Defined Contribution Plan in accordance with Section B9.1(d).

**S1.4.7 Survivor Death Benefits.** Effective at the close of the 1988 General Conference, upon the death of a Pre-82 Participant or Retired Pre-82 Participant before his or her Annuity Starting Date where no spouse survives him or her or where the Pre-82 Participant's

marriage took place after his or her cessation of service Under Episcopal Appointment, the Service Annuity Accumulation will be paid in accordance with Section S3.4.6 of Supplement Three.

**S1.4.8 Deferred Vested Benefits.** Any person who, as of December 31, 1981, was entitled to receive deferred Vested pension benefits from any of the Prior Plans, will receive such benefits from this Plan in the amount and form determined to be payable under the Prior Plans in effect at the time of such person's termination of service.

**S1.4.9 Forfeitures.** Notwithstanding Section S1.4.3, a Recipient may forfeit an otherwise Vested benefit under the Plan in the following circumstances:

- (a) *Missing Recipient.* The benefit of a Recipient who cannot be located will be handled as described in Section S1.4.10.
- (b) *Uncashed Check.* Any Recipient who has been issued a check for benefits due but who does not return or cash the check within a reasonable period established by the Administrator, after such reasonable notice (or in the case of very small benefit amounts, no notice) as the Administrator may determine, will forfeit such benefits. Such forfeited amounts will be returned to the Funding Account of the Plan Sponsor sponsoring such Recipient and will be used to pay other benefits due under the Plan. Uncashed checks returned to the Administrator because the payee is missing or for other reasons are not covered by this Section S1.4.9(b).
- (c) *Relinquished Benefits.* If a Recipient Relinquishes a benefit payment or his or her entire Accrued Benefit, it is forfeited. The Relinquished benefit will be returned to the Funding Account of the Plan Sponsor sponsoring such Recipient and will be used to pay other benefits due under the Plan.
- (d) *Death.* If a Pre-82 Participant dies without a Spouse before his or her Annuity Starting Date, all of such Pre-82 Participant's Vested benefits will be forfeited except as otherwise provided in Section S1.4.5 or S1.4.7. A Pre-82 Participant, Contingent Annuitant, or Beneficiary who dies will also forfeit any monthly benefits that have not already been paid to such person. All such forfeitures will remain in the Funding Account(s) of the Plan Sponsor(s) from which the forfeited benefits were due to be paid, and will be used to pay other benefits due under the Plan.
- (e) *Unvested Benefits.* A Pre-82 Participant who has not Vested in his or her Pre-82 Plan benefits under Section S1.4.3 by his or her Annuity Starting Date will forfeit those benefits. Any funding for a Pre-82 Plan benefit that is forfeited by an unvested Pre-82 Participant will stay in the Pre-82 Plan to be used to fund benefits for other Pre-82 Participants of the same Pre-82 Sponsor.

**S1.4.10 Unclaimed Benefits.** The Administrator may prescribe uniform and nondiscriminatory rules for carrying out the following provisions:



- (a) If a portion (or all) of a benefit under the Plan remains to be distributed to a Recipient at a time when it is due under the Plan (including, but not limited to, the Required Beginning Date) and the Administrator is then unable to locate the Recipient, the Administrator will send notice of such benefit due by a certified letter with return receipt requested to the last known address of the Recipient. If the Recipient fails to contact the Administrator within 12 months (except as provided in Section S1.4.10(b)), such benefit will be forfeited (except as provided in Section S1.4.10(c)) and will become the benefit of the next Recipient in line in accordance with the applicable form of payment. The Administrator will then send notice by certified letter as provided above to the next Recipient in line, and the process specified above will be repeated until the last successor Recipient is notified.
- (b) If the last successor or default Recipient fails to contact the Administrator within 12 months after being sent notification of a benefit due as provided in Section S1.4.10(a), then the amount specified in Section S1.4.10(a) will be forfeited. Such forfeitures will remain in the Funding Account from which they would otherwise have been paid to fund other benefits payable under the Plan.
- (c) If, at any time before the expiration of the 12-month period described in Section S1.4.10(b), a Recipient who is or was due a benefit described in Section S1.4.10(a) claims the benefit, the benefit will be paid to such Recipient (notwithstanding any previous forfeiture) if it has not previously been paid to another Recipient. If the 12-month period described in Section S1.4.10(b) has elapsed, then such benefit will be permanently forfeited and will remain in the Funding Account from which it would otherwise have been paid to fund other benefits payable under the Plan.

**Supplement Two**  
**to the**  
**Clergy Retirement Security Program**

**SECTION S2.1 – GROUP 2 BENEFIT**

**S2.1.1 Description of Participating Group No. Pre-82-2.** Any Participant in the Pre-82 Plan before January 1, 1982, who:

- (a) before January 1, 1982, served a General Agency or other institution under special appointment without pension credit on his or her Conference; and
- (b) on December 31, 2006 was a Participant in Participating Group No. 2 of supplement two to MPP,

is, if the General Agency or other institution served by any such individual chose to contribute to one or more of the Prior Plans, a member of Participating Group No. Pre-82-2 and will be entitled to a benefit based upon the contributions made by the General Agency or other institution on behalf of such Participant plus interest credited thereon.

**S2.1.2 Eligibility to Receive Benefit.** A Participant who is a member of Participating Group No. Pre-82-2 will be eligible to receive benefits from the contributions and interest specified in Section S2.1.1 according to the provisions of Section S3.4 of Supplement Three.

**Supplement Three**  
**to the**  
**Clergy Retirement Security Program**

**MINISTERIAL PENSION PLAN**

**SECTION S3.1 – THE PLAN**

**S3.1.1 The Plan.** The General Conference of The United Methodist Church authorized the establishment of the Ministerial Pension Plan effective January 1, 1982. Effective as of January 1, 2007, the General Conference amended and restated the Ministerial Pension Plan (hereinafter referred to as the “Plan”) as Supplement Three to the Program. The Plan’s benefits were frozen as of December 31, 2006 for all Participants and their Beneficiaries, except for Bishops, whose benefits were frozen on August 31, 2008.

**S3.1.2 Type of Plan.** The Plan is intended to meet the requirements of a Church Plan and be administered pursuant to the retirement income account provisions of Code §403(b)(9).

**S3.1.3 Frozen Plan.** Notwithstanding any other provision of this Supplement Three, no further Contributions to anyone’s MPP Account will be earned under this Supplement Three after August 31, 2008 except in the case of corrections of earlier administrative errors. Interest, gains, and losses may still accrue on the investments in a Participant’s Account under this Supplement Three, but only until all benefits payable under Supplement Three are distributed.

**S3.1.4 Termination of Plan.** Once all the benefits of all Participants in Supplement Three have been paid under this Supplement Three, this Supplement Three will automatically terminate and become a nullity except to the extent that it is needed to:

- (a) help specify the benefit due under another Supplement or another Plan;
- (b) cure errors in the computation or determination of benefits due under this Supplement Three or MPP; or
- (c) accept and adjudicate a claim (or appeal) for benefits due under this Supplement Three.

## SECTION S3.2 - ELIGIBILITY FOR PARTICIPATION

### S3.2.1 Conditions of Eligibility.

- (a) No new Participant is eligible for MPP on or after September 1, 2008, when the Plan was frozen.
- (b) An MPP Participant who has an Account Balance in MPP on or after September 1, 2008 may continue to participate in Supplement Three for the purposes of having his or her Account Balance paid in accordance with the terms of Supplement Three and/or invested in accordance with the provisions of Supplement Three.

**S3.2.2 Enrollment by MPP Plan Sponsor.** No new MPP Participants will be enrolled on or after September 1, 2008 except as required under Section S3.2.3.

**S3.2.3 Omission of Eligible Minister.** If, for any Plan Year, any minister who should have been included as a Participant in the Plan was erroneously omitted and such omission was not discovered until after the Contribution by his or her Plan Sponsor for such Plan Year has been made, the Plan Sponsor will make a later Contribution, subject to the Annual Account Addition limits of Section S3.3.3 with respect to the omitted minister in the amount that such Plan Sponsor would have contributed with respect to him or her had he or she not been omitted.

**S3.2.4 Inclusion of Ineligible Minister.** If, with respect to any Plan Year, any person who should not have been included as a Participant in the Plan was erroneously included, the amount contributed with respect to the ineligible person will constitute a mistake of fact for the Plan Year in which the discovery is made.

## SECTION S3.3 - CONTRIBUTIONS AND INVESTMENTS

**S3.3.1 Contributions.** No Contributions are due to MPP other than those due under Sections S3.2.3 and S3.3.5.

**S3.3.2 Vesting.** Contributions credited to a Participant's MPP Account are fully Vested.

**S3.3.3 Maximum Annual Addition.** The only Annual Additions contributed to MPP will be corrective ones relating to a year before the Effective Date. The limitations of Section C5 (as they existed in such previous year) will apply to such corrective contributions as though they were contributed in the previous year for which they are contributed.

**S3.3.4 Investment of Accounts.** Existing MPP Accounts will be invested as determined by the Trustee (including the possible use of a computerized asset allocation and rebalancing program) until each Participant's Account is distributed in accordance with Section S3.4. The Trustee may invest each Accountholder's Account in one or more investment funds or other investment media or permit Accountholders to direct the investment of their own Accounts, which self-direction may be granted to Accountholders entirely, partially, and/or in stages as the Accountholder nears his or her Early, Normal, or Late Retirement Date or other expected distribution date, all in accordance with such rules and regulations as the Trustee may promulgate.

**S3.3.5 Annuity Funding .** The annuities provided under Section S3.4 will be funded initially by assets from the portion of each Participant's and Terminated Participant's MPP Account that is converted into an annuity benefit provided under Section S3.4. After conversion, such assets are commingled and are available to fund the annuities of all such Participants and Terminated Participants. If the Administrator determines that such annuity assets are insufficient to fund such annuities under the Funding Policy from time to time, the Administrator may require MPP Plan Sponsors to make additional Contributions to the MPP annuity assets by the Due Date set by the Administrator in an amount established by the Administrator that is sufficient to satisfy the Funding Policy. If a Plan Sponsor delays in making a specified Contribution to the MPP annuity assets beyond such Due Date, then the Plan Sponsor will make such delayed Contribution to the MPP annuity assets as soon as possible thereafter. In addition, such Plan Sponsor will pay a Contribution equal to the greater of:

- (a) the annual interest rate used by the Administrator's actuary to value MPP benefits, times the missed Contribution (although the Administrator may waive this alternate computation in the case of exigent circumstances); or
- (b) missed net earnings (but ignoring net losses) on such delayed Contribution (determined in accordance with the actual returns on MPP annuity assets);

computed, in either case, from the Due Date until the date such delayed Contribution was actually transferred to the Trustee. Any special services provided by the Administrator in connection with this Section S3.3.5 are subject to the additional charges provided for in

Section A3.7(c). If any amounts are more than two months overdue, the Administrator may compel payment by bringing the matter to Judicial Council or by any other means the Administrator may elect to pursue.

## **SECTION S3.4 - DETERMINATION AND DISTRIBUTION OF BENEFITS**

**S3.4.1 Determination of Benefits Upon Retirement.** A Participant may elect an Annuity Starting Date for his or her benefits payable under this Supplement Three that is the first of a month on or after his or her Retirement Date. Such election must be made on an Application for Benefits or such other form or forms as the Administrator may specify.

- (a) If such Participant Retires at his or her Early Retirement Date or Normal Retirement Date, all amounts credited to such Participant's Account will become distributable at such date, if by such date the Participant has submitted an Application for Benefits, or at such later date as is provided in Section S3.4.1(d).
- (b) However, a Participant may postpone his or her Retirement to his or her Late Retirement Date, in which case such Participant's participation in the Plan, including the right to receive Contributions to the extent specified in Section S3.3.1, will continue beyond his or her Normal Retirement Date. If such a Participant Retires at his or her Late Retirement Date, all amounts credited to such Participant's Account will become distributable at such date, if by such date the Participant has submitted an Application for Benefits, or at such later date as is provided in Section S3.4.1(d).
- (c) Unless otherwise provided in Section S3.4.1(d), upon a Participant's Retirement Date, if by such date the Participant has submitted an Application for Benefits, or as soon thereafter as is practicable, the Administrator will direct the Trustee to distribute all amounts credited to such Participant's Account in accordance with Sections S3.4.5 and S3.4.8.
- (d) A Participant who has Retired may elect to defer his or her Annuity Starting Date to a date of his or her choosing in accordance with rules and regulations established from time to time by the Administrator, but such date may not be later than his or her Required Beginning Date nor be a date other than the first of a month. A Participant who has deferred his or her Annuity Starting Date will begin his or her benefit as of his or her Annuity Starting Date in accordance with Sections S3.4.5 and S3.4.8.

### **S3.4.2 Determination of Benefits Upon Death.**

- (a) Upon the death of a Participant or Terminated Participant before his or her having received a benefit from the Plan, the Administrator will direct the Trustee to distribute, in accordance with the provisions of Sections S3.4.6 and S3.4.8, any remaining amounts credited to the Account of the deceased Participant or Terminated Participant to such Participant's or Terminated Participant's Beneficiary.
- (b) The Administrator may require such proof of death and such evidence of the right of any person to receive payment of the value of the Account of a deceased Participant or Terminated Participant as the Administrator may deem desirable.

The Administrator's determination of death and of the right of any person to receive payment will be conclusive.

- (c) Unless otherwise elected in the manner described below, the Default Beneficiary of the death benefit will be the Participant's Spouse.
  - (i) Notwithstanding the foregoing, the Participant may designate a Beneficiary other than his or her Spouse if:
    - (A) his or her Spouse consents in writing to the designation of another Beneficiary, which designation is witnessed by a Plan Sponsor representative or a notary public; or
    - (B) the Participant is legally separated from his or her Spouse or has been abandoned (within the meaning of local law) by his or her Spouse, and, in either case, the Participant has a court order to such effect; or
    - (C) the Participant has no Spouse; or
    - (D) his or her Spouse cannot be located.
  - (ii) In such event, the designation of a Beneficiary must be made in a form that is satisfactory to the Administrator and must be received by the Administrator during the Participant's lifetime.
  - (iii) A Participant may at any time revoke his or her designation of a Beneficiary or change his or her Beneficiary by filing written notice (in such form as may be required by the Administrator) of such revocation or change with the Administrator. However, effective January 1, 2010, the Participant's Spouse must again consent in writing in accordance with the provisions of Section S3.4.2(c)(i)(A) to any change in the Participant's Designated Beneficiary.
  - (iv) A Participant's divorce will revoke any Beneficiary designation in favor of the Participant's Spouse made before the divorce. Until such time as a new designation of Beneficiary is filed with the Administrator in accordance with the provisions of this Section S3.4.2, benefits will be payable as if the former Spouse had predeceased the Beneficiary.
  - (v) If no valid designation of Beneficiary exists at the time of the Participant's death and there is no surviving Spouse, the death benefit will be payable to the Participant's estate as the Default Beneficiary.

**S3.4.3 Determination of Benefits Upon Disability.** In the event of the Disability of a Participant or Terminated Participant, the Participant or Terminated Participant may elect to receive benefits in an amount equal to 35% of the value of his or her Account in accordance with the provisions of Section S3.4.7. The Administrator may require the



Participant or Terminated Participant to provide such documentation as is necessary to substantiate the Disability of the Participant or Terminated Participant.

**S3.4.4 Determination of Benefits Upon Termination.** If a Participant becomes a Terminated Participant, the Participant's Account will be distributed as follows:

- (a) A Terminated Participant's Annuity Starting Date may be as early as the Participant's Early, Normal, or Late Retirement Date or as late as his or her Required Beginning Date, if by such date the Participant has submitted an Application for Benefits. Otherwise, such Terminated Participant's Annuity Starting Date will be the first of the month following the date the Participant has submitted an Application for Benefits, but not later than his or her Required Beginning Date. Such a Terminated Participant's Account will be distributed in accordance with Sections S3.4.5(g)(i) or (ii).
- (b) Notwithstanding Section S3.4.4(a), the Administrator will pay the Participant's entire benefit in a single lump sum upon the Participant's Termination of Conference Relationship:
  - (i) in accordance with Section C8.2(a) if the Terminated Participant's Aggregate Benefit does not exceed \$5,000; or
  - (ii) upon such Terminated Participant's consent if his or her Aggregate Benefit is \$5,000 or more, but his or her Account Balance under Supplement Three is less than one-fourth of the Denominational Average Compensation as of the date on which he or she becomes a Terminated Participant.

**S3.4.5 Distribution of Benefits for Any Reason Except Death or Disability.** If a benefit is payable under this Section S3.4.5, then it may be distributed as follows:

- (a) *Married Participants.* Unless otherwise elected as provided in Section S3.4.5(c) below, a Participant who is married on his or her Annuity Starting Date and who does not die before such Annuity Starting Date will receive the value of 65% of his or her MPP Account Balance in the form of a 70% Contingent Annuity with his or her Spouse as Contingent Annuitant.
  - (i) Such Contingent Annuity benefits following the Participant's death will continue to the Spouse (determined as of the Annuity Starting Date) during the Spouse's lifetime at a rate equal to 70% of the rate at which such benefits were payable to the Participant.
  - (ii) This 70% Contingent Annuity will be considered the designated qualified Contingent Annuity and automatic form of payment for the purposes of this Plan.

The remaining 35% of the Participant's MPP Account Balance will be distributed at the Participant's Annuity Starting Date (as provided in Section S3.4.5(f), which

Annuity Starting Date may be different from the one applicable to the 65% of the Participant's MPP Account Balance provided for above), in the form of a single lump sum distribution or a 100% direct rollover in accordance with the provisions of Section C8.5(a) (or partially directly rolled over and partially distributed, provided that 100% of the MPP Account is so disposed of at one time). Alternately, the Participant may elect on an Application for Benefits a distribution (or a direct rollover) of the 35% of his or her MPP Account first, leaving the remainder to be distributed as provided above in this Section S3.4.5(a) at his or her later election on an Application for Benefits (but not later than his or her Required Beginning Date).

- (b) *Single Participants.* Unless otherwise elected as provided in Section S3.4.5(c) below, a Participant who is not married on his or her Annuity Starting Date and who does not die before such Annuity Starting Date will receive the value of 65% of his or her MPP Account Balance in the form of a Single-Life Annuity.
  - (i) Such unmarried Participant may elect in writing, however, to waive the lifetime only annuity and elect to receive his or her benefit in accordance with Section S3.4.5(g) below.
  - (ii) The election must comply with the provisions of Section S3.4.5(c) as if it were an election to waive the Contingent Annuity by a married Participant, but without the spousal consent requirement.

The remaining 35% of the Participant's MPP Account Balance will be distributed at the Participant's Annuity Starting Date (as provided in Section S3.4.5(f), which Annuity Starting Date may be different from the one applicable to the 65% of the Participant's MPP Account Balance provided for above), in the form of a single lump sum distribution or a 100% direct rollover in accordance with the provisions of Section C8.5(a) (or partially directly rolled over and partially distributed, provided that 100% of the MPP Account is so disposed of at one time). Alternately, the Participant may elect on an Application for Benefits a distribution (or a direct rollover) of the 35% of his or her MPP Account first, leaving the remainder to be distributed as provided above in this Section S3.4.5(a) at his or her later election on an Application for Benefits (but not later than his or her Required Beginning Date).

- (c) *Waiver.* Any election to waive the 70% Contingent Annuity under Section S3.4.5(a) or the Single-Life Annuity under Section S3.4.5(b) must be made by the Participant in writing during the election period and be consented to by the Participant's Spouse, if the Participant has a Spouse at his or her Annuity Starting Date.
  - (i) If the Participant's Spouse is legally incompetent to give consent, such Spouse's legal guardian may give consent, even if such guardian is the Participant.

- (ii) Effective January 1, 2010, such election may designate a Beneficiary (or a form of benefit) that may not be changed without Spousal consent.
- (iii) Such Spouse's consent will be irrevocable and must acknowledge the effect of the election and be witnessed by a Plan Sponsor representative or a notary public.
- (iv) Such consent will not be required if it is established to the satisfaction of the Administrator that the required consent cannot be obtained because there is no Spouse, the Participant's Spouse cannot be located, or other circumstances pertain as may be prescribed by Regulations. Spousal consent will also not be required if the Participant elects an optional form of annuity under Section S3.4.5(g)(i) that provides a surviving Spouse annuity of at least 70% of the periodic annuity amount the Participant received during the Participant's lifetime.
- (v) The election made by the Participant and consented to by his or her Spouse may be revoked by the Participant in writing without the consent of his or her Spouse at any time during the election period.
  - (A) The number of revocations will not be limited.
  - (B) Any new election must comply with the requirements of this Section S3.4.5(c).
- (iv) A former Spouse's waiver will not bind a new Spouse.
- (d) *Election Period.* The election period to waive the Contingent Annuity will be the 180-day period ending on the Annuity Starting Date.
- (e) *Notice.* With regard to the election to waive the 70% Contingent Annuity, the Administrator will provide to the Participant, no fewer than 30 days and no more than 180 days before the Annuity Starting Date, a written explanation of:
  - (i) the terms and conditions of the 70% Contingent Annuity;
  - (ii) the Participant's right to make, and the effect of, an election to waive the 70% Contingent Annuity;
  - (iii) the right of the Participant's Spouse to consent to any election to waive the 70% Contingent Annuity; and
  - (iv) the right of the Participant to revoke such election, and the effect of such revocation.

A Participant's Annuity Starting Date may not occur and no distribution may be made until 30 days have elapsed after such written explanation has been provided, except that a Participant may waive the 30-day period in writing in a form

specified by the Administrator and begin his or her benefit as soon as administratively practicable.

- (f) *Annuity Starting Date.* If a Participant was not receiving pension benefits from MPP as of December 31, 2006 or ceased receiving them after that date because of re-employment, then his or her Annuity Starting Date for his or her MPP benefits will be the date specified in Section S3.4.1, S3.4.4, S3.4.5(g), or S3.4.7, whichever date applies to such Participant; provided, however, that notwithstanding this provision such Participant's Annuity Starting Date:
  - (i) must be a date that satisfies the requirements of Section S3.4.5(e), unless
  - (ii) Sections S3.4.5(i) or (j) otherwise provide.
- (g) *Optional Forms of Distribution.* If a married Participant elects pursuant to Section S3.4.5(c) above not to receive his or her benefit in the form of a 70% Contingent Annuity, or if an unmarried Participant elects pursuant to Section S3.4.5(c) above not to receive his or her benefit in the form of a Single-Life Annuity, the Administrator, pursuant to the election of the Participant on an Application for Benefits, will direct the Trustee to distribute, as determined and limited by rules and regulations of the Administrator, on a date specified by the Participant (which date may not be later than such Participant's Required Beginning Date and which date must be as of the first of a month), to the Participant or to the Participant and his or her Contingent Annuitant:
  - (i) with respect to 65% of such Participant's MPP Account Balance, the purchase of or providing of a lifetime (including a lifetime with years certain) annuity or joint and survivor lifetime annuity (including the disabled child annuity options described in Section B9.1(b)(iii)). However, such annuity may not be elected in any form that will guarantee, through a years-certain provision, payments over a period extending beyond either the life of the Participant (or the lives of the Participant and his or her designated Contingent Annuitant) or the life expectancy of the Participant (or the life expectancy of the Participant and his or her designated Contingent Annuitant).
  - (ii) with respect to the remaining 35% of such Participant's MPP Account Balance, a one-time lump-sum payment, subject to the Participant's right to request a direct rollover in accordance with the provisions of Section C8.5(a).
- (h) *Spousal Consent to Optional Form.* If the Participant is married at the time he or she makes an election pursuant to Section S3.4.5(g) above, such election will not be valid without the consent of the Participant's Spouse, given in accordance with the procedures specified in Section S3.4.5(c).
- (i) *Small Amount Cash Out.* If the Participant's Aggregate Benefit is equal to or less than \$5,000, the Administrator will direct the Trustee to distribute the full amount

of the Participant's Account in this Plan to the Participant in a lump sum in accordance with Section C8.2(a) without the consent of the Participant or his or her Spouse.

- (j) *Required Minimum Distributions.* Notwithstanding any provision in the Plan to the contrary, the entire interest of a Participant under the Plan will be distributed:
  - (i) no later than the Required Beginning Date; or
  - (ii) beginning no later than the Required Beginning Date over:
    - (A) the life of the Participant;
    - (B) the lives of the Participant and a designated Contingent Annuitant;
    - (C) a period not extending beyond the life expectancy of the Participant; or
    - (D) a period not extending beyond the life expectancies of the Participant and a designated Contingent Annuitant.

Notwithstanding anything in the Plan to the contrary, distributions under the Plan will comply with Code §403(b)(10) and its provisions related to compliance with Code §401(a)(9) and the applicable provisions of any required minimum distribution Regulations issued thereunder. Such Code and Regulation provisions are hereby incorporated herein by this reference, and will control over any form of distribution or timing of distribution provided in this Plan that is inconsistent therewith. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in the Plan, the Administrator will have the authority to provide for such elections or alternative methods of compliance.

- (k) *Non-Revision.* Subject to Sections S3.4.9 and B3.4(d), beginning five business days before the first monthly annuity benefit is due, neither the form of payment nor the Spouse or Contingent Annuitant entitled to survivor payments may be changed by reason of a changed election, the death of a Spouse, or a divorce.

**S3.4.6 Distribution of Benefits Upon Death.** If a benefit is payable under this Section S3.4.6, then it may be distributed as follows:

- (a) *Distribution to Beneficiary.* If a Participant dies before his or her Annuity Starting Date, his or her Account under the Plan will be paid to the Participant's Beneficiary in accordance with Section C8.3, subject to the requirements of Section S3.4.6(b) below.
- (b) *Required Minimum Distribution.* Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant will be made in accordance

with the following requirements and will otherwise comply with Code §401(a)(9) and the Regulations thereunder.

- (i) If the Participant's surviving Spouse is his or her Beneficiary, the Account will be paid according to one of the distribution options described in Section S3.4.5(g) as elected by the surviving Spouse, but in no case may any distribution provide for payments over a period extending beyond either the life of the surviving Spouse or the life expectancy of the surviving Spouse.
  - (A) Distributions to the surviving Spouse Beneficiary must begin on or before the later of:
    - (I) December 31 of the calendar year immediately following the calendar year in which the Participant died; or
    - (II) December 31 of the calendar year in which the Participant would have attained age 70½.
  - (B) If no election is made before the Required Beginning Date, 65% of the Account will be paid to the surviving Spouse Beneficiary in the form of a Single-Life Annuity, and 35% of the Account will be paid to the surviving Spouse Beneficiary in a lump sum.
- (ii) If the Participant's Beneficiary is not his or her surviving Spouse, the Participant's Account under the Plan will be distributed to his or her Beneficiary:
  - (A) by December 31 of the calendar year in which the fifth anniversary of the Participant's date of death occurs; or
  - (B) over the life of such Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary) provided such distribution begins not later than December 31 of the calendar year immediately following the calendar year in which the Participant died.
    - (I) For the purpose of Section S3.4.6(b)(ii)(A), to be excepted from the 5-year distribution requirement the election by a Beneficiary must be made no later than December 31 of the calendar year following the calendar year of the Participant's death.
    - (II) An election by a Beneficiary must be in writing and will be irrevocable as of the last day of the election period stated herein.

- (iii) In the absence of an election by the Participant or a Beneficiary, the 5-year distribution requirement will apply.
- (iv) Notwithstanding the provisions of Sections S3.4.6(b)(i) or (ii), if the present value of a deceased Participant's Aggregate Benefit is equal to or less than \$5,000 at the time of his or her death, the Administrator will direct the Trustee to distribute the full amount of the Participant's Account Balance to the Participant's Beneficiary in accordance with Section C8.2(a) without the consent of the Beneficiary.
- (v) If the distribution of a Participant's interest had begun and the Participant dies before his or her entire interest has been distributed to him or her, the remaining portion of such interest will be distributed at least as rapidly as under the method of distribution selected pursuant to Section S3.4.5 as of his or her date of death.

**S3.4.7 Distribution of Benefits Upon Disability.** If a benefit is payable under this Section S3.4.7, then it may be distributed as follows:

- (a) At any time after becoming Disabled (but not later than his or her Required Beginning Date and as of the first of a month), a Disabled Participant may elect on an Application for Benefits to receive a one-time lump-sum payment in the amount of 35% of his or her MPP Account Balance.
- (b) If the Participant is married at the time he or she makes an election pursuant to Section S3.4.7(a) above, such election will not be valid without the consent of the Participant's Spouse given in accordance with the procedures stated in Section S3.4.5(c).

The remaining 65% of such Disabled Participant's MPP Account Balance will be distributed at the Disabled Participant's Annuity Starting Date determined in accordance with Section S3.4.1 or S3.4.4, and in accordance with Section S3.4.5(g)(i) at such time as the Disabled Participant elects in an Application for Benefits, provided that such time is not later than his or her Required Beginning Date.

**S3.4.8 Benefit Increases.** The amount of any monthly annuity benefit payable under Sections S3.4.5 or S3.4.6 will be determined actuarially on the basis of the value of the Participant's Account under the Plan such that such value:

- (a) will be increased by 2% annually (the default option), or
- (b) will not be increased or will be increased by 3%, 4%, or 5% annually, if so elected by the Participant at the time of application, or the Beneficiary at the time benefits commence, as applicable, under Sections S3.4.5 or S3.4.6.

These increases will occur once a year on a date specified by the Administrator from time to time, which may be the same date for all Participants and Beneficiaries or may vary with each benefit recipient.

**S3.4.9 Other Provisions Incorporated.** In accordance with rules established by the Administrator, Supplement Three includes provisions similar to those found in Sections B3.4(d) and (e), B7.2, B9.1(d), B9.1(f), B9.2(b), B9.4, B9.5, B9.6, B9.8, C7.2, C8.1(a), C8.2(e) and (f), C8.4, C8.5, C8.6, C8.7, and C8.10.



**Amendment One to the  
Clergy Retirement Security Program**

The General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois, d/b/a Wespath Benefits and Investments (“Wespath”), maintains and administers the Clergy Retirement Security Program (the “Program”). In accordance with Section A5 of the Program and as directed and authorized by legislation enacted at the 2019 Special Session of General Conference, the Program is hereby amended, effective as of the close of the 2019 General Conference, as follows:

*Amend Section B9.1 by replacing the existing subsection (b)(iv) with the following:*

- (iv) *Lump Sums.* Except as otherwise provided in Section B9.1(d) or (h), or in Section B9.2(c), no Recipient may receive his or her benefit under this Plan in a lump sum, partial lump sum, installment form, or any other non-annuity form of payment.

*Amend Section B9.1 by adding a new subsection (h) to read as follows:*

- (h) *Mandatory Conversion of Aggregate DB Benefit.* Notwithstanding any provision of the Program to the contrary, a Participant who is neither Retired nor a Terminated Participant at the time of terminating his or her annual conference relationship under ¶360 of the Discipline will be treated as a Terminated Participant for purposes of determination of benefits under the entire Program. Such Participant’s Aggregate DB Benefit will be converted to an Actuarially Equivalent Account Balance, using factors corresponding to those used for determining Plan Sponsor Contributions to the Program, i.e., the assumptions determined under the Funding Policy. Such converted Aggregate DB Benefit and the Participant’s Vested Account Balances in this Program will be transferred to UMPIP, with such transferred amounts becoming subject to the terms of UMPIP.

*Amend Section B9.2 by replacing the existing subsection (c) with the following:*

- (c) *Small Benefit Lump Sums.* Except in the case of a Disabled Participant, if, as of the time:
  - (i) a Participant qualifies for Early Retirement, Normal Retirement, or Late Retirement or attains his or her Annuity Starting Date;
  - (ii) a Terminated Participant first becomes a Terminated Participant or attains his or her Annuity Starting Date; or
  - (iii) an Alternate Payee’s benefit is segregated pursuant to a QDRO or the Alternate Payee attains his or her Annuity Starting Date,

such person’s Aggregate DB Benefit does not exceed the amount specified in Section B9.1(d), then such Aggregate DB Benefit will be administered as described in Section B9.1(d). A Disabled Participant must consent to such distribution.