

Total Number of Pages: 37

Suggested Title: Comprehensive Protection Plan Amendments

Discipline ¶: 1504.1

General Church Budget Implications: None

Global Implications: None

Agency Name: General Board of Pension and Health Benefits

Make the following changes to the Comprehensive Protection Plan, which is incorporated by reference in ¶1504.1 of *The Book of Discipline*, including any needed revisions to section numbering, formatting, pagination, or Table of Contents, effective January 1, 2017, except where another effective date is specified:

1. Amend Section 1.01 as follows:

1.01 The Plan. The General Conference of The United Methodist Church established a program providing certain benefits for participating clergy and their beneficiaries, effective as of January 1, 1982, that has been known as the Comprehensive Protection Plan (hereinafter referred to as the “Plan”). Effective January 1, 1997, the Plan was amended and restated. Effective January 1, 2002 the Plan was again amended and restated. Effective January 1, 2005, the Plan was again amended and restated. Effective January 1, 2007, the Plan was again amended and restated. Effective January 1, 2009, the Plan was again amended and restated. Effective January 1, 2012, the Plan was again amended and restated. Effective January 1, 2013 the Plan was again amended and restated. Effective, January 1, 2014 the Plan was again amended and restated. Effective January 1, 2015 the Plan was again amended and restated. Effective January 1, 2016 the Plan was again amended and restated. Effective January 1, 2017 (the “Effective Date”), General Conference 2012~~6~~ amended the Plan as provided herein. This most recent statement of the Plan as amended constitutes the official plan document for the Plan.

2. Amend Section 2.16 as follows:

2.16 “Denominational Average Compensation” shall be determined in accordance with the provisions of Section A2.44 of the Clergy Retirement Security Program (or any applicable successor plan or provision), as amended from time to time~~mean the average annual compensation of Active Participants and participants in the Clergy Retirement Security Program who, in either case, are currently receiving compensation as a full-time Clergy person, determined in accordance with the procedures established by the Administrator.~~

3. Amend Section 2.20 as follows:

2.20 “Plan Compensation” shall mean for an Active Participant the sum of the following amounts paid by his/her Salary-Paying Unit or Plan Sponsor for a Plan Year:

a. the Participant’s 415 Compensation, (including, in the case of a self-employed Clergy person, such Clergy person’s 415 Compensation earned in the course of such self-employment), but not including 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 excluded from taxable cash salary pursuant to Code Section 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) Participant’s 415 Compensation; and (ii) cash excluded from taxable cash salary pursuant to Code Section 107, as defined in Section 2.20b.

4. Amend Section 3.01a as follows:

3.01 General Rule.

a. Full-time Participation. A person shall be an Active Participant in this Plan on a given date, subject to the rules for such persons described below, if, on such date, the person is eligible to participate in a “church plan,” as defined under Section 414(e) of the Code, and the person is:

(1) a bishop of The United Methodist Church elected by a Jurisdictional Conference;

(2) a bishop of the Puerto Rico Methodist Church;

(3) a Clergy member (including a deacon) who is:

(i) in full connection,

(ii) a provisional member,

(iii) an associate member of a Conference, or

(iv) a clergy member or provisional member of an Other Methodist Denomination appointed to a Conference, ~~in all cases serving under full-time episcopal appointment;~~

(4) a ~~full-time~~ local pastor of The United Methodist Church or the Puerto Rico Methodist Church under episcopal appointment;

(5) a clergy member of a central conference who is appointed to a Conference or General Agency ~~serving under full-time episcopal appointment;~~ or

(6) a clergyperson of another denomination and appointed to a charge of a United Methodist Church or the Puerto Rico Methodist Church if such person is not participating in a similar program of the denomination to which such person belongs ~~and is serving under full-time episcopal appointment;~~

provided that such a person is (i) serving under full-time episcopal appointment and (ii) receiving Plan Compensation at least equal to 25% of the Denominational Average Compensation~~in (3), (4), (5) or (6) is receiving Plan Compensation at least equivalent to 60% of the applicable Conference Average Compensation or 60% of the Denominational Average Compensation, whichever is less (in circumstances involving a person appointed to an extension ministry that is not a Conference Elective Entity, only the Denominational Average Compensation shall apply).~~ Provided further that the Church contributions required under this Plan on such person's behalf are not delinquent under Section 4.04 hereof, and that such person has satisfied the equivalent of either a certificate of good health or such other tests as provided for in Paragraph 315.6 of *The Book of Discipline*.

b. Part-time Participation. A person described in Section 3.01a(1-6), above, but who is serving under episcopal appointment at three-quarters time and receiving Plan Compensation at least equal to 25% of the Denominational Average Compensation, shall be an Active Participant in this Plan on a given date, if the Plan Sponsor has elected through its Adoption Agreement to cover the applicable three-quarters time appointments in the Plan.

~~b~~c. After the Effective Date, and subject to the rules herein, a person shall become an Active Participant in this Plan on the date of an assignment or appointment that meets the conditions of paragraph (a) or (b) above. A person who was already an Active Participant on the Effective Date shall continue to be an Active Participant, subject to the rules contained herein. ...

5. Amend Section 3.02 as follows:

3.02 Exceptions.

a. A person described in Section 3.01a~~(3)~~ or 3.01b who is not eligible to ~~become or continue as~~ an Active Participant, may nevertheless do so for a limited time no greater than 12 months, as described below and in accordance with the Plan Sponsor's Adoption Agreement, if he or she receives an appointment to one of the following categories or is granted:

(1) sabbatical leave under ¶352 of the *Book of Discipline*,

(2) voluntary leave of absence under ¶354 of the *Book of Discipline*~~family leave~~,

(3) attending school as a provisional member, or

~~(4) attending school after having served under appointment (other than to attend school as a full or associate member), or~~

~~(45) medical leave under ¶357 of the *Book of Discipline* not approved for benefits from this Plan;~~

~~(6) leave of absence, or~~

~~(7) less than full time service.~~

However, such person may continue to participate in the Plan for an additional 90 days beyond the 12-month limit described above if he or she is appealing the denial of a disability benefit claim pursuant to Section 8.09 of the Plan, ~~such a person may not become or continue as an Active Participant unless the relevant Conference Board of Pensions has made special arrangements with the Administrator, pursuant to an appropriate Adoption Agreement, to enroll persons in that category into the Plan, in accordance with Section 3.03 below.~~

b. A person who has been an Active Participant and who begins to receive disability benefits under Section 5.04 below shall continue as an Active Participant, but only for the period during which the disability benefits are paid, and ending on the date as of which the last disability payment is owed. Church contributions under Article IV below shall not be required to be made on behalf of such a person during such a period of disability.

~~c. A person described in Section 3.01a(3), (4), (5) or (6) who is otherwise eligible to become or continue as an Active Participant, except for receiving less than the Plan Compensation described in Section 3.01(a), may nevertheless do so, provided that (1) the person involved is receiving the lesser of at least 25% of the Denominational Average Compensation or 25% of the applicable Conference Average Compensation, and (2) if the relevant Conference Board of Pensions has made special arrangements with the Administrator, pursuant to an appropriate Adoption Agreement, to enroll persons in that category into the Plan, in accordance with Section 3.03 below.~~

dc. A person described in Section 3.01a(3) who has received an appointment beyond the local church, to a Salary-Paying Unit for which the Conference does not assume Plan Sponsor responsibility, may become an Active Participant in the Plan only if his or her Salary-Paying Unit has made arrangements with the Administrator, pursuant to an appropriate Adoption Agreement, to enroll persons in that category into the Plan, and the Salary-Paying Unit then enrolls such person in the Plan; i.e., the Salary-Paying Unit adopts the Plan as a Plan Sponsor.

~~(1) Notwithstanding the general omission rules of Section 3.04, if that individual is receiving the applicable Plan Compensation, as described in Section 3.01a, the terms of items (1) and (2) of~~

~~Section 3.04b shall apply to such individual. In addition, the terms of Section 4.01a shall apply to such individual.~~

~~(2) If that individual is not receiving the applicable Plan Compensation, as described in Section 3.01a, he or she shall participate in the Plan with coverage limited as provided in Section 3.03 and subject to the limitation of Section 3.04b(3). In addition, the terms of Section 4.01b shall apply to such individual.~~

~~(3) If that individual is appointed to less than full-time service, he or she shall participate in the Plan subject to the limitations of Sections 3.03 and 3.04b(3) and the terms of Section 4.01b shall apply to such individual.~~

6. Amend Section 3.03 as follows:

3.03 Special Arrangements Reserved.

~~a. A person described in Section 3.02a, c, or e above may participate in the Plan under a special arrangement that has been made between the relevant Conference Board of Pensions (or Salary-Paying Unit) and the Administrator pursuant to an appropriate Adoption Agreement, to enroll persons in the described category into the Plan.~~

~~(1) The special arrangement may provide for required Plan participation for all persons in the category, or for optional Plan participation for persons in the category.~~

~~(2) For any such persons to then become enrolled and begin participation in the Plan, or to continue participation, as the case may be, the Conference (or Salary Paying Unit) must take appropriate actions to enroll that person with the Administrator within 90 days of the later to occur of: (i) the date the person entered the category covered by such special arrangement, or (ii)~~

~~the date the Conference Board of Pensions first makes the special arrangement, pursuant to an appropriate Adoption Agreement, to have persons in the described category covered by the Plan.~~

~~b. The benefits provided by the Plan to persons who become Active Participants pursuant to these special arrangements shall include coverage for all of the Plan benefits.~~

7. Amend Section 3.04 as follows:

3.04 Mistaken Participation.

a. Inclusion of Ineligible Clergy. If any person who should not have been enrolled as a Participant in the Plan is erroneously enrolled, that person shall have no right to benefits under the Plan.

(1) The Administrator shall send a written notice to any such person, informing him or her that the inclusion in the Plan was erroneous and that there is no right to any benefits.

(2) If the discovery of any such erroneous inclusion occurs after contributions have been made to the Plan with respect to such a person, the amounts contributed shall constitute a mistake of fact and shall be returned (unless benefit payments have been made from the Plan with respect to such a person, in which case no such amounts shall be returned unless and until the Administrator obtains reimbursement of such mistaken payments).

(3) If the discovery of any such erroneous inclusion occurs after benefit payments have been made from the Plan with respect to such a person, the Administrator shall have the right to obtain reimbursement of such mistaken payments from the recipient of such payments.

b. Omission of Eligible Clergy. If any person who should have been enrolled as a Participant in this Plan is erroneously omitted, that person shall not have any rights under the Plan until he or she is properly enrolled.

(1) If the discovery of the omission is made before the contributions for such person would have been due, had the person been properly enrolled, the person shall be allowed to enroll retroactively.

(2) If the discovery of the omission is not made until after the contributions for such person would have been due, had the person been properly enrolled, the person shall be allowed to enroll retroactively, subject to the payment of a fee determined by the Administrator.

~~(3) In the case of any person enrolled in the Plan under a special arrangement described in Section 3.03a(1) above, if the person was not properly enrolled within the 90-day period described in Section 3.03a(2), items (1) and (2) of this Section 3.04b shall apply if the Plan Sponsor accepts responsibility for the erroneous omission by providing sufficient evidence in the judgment of the Administrator of the Plan Sponsor's culpability and paying all contributions related to the person, plus any late fee or interest penalty assessed by the Administrator.~~

~~(4) Notwithstanding the terms of Section 3.04b(3), the provisions of items (1) and (2) of this Section 3.04b shall not apply, and there shall be no late or retroactive enrollment for any person who could have enrolled in the Plan under an optional special arrangement described in Section 3.03a(1) above, who was given notice of his or her eligibility by his or her Plan Sponsor at the time described in Section 3.03a(2), who did not elect to participate in the Plan, by inaction or otherwise, and who was not enrolled within the 90-day period described in Section 3.03a(2).~~

8. Amend Section 4.01 as follows:

4.01 Church Contributions.

a. The annual Church contribution on behalf of an Active Participant who is enrolled under Section 3.01 ~~or Section 3.02~~ above shall be equal to 4.4% of such Active Participant's Contribution Base for that Plan Year.

~~b. The annual Church contribution on behalf of an Active Participant who is enrolled under a special arrangement described in Section 3.03 above shall be:~~

~~(1) equal to 3.4% of the Denominational Average Compensation for that Plan Year, for persons who are enrolled pursuant to a required participation for persons in that category.~~

~~(2) equal to 4.4% of the Denominational Average Compensation for that Plan Year, for persons who are enrolled pursuant to an optional participation for persons in that category.~~

~~eb.~~ One-twelfth of this annual Church contribution shall be payable to the Plan for each month of coverage provided under the Plan, and the due date for each monthly payment shall be the last day of each such month.

~~dc.~~ The Administrator may, in its sole discretion, reduce the percentages specified in Section 4.01a ~~and Section 4.01b~~, provided that any such reduction is in accordance with and justified by commonly accepted actuarial principles and practices. Any such reduction shall not affect the Administrator's right to subsequently increase the percentages, up to the amounts specified in Section 4.01a ~~and Section 4.01b~~, at any time.

9. Amend Section 4.02 as follows:

4.02 Source of Contributions. Except as provided in Section 4.03 below, the obligation to make the Church contribution on behalf of such an Active Participant shall fall upon, and be restricted to, the applicable unit as follows.

- a. The local church, if the Active Participant is serving a local church.
- b. The applicable Conference, if the Active Participant is a district superintendent or a Conference staff member.
- c. The General Council on Finance and Administration from the Episcopal Fund, if the Active Participant is a bishop.
- d. The applicable general board or agency, if the Active Participant is on the payroll of a board or agency.
- e. The applicable Conference or local church, if the Active Participant is appointed to sabbatical leave or to attendance at school, ~~as provided in Section 3.02a.~~
- f. The Active Participant's Plan Sponsor, if the Active Participant is other than described in items (a) through (e) above.

10. Amend Section 4.03 as follows:

4.03 Alternative Sources. The following alternative sources of Church contributions shall also be permissible:

- a. The applicable Plan Sponsor, in the case of Active Participants in items (a) and (b) in Section 4.02 above, or the applicable unit, in the case of Active Participants in items (c), (d), (e), or (f), may annually elect to require each Active Participant for that Plan Sponsor or unit to contribute

an amount up to 1% of such Active Participant's Contribution Base. ~~Notwithstanding the foregoing, the applicable Plan Sponsor or unit may annually elect to require each Active Participant for that Plan Sponsor or unit who is enrolled pursuant to an optional special arrangement described in the second clause of Section 3.03a(1) to contribute an amount up to 4.4% of the Denominational Average Compensation.~~ Any contributions made pursuant to this section 4.03a shall be counted toward meeting the required Church contribution under ~~items (a) and (b) of Section 4.01a.~~ ...

11. Amend Section 5.01a as follows:

a. The Surviving Spouse of an Active Participant who dies prior to entering into an annuity under the Clergy Retirement Security Program shall be entitled to a single-life annuity in an annual amount equal to (1) less (2), where:

(1) is 20% of the Denominational Average Compensation in effect on the date of the Active Participant's death, and

(2) is the annuity benefit (calculated as a single-life annuity increasing 2% annually, regardless of the annuity form actually paid) payable from the Clergy Retirement Security Program and from all other Church-related sources including the annuity equivalent value of account balances in the Ministerial Pension Plan, pension benefits for service prior to January 1, 1982, and the annuity equivalent value of account balances in the United Methodist Personal Investment Plan that are attributable to Plan Sponsor contributions.; ~~except~~ Social Security benefits are not considered.

(3) Effective January 1, 1989, the amount of the benefit payable under (a) to persons receiving such benefits on that date shall be based upon an amount at least equal to 20% of the Denominational Average Compensation for 1989 less (2) above.

12. Amend Section 5.02c as follows:

c. Any child age 18 years or older, but under age 25 years, who is described in paragraph (a) above shall be eligible to receive an annual educational benefit, as described below, equal to ~~20%~~ the specified percentage of the Denominational Average Compensation in effect on the later to occur of the date of death of the Active Participant or Retired Participant or the date such child attains age 18 years.

(1) Ten percent (10%) of Denominational Average Compensation ~~One half of such benefit is~~ payable for each year during attendance as a full-time student at a secondary school ~~and, in addition, for each year (not to exceed four years) during attendance as a full-time student at a standard school or college beyond the secondary school level.~~ The annual benefit shall be payable in monthly installments.

(2) Twenty percent (20%) of Denominational Average Compensation ~~One half of such benefit is~~ payable for each academic year (not to exceed four years) that the child is in full-time attendance at a university, standard school or college, vocational school, or other postsecondary educational institution beyond the secondary level up to age 25 years. If such child completes the secondary education level and enrolls in an institution of higher education prior to attaining age 18 years, the educational benefit may be effective at the time of such enrollment and shall be based on the Denominational Average Compensation in effect on the date of such enrollment. The annual benefit shall be paid ~~prorated~~ in equal installments, not to exceed four per academic

year, to match the academic calendar of post-secondary school attended, e.g., semesters, trimesters, or quarters, as requested in writing by the child. The first installment shall be paid before the start of the first academic time period of the academic year provided that the Administrator has received a certificate of enrollment pursuant to subsection (3) below. The second and any other successive installments for each academic year shall be paid at the close of each academic time period once the Administrator has received evidence of an average of passing grades or marks for the coursework completed in that academic time period.

(3) Satisfactory certificate of enrollment and attendance in secondary school, post-secondary school or college shall be provided periodically, as required by the Administrator, in order for any such educational benefit to be paid, as shall evidence of passing average grades or marks to progress toward graduation or successful completion of course of study.

13. Amend Section 5.03 to add a new subparagraph (m) that reads as follows:

m. In paying death benefits under this Section 5.03, the Administrator may rely on the small estate statute in the state in which the deceased Participant, Retired Participant or Surviving Spouse resided or in which probate is being adjudicated; provided that the heir or heirs (claimants) submit affidavits in accordance with such state law and agree to indemnify and hold harmless the Administrator and its agents.

14. Amend Section 5.03 to add a new subsection (n) that reads as follows:

n. Forfeiture of Death and Survivor Benefits. Notwithstanding anything to the contrary herein, any benefits payable under this Section 5.03 or Section 5.01 or Section 5.02 of the Plan, because of the death of any individual (Active Participant, Retired Participant, Spouse, Surviving Spouse, or child), i.e., a decedent (“Decedent” for purposes of this subsection), shall not be

payable to any claimant, whether Active Participant, Retired Participant, Spouse, Surviving Spouse, or child, (Intended Recipient) who is convicted of intentionally killing the Decedent or determined in a civil proceeding to have intentionally killed the Decedent. Benefits are not payable to such Intended Recipients even though a criminal conviction or civil determination is pending appeal. Benefits under Section 5.03 not payable to one or more Intended Recipients under this subsection shall be payable, as determined by the Administrator in its sole discretion, to the following person or persons who are surviving on the date of the Decedent's death in the following order of precedence, provided such person or persons are not disqualified under this subsection, in which case the Administrator will treat such person or persons as having predeceased the Decedent:

(1) To the next eligible Beneficiary designated by the Decedent in a writing received by the Administrator before the Decedent's death; or

(2) To the duly appointed executor or administrator of the Decedent's estate.

During the pendency of any criminal or civil proceedings against an Intended Recipient related to this subsection, the Administrator, in its discretion, may suspend payment of any death and survivor benefits under Sections 5.01, 5.02 and 5.03 of the Plan and await the outcome of criminal or civil proceedings. Payment of any death or survivor benefits by the Administrator under this subsection to any person listed above shall bar recovery of those benefits or proceeds by any other person.

15. Amend Section 5.04a as follows:

a. Eligibility. An Active Participant who becomes disabled as defined in paragraph (b) below shall be entitled to a disability benefit under this Section 5.04 (and shall thereby continue

to have the status of an Active Participant) under the following conditions:

(1) If the disability results from sickness:

(i) the Active Participant must have been an Active Participant for at least 180 days before the date that the disability is determined to have initially occurred; and

(ii) no disability benefit shall be payable in the event that the Active Participant becomes disabled within the two-year period beginning on the date that he or she first became an Active Participant, and as the result of any pre-existing conditions. A pre-existing condition is any condition of health or sickness for which the Active Participant received medical treatment or consultation within 365 days prior to the date the person became an Active Participant, and which then is the condition (or is related to the condition or is the cause of the condition) that is the basis for the claim for disability benefits under the Plan. No condition will be considered pre-existing if the disability is determined to have begun after the end of the two-year period.

(2) If the disability instead results from an accident, as determined by the Administrator, disability benefits shall be payable without regard to the passage of the 180-day period referenced in subSection (1)(i) above.

(3) If the disability results from sickness but the Active Participant has been enrolled for coverage through another long-term disability benefits plan maintained by the Plan Administrator without a break in coverage of more than 30 days; and provided the coverage under the other long-term disability plan combined with the coverage under this Plan is equal to at least 180 days with respect to subsection (1)(i) above or twenty-four months with respect to subsection (1)(ii) above; then disability benefits shall be payable without regard to the passage of

the 180-day period described in subsection (1)(i) above, and without regard to the two-year period described in subsection (1)(ii) above.

16. Amend Section 5.04b as follows:

b. (1) Definition of Disability. A Participant will be considered disabled for purposes of the Plan as of the date the Administrator determines, on the basis of medical evidence, that such person is unable to perform the usual and customary duties of a United Methodist Clergyperson by reason of a bodily injury, a disease, or a behavioral illness or disorder, that, in any of these cases, the Administrator determines is expected to last for at least six continuous months, exclusive of any disability resulting from:

~~(1A)~~ service in the armed forces of any country;

~~(2B)~~ warfare;

~~(3C)~~ intentionally self-inflicted injury; or

~~(4D)~~ participation in any criminal or unlawful act.

In addition, after having received disability benefit payments from the Plan for 24 consecutive months, the Participant shall be considered disabled only if he or she is unable to engage in substantially all of the usual and customary duties pertaining to any employment for remuneration or profit in any occupation for which he or she is reasonably qualified by training, education, or experience. The Administrator shall have the responsibility for determining whether a person has incurred a disability, and, before approving payment of any disability benefit, may require medical proof of such disability including, but not limited to, a requirement that the person submit to medical examination at the request of the Administrator. The Plan shall

pay all reasonable medical fees, as determined by the Administrator, for any medical examinations requested more frequently than annually.

(2) Proof of Claim. Proof of claim for disability benefits must show:

(A) that the claimant is under the regular care of a physician;

(B) the appropriate documentation of the claimant's monthly earnings;

(C) the date the disability began;

(D) the cause of the disability;

(E) the extent of the disability, including restrictions and limitations preventing the claimant from performing the usual and customary duties of a United Methodist Clergy person (or, after 24 consecutive months of disability payments, substantially all of the usual and customary duties pertaining to any employment for remuneration or profit in any occupation for which the claimant is reasonably qualified by training, education or experience); and

(F) the name and address of any hospital or institution where the claimant received treatment, including all attending physicians.

The Administrator may request that a claimant send proof of continuing disability indicating that the claimant is under the regular care of a physician. This proof must be received within 60 days of a request by the Administrator for initial claims or 90 days of a request by the Administrator for ongoing claims. In some cases, the claimant will be required to give the Administrator authorization to obtain additional medical information and to provide non-medical information as part of a claimant's proof of claim (or proof of continuing disability). The Administrator will

deny a claim, or stop payments of benefits, if the appropriate information, i.e., proof of claim is not submitted within 60 days or 90 days of any request, as applicable.

17. Amend Section 5.04c as follows:

c. Amount and Payment of Disability Benefit. The Administrator shall grant disability benefits to an Active Participant under this Plan who is determined by the Administrator to be disabled pursuant to Section 5.04b above, as follows:

(1) General Amount. An annual disability benefit, payable in monthly installments, shall be paid from the Protection Benefit Trust to the Participant in an amount equal to 70% of the annualized Plan Compensation for that Participant for the Plan Year in which the first payment becomes due and effective (with the annualized Plan Compensation calculated as of the effective date of that first payment), ~~provided that such annual disability benefit generally shall not be less than 40% of the Denominational Average Compensation unless otherwise provided under the Plan.~~

(i) Benefits Approved Before January 1, 2002. Any persons already receiving a disability benefit before January 1, 2002 shall continue to receive the amount previously awarded to them, which was based on 40% of the Denominational Average Compensation for the Plan Year in effect on the date of first payment (as adjusted for the increases provided in Section 5.04c(3) below), for as long as they remain disabled or otherwise eligible under other provisions of the Plan.

(ii) Benefits Approved January 1, 2002 through December 31, 2016. Any persons already receiving a disability benefit before January 1, 2017 shall continue to receive the amount previously awarded to them, which was based on 70% of Plan Compensation for the Plan Year in effect on the date of first payment subject to certain reductions and offsets and limits to those reductions and offsets, i.e., a general benefit floor of 40% of the Denominational Average

Compensation, for as long as they remain disabled or otherwise eligible under other provisions of the Plan.

(iii) The Plan Compensation that is considered for this ~~revised~~ disability benefit shall be limited to an amount that is not greater than 200% of the Denominational Average Compensation for the Plan Year in which the Plan Compensation is being determined.

(iv) This ~~revised~~ disability benefit is subject to the reductions and offsets described in Section 5.04c(7), Section 5.04c(8), and Section 5.04c(9).

(v) ~~The application of the Social Security reduction described in Section 5.04c(7) shall not result in an annual disability benefit for a Participant that is less than 40% of the Denominational Average Compensation for the Plan Year in effect on the date of first payment (determined on pro-rata basis, as needed, for any partial years of disability). Notwithstanding the foregoing, for Participants described in Section 3.02c, annual disability benefits may be less than 40% of the Denominational Average Compensation, i.e., when calculated as 70% of Plan Compensation, and may be reduced to less than 40% of the Denominational Average Compensation by application of the Social Security reduction described in Section 5.04c(7).~~

(vi) ~~Notwithstanding the foregoing, an annual disability benefit for a Participant may be reduced to less than 40% of the Denominational Average Compensation in cases where the Administrator is offsetting or otherwise recouping an overpayment to the Participant resulting from an award of Social Security benefits or other income.~~

(vii) ~~After the application of the Social Security reduction described in Section 5.04c(7), an annual disability benefit for a Participant shall be further reduced as described in Section 5.04c(8) and Section 5.04c(9).~~

18. Amend Section 5.04c(2) as follows:

(2) ~~Retirement Contribution~~~~Pension Credit~~. In addition, during the Participant's disability, an annual allocation from the Protection Benefit Trust, made in monthly installments, shall be credited to the Participant's defined contribution account in the applicable clergy retirement plan maintained by the Administrator in an amount equal to the Plan Sponsor's nonmatching and matching contribution obligations with respect to the Participant, limited in aggregate to no greater than 3% of the Participant's compensation as defined by the applicable clergy retirement plan, including any increases, imputed or otherwise, to such compensation as determined under the applicable clergy retirement plan. Notwithstanding the foregoing, any allocation described in this Section 5.04(c)(2) shall cease for any Participant who (i) is retired pursuant to ¶358.3 of the *Book of Discipline* or (ii) severs his or her Conference relationship by honorable location or administrative location as described in ¶359 and ¶360 of *The Book of Discipline*, or terminates or has terminated his or her Conference relationship in any manner, thereby ceasing to be a member of the Conference as of the date of such termination.

19. Amend Section 5.04c(7) as follows:

(7) Social Security Offset. The disability benefit payable under this Section 5.04 shall be reduced on a dollar-for-dollar basis by any benefits received by the Participant under the Social Security Act with regard to his or her disability (unless the Social Security benefits are forwarded to the Plan).

(i) The amount of this reduction will be based on the total benefit payable with regard to the Participant under the Social Security Disability Insurance Program, including amounts payable to

the Participant and amounts payable to his or her spouse or children (including any common-law spouse).

(ii) The amount of this reduction will include a reduction for any retroactive awards of Social Security disability benefits (unless the benefits are forwarded to the Plan). To the extent requested by the Administrator, the Participant shall have an obligation to reimburse the Plan for the amount of any overpayment of disability benefits from the Plan that results from any retroactive awards of Social Security disability benefits.

(iii) To effectuate these provisions on Social Security disability payments, the Participant shall take all needed steps to obtain such Social Security benefits. The Administrator may supply the Participant with such aid as it deems appropriate with regard to the Participant's application for Social Security benefits. The Participant shall supply the Administrator with all relevant information that is requested regarding his or her eligibility and application for such Social Security benefits, whenever it is requested. If a Participant fails, without good cause, to furnish such information, the disability benefits otherwise payable to the Participant from the Plan may be suspended (and ended), pursuant to Section 5.04d(5) below.

(iv) If the Participant does not receive such Social Security benefits, for the any-reasons described in Section 5.04c(7)(v) below, then the benefit payable under this Section 5.04 shall still be reduced, on a similar dollar-for-dollar basis, by looking to the imputed benefits that the Participant would have received under the Social Security Act. For this purpose, it will be assumed that: (a) the Participant would have had his or her application for Social Security disability benefits approved, (b) the Participant would have received the maximum benefits

available under Social Security for that Participant's circumstances and level of compensation, and (c) there would not have been any retroactive award of Social Security benefits.

(v) For the application of the reduction described in item (iv) above, it will be assumed that the payment of imputed amounts began: (a) immediately after the date the Participant refused to apply for Social Security benefits, if the Participant has refused to apply; or (b) six months after the date the Participant's disability was determined by the Administrator to have commenced, if the Participant has elected under Code Section 1402(e) not to be covered by Social Security ~~or the Participant is otherwise ineligible for Social Security (e.g., too few quarters credited); or (c) 24 months after the date the Participant's disability was determined by the Administrator to have commenced, if the Participant has applied for Social Security disability benefits but has been denied such benefits, for a reason other than having elected under Code Section 1402(e) not to be covered by Social Security. Notwithstanding the applicability of the imputed amount to~~ Participants in clause (c), ~~the~~ The Administrator shall begin applying the reduction described in Section 5.04c(7)(iv) above, after 12 months of disability benefit payments to the Participant, in all cases where the Participant has applied for Social Security benefits. The application of this offset will reduce the likelihood of a substantial overpayment to the Participant as a result of a retroactive award of Social Security benefits. In the event that the Administrator applies this offset and the Participant is denied benefits under the Social Security Act (for reasons other than those in clause (b), e.g., an election under Code Section 1402(e)), the Administrator shall make the Participant whole for this applied offset, ~~between month 6 and month 24 of disability benefits, as would be appropriate under clause (c), after the Participant has exhausted Section~~ 5.04c(7)(v)(e).

20. Amend Section 5.04c(8) as follows:

(8) Other Income Offset. After the application of the Social Security reduction described above in Section 5.04c(7), the amount of the disability benefit payable under this Section 5.04 shall also be reduced as described below.

(a) During the first 24 months of disability, the disability benefit payable shall be reduced on a dollar-for-dollar basis when the sum of the amounts specified in items (i), (ii), (iii), (iv) and (v) below exceeds 100% of the Plan Compensation of the Participant at the time the disability occurred, as increased annually by 3%.

(b) After the first 24 months of disability, the amount of the disability benefit payable under this Section 5.04 shall be reduced on a fifty cents on the dollar basis when the sum of the amounts in items (i), (ii), (iii), (iv) and (v) below exceeds 70% of the Plan Compensation of the Participant at the time the disability occurred, as increased annually by 3%; and the amount of disability benefits payable shall be reduced on a dollar-for-dollar basis when the sum of the amounts in items (i), (ii), (iii), (iv) and (v) exceeds 100% of Plan Compensation of the Participant at the time the disability occurred, as increased annually by 3%. The amount of this reduction shall be the amount by which the sum of items (i), (ii), (iii), (iv) and (v) exceeds the amount described in (a) or (b) as applicable.

(i) The amount of gross income resulting from earned income of the Participant, or from payments received by the Participant that, by their nature, are a substitute for earned income. The sources of gross income are limited to: (a) compensation for services, including fees, commissions and similar items, and gross income derived from a business, as provided in section 61(a) of the Code; (b) compensation payments received from Worker's Compensation Insurance in respect to lost earnings; (c) payments received from any branch of the United States Armed

Forces, excluding veteran's disability compensation and pension benefits; (d) payments received from any other agency of the United States Government; (e) payments received from any State of the United States, in respect to disability; and (f) disability benefits payable under this Plan.

Notwithstanding the foregoing, the Plan Administrator will not reduce a Participant's disability benefits under this Section 5.04c(8) by amounts that a Participant receives from a Plan Sponsor in lieu of coverage in a group health plan, for the Participant or his or her family, even if such amount is considered taxable income or compensation for services.

(ii) The amount that the Participant received as retirement benefits, or the amount that the Participant's spouse and children received as retirement benefits because of the Participant's receipt of retirement benefits under the Social Security Act.

(iii) The amount of the reduction for Social Security disability benefits as described in Section 5.04c(7).

(iv) The above amounts (other than the disability benefits payable under this Plan) shall constitute the "Other Income Benefits" referred to below.

(v) If a Participant engages in return to work program ~~rehabilitation~~-employment under Section 5.04f of the Plan during the time that he or she is receiving disability payments under the Plan, and is actively participating in a ~~rehabilitation~~-return to work program approved by the Administrator at that time, the earnings from such employment shall be a part of the Other Income Benefits on the following basis:

A. During the first 24 months of disability payments, only 50% of such earnings shall be included in the Other Income Benefits.

B. After the first 24 months, 100% of such earnings shall be included in the Other Income Benefits.

(vi) To enable the Administrator to make all of these calculations, the Participant shall supply all relevant information and documentation that is requested, whenever it is requested. If a Participant fails, without good cause, to furnish such information or documentation, the disability benefits otherwise payable to the Participant may be suspended (and ended), pursuant to Section 5.04d(5) below.

21. Amend Section 5.04d as follows:

d. Discontinuance of Disability Benefits. A Participant's disability benefit will be payable pursuant to paragraph (c) above, subject to the following:

(1) Medical Examinations. If the Participant refuses to submit to a medical examination or deliver any related documentation that, in either case, is requested by the Administrator for purposes of verifying the continuance of disability, the disability benefits otherwise payable to the Participant may be suspended (and ended), pursuant to Section 5.04d(~~6~~5) below.

(2) Medical Treatment. If the Administrator determines the Participant is not under the Appropriate Available Treatment as defined below ~~regular care and treatment of a properly licensed physician with expertise in the appropriate medical specialty for the disabling condition,~~ the disability benefits otherwise payable to the Participant under the Plan may be suspended (and ended), pursuant to Section 5.04d(~~6~~5) below. Regardless of the type of disabling condition, a physician who is a member of the Participant's family is not an acceptable treating physician. For this purpose, a member of the family shall include parents and stepparents, children and

stepchildren, spouses, former spouses, siblings and step-siblings, mothers-in-law, fathers-in-law, brothers-in-law, sisters-in-law, grandparents, uncles, aunts and cousins.

(A) “Appropriate Available Treatment” means care or services which are:

(i) generally acknowledged by Physicians to cure, correct, limit, treat or manage the disabling condition;

(ii) accessible within a reasonable geographic area of the Participant;

(iii) provided by a physician who is licensed and certified by the American Board of Medical Specialties or the American Board of Physician Specialties (osteopaths) and qualified in a discipline suitable to treat the disabling injury or sickness; and

(iv) in accordance with generally accepted medical standards of practice.

(B) In addition, “Appropriate Available Treatment” with respect to a Mental Illness (as defined below) means care or services which are:

(i) generally acknowledged by Psychiatrists and Psychologists to cure, correct, limit, treat or manage the disabling condition; utilizing both psychotherapy and psychopharmacology modalities when indicated, occurring with a regular frequency, as defined by accepted guidelines, as long as the condition is significantly decreasing capacity, including the obtaining of second opinions when there is little clinical improvement after six months;

(ii) accessible within a reasonable geographic area of the Participant;

(iii) provided by a provider who is a licensed psychologist, psychiatrist or both; and

(iv) in accordance with generally accepted American Psychological and Psychiatric Association's standards of practice.

(C) In addition, for the purposes of this subparagraph Mental Illness means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders relatable to stress. If the DSM is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a disability.

(3) Administrator Determinations. If the Administrator determines at any time that the Participant is no longer disabled, payment of all disability benefits shall cease, as provided in Section 5.04d(54) below (irrespective of the period that has elapsed since the Participant first became disabled).

~~(4) Mental Health Conditions. If the primary basis for a disability benefit paid from the Plan is a "Mental Illness" (as defined in Section 5.04d(4)(iii) below), then all such benefits shall cease on the June 30 next following the expiration of 24 months after the later of:~~

~~(a) the Participant's date of disability; or~~

~~(b) January 1, 2013 (if, in either case, benefits do not cease at an earlier date pursuant to other provisions of the Plan), except in cases where the Participant meets one or both of the following conditions described in (ii) and (iii) below.~~

~~(i) “Mental Illness” means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders relatable to stress. If the DSM is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a disability.~~

~~(ii) The Participant is confined to a hospital or institution on the June 30 that follows the end of the 24-month period, benefits will continue during such confinement. If the Participant remains disabled when discharged, benefits will continue for a recovery period of up to 3 months. If the Participant becomes confined to a hospital or institution again at any time during the recovery period and remains confined for at least 14 consecutive days, benefits will continue during that additional confinement and for one additional recovery period up to 3 more months.~~

~~(iii) The Participant has a Mental Illness, which, in the view of the Administrator, based on medical evidence is “severe” and not “returnable” based on generally accepted psychiatric standards.~~

~~(iv) The Administrator will not apply the Mental Illness limitation in this Section 5.04d(4) to dementia if it is a result of: (a) stroke; (b) trauma; (c) viral infection; (d) Alzheimer’s disease; or (e) other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.~~

(54) General Time of Cessation. If the disability benefits for a Participant are ended for the reasons described in Section 5.04d(3) (regarding Administrator determinations), the cessation of benefits shall be subject to the following provisions:

(i) In such a case, the payment of the disability benefits shall cease as of the June 30 next following the final day of the regular session of such person's Conference, if the final day falls in the month of May or June, or, otherwise, as of the last day of the month in which the closing day of such Conference session occurs, based, in either case, on the session that occurs at the time or immediately after the time (whichever is applicable) of the date that the Administrator sends a written notice to the Participant regarding the cessation of the disability benefits.

(ii) For a cessation of disability benefits that is instead due to a lack of cooperation from the Participant that is described in the Plan with reference to Section 5.04d(65) below, the cessation shall be subject to the provisions of ~~Section~~ 5.04d(65).

(65) Suspensions and Related Cessations. If the disability benefits for a Participant are to be suspended due to a lack of cooperation from a Participant with regard to a requirement for benefits that is described in the Plan with an express reference to this Section 5.04d(65), the following provisions shall apply:

22. Effective January 1, 2013, amend Section 5.04d(7) as follows:

(7) Disability Prior to Age 62. On or after January 1, 2013, ~~If~~ the Participant becomes disabled prior to the date he or she attains age 62, and the disability continues, then the benefits will terminate on June 30 that follows the date on which the Participant reaches his or her Social Security full retirement age under the Social Security Act.

23. Effective January 1, 2013, amend Section 5.04d(8) as follows:

(8) Disability On or After Age 62. On or after January 1, 2013, if the Participant becomes disabled on or after the date he or she attains age 62, and the disability continues, then the benefits will terminate on the earlier to occur of:

24. Amend Section 5.04d(7) as follows:

(7) Disability Prior to Age 62. If the Participant becomes disabled prior to the date he or she attains age 62, and the disability continues, then the benefits will terminate on June 30 that follows the earlier of (i) the date on which the Participant retires pursuant to ¶358.1 or ¶358.2 of the *Book of Discipline* or (ii) the date on which the Participant reaches his or her Social Security full retirement age under the Social Security Act.

25. Amend Section 5.04d(8) as follows:

(8) Disability On or After Age 62. If the Participant becomes disabled on or after the date he or she attains age 62, and the disability continues, then the benefits will terminate on the earlier to occur of:

(i) the June 30 on or following the last day of the eligibility established in the age benefit reduction table below; or

(ii) June 30 following such person's retirement date if the individual retires pursuant to ¶358.1 or ¶358.2 of the *Book of Discipline* provided~~(if~~ the final day of the regular session of such person's Conference falls in May or June, or otherwise on the last day of the month in which the closing day of such Conference session occurs).

26. Amend Section 5.04d by adding a new subsection (10) that reads as follows:

(10) Incarceration. Notwithstanding anything else to the contrary herein, disability benefits under this Plan shall not be payable for any months in which a Participant is incarcerated for conviction of a crime that is a felony as classified by the statute under which the Participant was charged. A Participant's benefits can be reinstated, if he or she remains otherwise eligible, starting with the month following the month he or she is released from incarceration. However, disability benefits will not be payable for any month before the Participant has affirmatively notified the Administrator of such release.

27. Delete Section 5.04e in its entirety:

~~e. Rehabilitation Benefits. The Administrator is authorized to allocate reasonable added amounts, as it deems appropriate (not to exceed two thirds of the Denominational Average Compensation), for rehabilitation benefits on behalf of a disabled Active Participant.~~

~~(1) Standard for Benefits. Expenditures for any such rehabilitation benefits shall only be made when the expenditure:~~

~~(i) could in the judgment of the Administrator, reasonably result in the Participant engaging in employment for remuneration or profit in an occupation for which he or she will then be reasonably qualified by training, education or experience; and~~

~~(ii) would be directed toward a specific program of rehabilitation services that has been approved by both the Participant's physician and by the Administrator prior to the Participant's receipt of any such services.~~

~~(2) Initiation of Benefits. A disabled Participant may request that the Administrator provide rehabilitation benefits under this paragraph (e), and the Administrator, in its discretion, shall then~~

~~determine, pursuant to the above rules, whether rehabilitation benefits will be provided. In addition, the Administrator may identify a Participant as being a candidate for rehabilitation services, pursuant to the above rules. Any such action by the Administrator will normally occur within the first 24 months of the Participant's disability benefits, and a Participant who has received disability benefits under the Plan for more than 24 months may not request any such rehabilitation benefits.~~

~~(3) Required Use of Services. If the Administrator identifies a disabled Participant as a candidate for rehabilitation services, the Participant must participate in the program of rehabilitative services that is recommended. If the Administrator determines that the Participant has not been properly participating in such a rehabilitation program, the disability benefits otherwise payable to the Participant under the Plan may be suspended (and ended), pursuant to Section 5.04d(5) of the Plan.~~

~~(4) Disability After Rehabilitation. The expenditure of such amounts for rehabilitative services for a Participant shall not disqualify the Participant from continued disability benefits under the Plan, if following the completion of the rehabilitative services the Participant continues to meet the definition of disability in paragraph (b) above and the other requirements of this Plan.~~

28. Delete Section 5.04f in its entirety and renumber as appropriate:

~~f. Transitional Disability.~~

~~(1) Subject to the limitations described in Section 5.04f(2), an Active Participant's disability benefits under this Section 5.04, shall continue, if:~~

~~(i) the Administrator determines that the Participant no longer satisfies the definition of disability as described in Section 5.04b;~~

~~(ii) the Participant recovers sufficiently so that he or she returns to the performance of his or her duties, but on a less than full-time basis; and~~

~~(iii) the Participant's monthly Plan Compensation from the performance of such duties is no more than 70% of Plan Compensation prior to disability.~~

~~(2) Any disability benefit payments for a transitional disability shall be subject to the following rules:~~

~~(i) The disability benefit payable for a transitional disability shall be reduced on a dollar for-dollar basis so that the sum of such benefit and the monthly Plan Compensation received by the Participant, for the performance of his or her duties on a less than full-time basis, shall not exceed the Participant's monthly Plan Compensation for the Plan Year in which his or her first disability benefit payment became due and effective.~~

~~(ii) Except for Section 5.04b, the Participant shall remain subject to all of the provisions pertaining to the receipt of benefits for a full disability (including the requirement of continuing treatment by a physician).~~

~~(iii) The disability benefit payments for a transitional disability shall not be made for more than 12 months.~~

29. Amend Section 5.04h as follows:

fh. Return to Work Plans. The Administrator is authorized to establish "Return to Work" processes and transitional and rehabilitation disability benefit plans to better transition claimants

back into working. The Administrator may establish and maintain such programs involving itself, Plan Sponsors and the claim administrator or other agent. In addition, to increase the effectiveness of such programs, the Administrator may utilize the following incentives and disincentives.

(¶1) Claimant Disincentives. The Administrator may reduce a Participant's disability benefits payable by 10% if the Participant has been identified as a candidate for a Return to Work process and he or she refuses to participate in such program or fails to comply with the Administrator or its agents in the implementation of such Return to Work process.

(¶2) Plan Sponsor Incentives. The Administrator is authorized to allocate an amount equal to the lesser of 50% of the Participant's Plan Compensation on the date of disability or 40% of the Denominational Average Compensation, annually, as a grant to a Conference or other Plan Sponsor as an incentive to reappoint or re-employ a Participant in a Return to Work process as a means of assisting the Conference/Plan Sponsor in compensating the Participant. The grants will continue as long as the Participant is disabled and otherwise eligible under the Plan and complies with the Return to Work process, ceasing on the June 30 that follows the end of such disability.

30. Amend Section 6.04a as follows:

a. Generally. To be considered a Transition Participant eligible for this Voluntary Transition Program, an individual must be a clergy member in full connection or an associate member of a Conference and an Active Participant in the Plan under the terms of Section 3.01a(3)(i); ~~i.e., a Clergy member in full connection,~~ as of the date of Separation from Service. However, Active Participants who are bishops, provisional members, members of Other Methodist Denominations, members of the Puerto Rico Methodist Church, or clergypersons of other

denominations may not be Transition Participants; such individuals are not eligible for Transition Benefits. ~~Active Participants enrolled through special arrangements under Section 3.02 or Section 3.03 of the Plan may not be Transition Participants; such individuals are not eligible for Transition Benefits. Notwithstanding the preceding sentence, an Active Participant enrolled through special arrangements under Section 3.02 because he or she receives an appointment to less than full-time service, may be a Transition Participant if he or she has been an Active Participant in the Plan as an Active Participant other than through a special arrangement, i.e., he or she was appointed full-time, for at least five years preceding the part-time service appointment, and has not been participating through a special arrangement longer than 24 months.~~ An Active Participant enrolled ~~through a special arrangement~~ under Section 3.02 because he or she is ~~appointed to~~ granted a voluntary leave of absence that is a personal leave or a transitional leave, or former Active Participant who, within the last 24 months, has ceased to be an Active Participant because he or she is appointed part-time or granted to a voluntary leave of absence that is a personal leave of a transitional leave, may be a Transition Participant provided that he or she has been an Active Participant ~~other than through a special arrangement~~ for at least five years preceding the part-time appointment, personal leave or to transitional leave.

31. Amend Section 6.06 as follows:

6.06 Return to Ministry. If a former Transition Participant returns to ministry ~~through recertification~~ at any time, he or she shall be required to repay the Transition Payments received under this Voluntary Transition Program. Such amount shall be considered an overpayment under this Plan and subject to recovery by the Administrator as of the date that the Annual Conference board of ordained ministry approves a return to active ministry ~~the former Transition Participant again becomes an Active Participant in the Plan.~~

32. Amend Section 8.10 as follows:

8.10 Appeal a Condition Precedent to Civil Action. No cause of action in law or equity with respect to any alleged violation of the terms and conditions of this Plan, or otherwise regarding the benefits under this Plan, shall be commenced or maintained by any claimant (or his or her representative) unless and until such claimant (or the representative) has initiated and completed the process of an Appeal as set forth in Sections 8.07 to 8.09 of this Plan. In addition, any such cause of action with respect to this Plan must be commenced by the claimant (or the representative) within 12~~six~~ months of the date of the written notice sent by the Administrator to the claimant (or the representative) regarding the final denial of the Appeal. The notice sent out by the Administrator should describe this time limit.

Date: August 10, 2015

RATIONALE: The General Board wishes to make certain technical corrections and plan design changes for the benefit of participants in the Comprehensive Protection Plan and to make administration easier.