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Adopt the Compass Retirement Plan, which is referenced in ¶1504.1 of the *Book of Discipline*, in the form of Exhibit A attached hereto (including any needed revisions to section numbering, formatting, pagination, or Table of Contents), effective as of January 1, 2023.

Date: August 29, 2019

Barbara A. Boigegrain
General Secretary, General Board of Pension and Health Benefits

Compass Retirement Plan

A Church Retirement Benefits Plan of
The United Methodist Church

Effective January 1, 2023, as Adopted by the 2020 General Conference

Compass Retirement Plan

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Note: The Compass Retirement Plan 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.

Compass Retirement Plan

SECTION 1 – INTRODUCTION

1.1 History. The Compass Retirement Plan (the “Plan”) was established by General Conference 2020, effective as of January 1, 2023 (the “Effective Date”). The Plan replaces the Clergy Retirement Security Program, which is partially frozen as of the Effective Date of this Plan.

1.2 The Plan. The Plan consists of the following subdivisions:

- (a) The Plan document, which is the main body of the Plan, including Appendix A; and
- (g) The Adoption Agreement for any Plan Sponsor.

Appendix A describes core benefit design features of the Plan that may be amended only by General Conference, as further described in section 11 below, if ¶1504.1 of the Discipline is amended by General Conference 2020 to reflect such amendment authority. If ¶1504.1 of the Discipline is not amended in such manner by General Conference 2020, the Plan sections within Appendix A will revert to their numbered locations within the main body of the Plan document, and Appendix A will be deleted.

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

1.3 Type of Plan. The Plan is intended to be a program of one or more church-sponsored retirement income accounts within the meaning of Code §403(b)(9). The Plan is a defined contribution plan, as that term is defined in Code §414(i). For the purpose of Code §401(a)(4), the Plan is intended to be a multiple employer plan involving more than one Plan Sponsor. 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). The Plan is a “church plan” as that term is defined in Code §414(e) and ERISA §3(33).

1.4 Funding. Contributions to fund the benefits provided under the Plan are made by the Plan Sponsors.

- (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 Plan 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 Plan.
- (b) *Separate Accounts.* The Administrator will maintain a separate accounting for each Plan Sponsor's Contributions and for each Participant, Beneficiary, or Accountholder. Such accounting will reflect Contributions, earnings, losses, forfeitures, transfers, distributions, and any other relevant events necessary to keep accurate accounts.
- (c) *Contributions for Missionary Conferences.* [See Appendix A]

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

1.6 Plan Sponsors. [See Appendix A]

SECTION 2 - DEFINITIONS AND RULES OF INTERPRETATION

As used in this Plan, capitalized terms, including acronyms, have the meanings set forth in this section 2. When not set forth in this section, capitalized terms have the meanings set forth in predecessor plans, given to them in the Discipline, or understood in common usage.

- 2.1 Account.** All of the separate accounts maintained according to the books and records of the Plan for the purpose of recording Contributions made by a Plan Sponsor, Salary-Paying Unit, or Participant for the benefit of a Participant, an Alternate Payee or a Beneficiary, adjusted for Contributions, distributions, and earnings and losses allocated thereto.
- 2.2 Account Balance.** The total amount held in an Account of an Accountholder, as determined on the coincident or immediately preceding Accounting Date in accordance with the provisions of the Plan.
- 2.3 Accountholder.** A Participant, Alternate Payee, or Beneficiary who has an Account under the Plan. Accountholder also includes an individual whose defined benefit accruals were converted to a lump sum and transferred to this Plan pursuant to transition provisions within the Clergy Retirement Security Program.
- 2.4 Accounting Date.** Each business day of each calendar year and any 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 Plan.
- 2.5 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.
- 2.6 Administrator.** The General Board or any successor.
- 2.7 Adoption Agreement.** An agreement executed by each Plan Sponsor and accepted by the Administrator that is a part of this Plan and is the means by which a Plan Sponsor adopts the Plan, and specifies any optional provisions that are a part of the Plan as to that Plan Sponsor.
- 2.8 Age 50 Catch-Up Contributions.** Before-tax and/or Roth Contributions made on behalf of a Participant who has attained, or is expected, by the end of the Plan Year, to attain age 50 and who has exceeded the limits otherwise applicable under Code §402(g) and section 5.2(a), provided that such Contributions do not exceed the limits specified in section 4.2(c)(ii)(B).
- 2.9 Aggregate Benefit.** The sum of an Accountholder's:
- (a) Vested Account Balances in this Plan; plus

- (b) vested account balances in all other retirement plans administered by the Administrator, if any; plus
- (c) accrued benefits in all 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 retirement plan administered by the Administrator, if any, converted to their Actuarial Equivalent aggregate lump sum.

2.10 Alternate Payee. A Spouse, former Spouse, child, or other dependent of a Participant entitled to receive a portion of such Participant's Account under a QDRO.

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

2.12 Appointed or Appointment. Officially appointed by a Bishop to a ministry pursuant to ¶¶425 through 430 of the Discipline. The sum of two or more Appointments for one Clergyperson will be totaled and determined as full-time or part-time as reported to the Administrator by the Plan Sponsor. For the purposes of the Plan, in the case of a Bishop, assigned in accordance with ¶406 of the Discipline. Bishops will be deemed assigned on at least a half-time basis.

2.13 Automatic Contribution Escalation. [See Appendix A]

2.14 Automatic Enrollment. [See Appendix A]

2.15 Beneficiary. The person(s) (natural or otherwise), designated as set forth in section 8.12, who is receiving, or entitled to receive, a deceased Participant's or Accountholder's residual interest in the Plan.

2.16 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 Section III of Chapter Three of Part VI of the Discipline.

2.17 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 Appointed (or is otherwise covered under the Plan). Taking a Leave of Absence or becoming Disabled does not begin a Break in Service.

2.18 Catch-Up Contributions. Either or both of Age 50 Catch-Up Contributions or 15-Year Catch-Up Contributions.

2.19 Church Plan. A plan qualifying under Code §414(e) or ERISA §3(33) that has not made an election under Code §410(d).

2.20 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.

2.21 Clergy or Clergy person. One of the following persons:

- (a) a Bishop;
- (b) an Elder in Full Connection, a Deacon in Full Connection, a Provisional Member, an affiliate member within the meaning of ¶¶344.4, 369.1, 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.

2.22 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.

2.23 Compensation. [See Appendix A]

2.24 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.

2.25 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 on behalf of all Clergy persons Appointed 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.

- 2.26 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 Plan 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.
- 2.27 Contribution.** An amount contributed to the Plan by a Plan Sponsor or other responsible party. 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.
- 2.28 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.
- 2.29 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.
- 2.30 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.
- 2.31 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;
 - (c) placed on Medical Leave by such Participant's or Terminated Participant's Conference; or
 - (d) 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.
- 2.32 Discipline.** *The Book of Discipline of The United Methodist Church 2016*, the body of church law established by General Conference, as amended and restated from time to time.
- 2.33 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 ¶357.2*b* of the Discipline; or
 - (ii) for a Participant who retires in accordance with ¶¶357.2*a* or 357.3 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.

- 2.34 Effective Date.** January 1, 2023. Provisions with different effective dates are noted in the Plan's text.
- 2.35 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.
- 2.36 Eligible Clergy or Eligible Clergy person.** A Clergy person who is eligible for participation in the Plan as further described in section 3.1.
- 2.37 Eligible Rollover Distribution.** Any distribution under the Plan that qualifies as an eligible rollover distribution under Code §402(c).
- 2.38 Entry Date.** The first day of any calendar month after an Eligible Clergy person satisfies the requirements of section 3.1(b).
- 2.39 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.
- 2.40 15-Year Catch-Up Contributions.** Before-tax Contributions or Roth Contributions made under section 4.2 that a Participant with 15 years of 15-Year Catch-Up Service may make to the Plan that exceed the Code §402(g) limit provided in section 5.2(a).
- 2.41 15-Year Catch-Up Aggregate Sum.** For any Participant with 15-Year Catch-Up Service, the sum of the following for all years since the Participant first qualified to make Contributions taken into account under Code §402(g)(7)(A)(ii) or (iii):
 - (a) 15-Year Catch-Up Contributions made pursuant to section 4.2(b);

- (b) 15-Year Catch-Up Contributions transferred to the Plan pursuant to section 12.17; and
- (c) any contributions qualifying under Code §402(g)(7)(A)(ii) or (iii) that were made to another plan at any time, to the extent known by the Administrator and/or as further specified in regulations;

established for a Participant on the books and records of the Plan for the purpose of recording a running total of such contributions to be used in computing whether the Participant may make additional 15-Year Catch-Up Contributions pursuant to section 4.2(b). A Participant's 15-Year Catch-Up Aggregate Sum will not be adjusted for any applicable debits or credits attributable to the contributions listed in subsections (a)-(c) above, unless required by applicable regulations.

- 2.42 15-Year Catch-Up Service.** Service that a Participant must perform before he or she may become eligible to make 15-Year Catch-Up Contributions. A Participant's 15-Year Catch-Up Service includes paid time serving any Plan Sponsor or any organization controlled by or associated with The United Methodist Church (or its predecessors), even for organizations that are not Plan Sponsors. A Break in Service will not affect the aggregate months or years of 15-Year Catch-Up Service. It is computed as provided in regulations under Code §403(b).
- 2.43 Five-Year No Record of Appointment.** With respect to a Provisional Member, Associate Member, affiliate member within the meaning of ¶¶344.4, 369.1, 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 Appointed.
- 2.44 Gap Period.** The period between the end of a Plan Year and the date that excess Contributions are refunded to a Participant.
- 2.45 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).
- 2.46 General Board.** General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois, d/b/a Wespath Benefits and Investments.
- 2.47 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.
- 2.48 IRA.** An individual retirement account or annuity, qualified under Code §408 (other than an endowment contract).
- 2.49 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 ¶357.1 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.

2.50 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 ¶351 of the Discipline (relating to sabbatical leaves);
- (b) in accordance with ¶353 of the Discipline (relating to voluntary leaves of absence);
- (c) in accordance with ¶354 of the Discipline (relating to involuntary leaves);
- (d) in accordance with ¶355 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 a 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 entity that must be aggregated with the Plan Sponsor pursuant to Code §414(b), (c), (m), or (o), 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).

2.51 LifeStage Investment Management. [See Appendix A]

2.52 LifeStage Retirement Income. [See Appendix A]

2.53 Local Church. A United Methodist Church organization within the meaning of ¶201 of the Discipline.

2.54 Local Pastor. A person licensed in accordance with ¶¶315-320 of the Discipline.

2.55 Medical Leave. A Conference relationship specified in ¶¶356 and 410.4 of the Discipline.

2.56 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 clergyperson 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).

2.57 Normal Retirement Date.

(a) In the case of a Participant (other than a Terminated Participant), the first day of the month coinciding with or next following the earlier of:

(i) the Participant's 65th 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 ¶357.2c) of the Discipline; and

(B) the Participant's years of service, if any, assigned as a Bishop in accordance with ¶406 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 65th birthday.

2.58 Other Denomination Clergy or Clergyperson . A Clergyperson 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 Clergyperson 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).

2.59 Other Methodist Denomination Clergy or Clergyperson. A Clergyperson 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 Clergyperson 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).

2.60 Participant. An Eligible Clergyperson who has become a participating Clergyperson as provided in this Plan, including such a Clergyperson who has Retired.

2.61 Participant Contributions. Contributions made pursuant to section 4.2 by a Plan Sponsor in accordance with a Participant's Salary-Reduction Agreement or Automatic Enrollment.

2.62 Permanently Disabled. Disabled within the meaning of Code §§403(b)(11)(A) and 72(m)(7), namely, unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration and that can be demonstrated in such form and manner as regulations under Code §72(m)(7) may require.

- 2.63 Plan.** The Compass Retirement Plan, as applied to all Plan Sponsors or as applied to any particular Plan Sponsor, as the context requires, including any applicable Adoption Agreements, amendments, appendices, or supplements hereto.
- 2.64 Plan Sponsor.** Any of the entities specified in section 1.6.
- 2.65 Plan Sponsor Contributions.** A Contribution to a Participant's Account by a Plan Sponsor, made in accordance with section 4.1.
- 2.66 Plan Year.** The calendar year.
- 2.67 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.
- 2.68 QDRO.** A qualified domestic relations order in accordance with Code §414(p), approved by the Administrator in accordance with section 10.12.
- 2.69 Remitter.** A Plan Sponsor, Salary-Paying Unit, or other entity that actually remits Participant Contributions and/or Plan Sponsor Contributions to the Administrator.
- 2.70 Required Beginning Date.** The date upon which benefits are required to commence, as defined by Code §401(a)(9)(C).
- 2.71 Retire or Retirement.** In the case of a:
- (a) Participant (other than a Bishop), to be placed in the retired relation in accordance with ¶357 of the Discipline or the condition of being in the retired relation;
 - (b) Terminated Participant, applying for a distribution on or after such Terminated Participant's 62nd 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.
- 2.72 Retirement Date.** The date on which a Participant or Terminated Participant Retires.
- 2.73 Rollover Account.** The Account established for an Accountholder on the books and records of the Plan for the purpose of recording any funds rolled over to the Plan from or attributable to another qualified plan or IRA pursuant to section 4.6, adjusted for any applicable debits or credits attributable to such funds. Each Accountholder's Rollover Account may include sub-Accounts for various kinds of Contributions, such as after-tax Contributions, before-tax Contributions, Roth Contributions, and Plan Sponsor (or other employer) Contributions. Alternately, the Administrator may establish more than one separate Rollover Account for these various kinds of Contributions, each such Account being treated as a Rollover Account.
- 2.74 Roth Contributions.** Participant Contributions made by the Plan Sponsor to the Plan in

accordance with an election by a Participant to contribute a portion of his or her Compensation into the Plan under Code §402A after receipt of the Compensation for taxability purposes, which contribution may earn tax-free earnings, gains, or interest if the applicable provisions of Code §402A are complied with.

2.75 Roth Contribution Account. The Account established for an Accountholder on the books and records of the Plan for the purpose of recording any:

- (a) Roth Contributions made pursuant to section 4.2(a)(i)(C);
- (b) Roth rollovers made pursuant to section 4.6; and
- (c) Roth Conversions made pursuant to section 4.7;

adjusted for any applicable debits or credits attributable to such Contributions, rollovers or conversions. The Administrator will maintain a record of the Participant's investment in the contract, i.e., the original Roth Contributions, unadjusted for debits or credits, that have not yet been distributed.

2.76 Roth Conversion. A Roth Conversion, also referred to as an in-plan rollover, is the conversion of the balance in an Account other than a Roth Contribution Account to the Roth Contribution Account. Such a Roth Conversion is not a Contribution, and therefore is not subject to any limits on Contributions set forth in section 5. A Roth Conversion is subject to Code §402A(c)(4) and may be accomplished pursuant to section 4.7.

2.77 Roth Qualified Distribution. A non-taxable distribution from a Roth Contribution Account. Distributions from a Roth Contribution Account will be taxable to the Participant in accordance with Code §402A and regulations issued thereunder. To be a Roth Qualified Distribution, a distribution from a Roth Contribution Account generally must be distributed on or after the later of:

- (a) a day that is at least five years following the earlier of:
 - (i) the first of the year in which the first Roth Contribution or Roth Conversion was made to a Participant's Roth Contribution Account; or
 - (ii) when a Roth Contribution has been rolled into the Plan, the first of the year in which the first Roth contribution was made to the predecessor Roth account from which such Roth Contribution was rolled into this Plan; or
- (b) the earliest date specified in Code §408A(d)(2)(A).

2.78 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 is Appointed.

2.79 Salary-Reduction Agreement. An agreement between a Participant and a Salary Paying Unit that specifies an amount or percentage of the Participant's Compensation that will be withheld from the Participant's earnings and contributed by the Remitter to the Plan on behalf of the Participant as a Participant Contribution, which may be before-tax Contributions, after-tax Contributions, or Roth Contributions, as elected by the Participant.

2.80 Simplified Rule. A means of pro rata distribution of after-tax Contributions, before-tax Contributions, and debits or credits applicable thereto, specified in regulations issued under Code §72.

2.81 Spouse. The husband or wife or surviving husband or wife of an Account holder who is legally married to such Account holder, or was so legally married on the date of the Account holder's death, under the laws of the jurisdiction where the Account holder resides or resided. Notwithstanding the foregoing, the term "Spouse" will not include common law spouses, even in states that recognize common law marriage.

2.82 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 ¶358 of the Discipline;
- (b) being administratively located within the meaning of ¶359 of the Discipline;
- (c) the Participant's withdrawal within the meaning of ¶360 of the Discipline;
- (d) the surrender of his or her ministerial credentials within the meaning of ¶¶360.3 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.

2.83 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, 369.1, 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 ¶¶2704.1, 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).
- (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 Plan).
- (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.

2.84 Transitional Leave. A status for certain Clergy persons who are in-between Appointments within the meaning of ¶353.2c) of the Discipline.

2.85 Trust. The trust or trusts, including the Pension Trust of The United Methodist Church, established to fund benefits provided under the Plan, as provided in section 1.5. The term “Trust” also includes, as applicable, any insurance contract purchased to fund benefits under the Plan.

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

2.87 USERRA. The Uniformed Services Employment and Re-employment Rights Act of 1994, including pension benefits provided in accordance with Code §414(u). 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.

2.88 Vested. The nonforfeitable portion of any Account, except as provided in section 7.2.

SECTION 3 - PARTICIPATION

3.1 Eligibility for Participation. [See Appendix A]

3.2 Determination of Eligibility. Upon receipt of enrollment information from the Plan Sponsor, 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.

3.3 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 3.1 will cease to be a Participant in the Plan.
- (b) *Reinstatement.* A person described in subsection (a) who again qualifies under section 3.1 will again become a Participant entitled to Contributions.
- (c) *Return to Coverage.* If a Participant ceases to qualify 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 8.2), even for amounts that he or she would have been entitled to receive when he or she previously ceased to qualify under section 3.1.
- (d) *Transfer.* A Participant who transfers from one Conference (or other Plan Sponsor) to another (or who otherwise transfers under ¶¶346 or 347 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 Appointed to the second.

3.4 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, subject to any limitations under Code §415. In addition, the Plan Sponsor will contribute 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 specified by the Administrator until the Accounting Date such

replacement contributions were actually credited. Moreover, the Plan Sponsor is subject to one or more administrative charge(s) under section 10.7(c).

- 3.5 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 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 12.3(a). Erroneous Contributions that do not qualify under section 12.3(a) will be permanently forfeited and used by the Administrator to defray administrative expenses of the Plan.
- 3.6 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 Plan, or not to participate in the Plan Sponsor Contributions portion of the Plan, 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 Clergy person while such an election is in force. The Eligible Clergy person may revoke such an election at any time that such Clergy person 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 Clergy person 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 4 - AMOUNT AND ALLOCATION OF CONTRIBUTIONS

4.1 Plan Sponsor Contributions. [See Appendix A]

4.2 Participant Contributions.

(a) *Participant Contributions.* On a monthly or more frequent basis, each Remitter will contribute to the appropriate Account under section 6.1 on behalf of each of its Participants who qualify under section 3.1:

(i) *Salary-Reduction Agreement.* The amount or percentage of such Participant's Compensation (in an increment acceptable to the Administrator) that such Participant elects to contribute to the Plan from his or her Compensation in a Salary-Reduction Agreement, or such other election form as is acceptable to the Administrator, in one or more of the following forms:

(A) as before-tax Contributions;

(B) as after-tax Contributions; or

(C) as Roth Contributions to such Participant's Roth Contribution Account in accordance with subsection (e) below

as specified by such Participant in such Salary-Reduction Agreement; or

(ii) *Automatic Enrollment.* [See Appendix A]

A Participant may change the amount or percentage of his or her Participant Contributions at any time on reasonable notice to the Administrator (including suspending and restarting such Participant Contributions) by submitting a revised Salary-Reduction Agreement or other election form acceptable to the Administrator.

[See Appendix A]

(b) *15-Year Catch-Up Contributions.* In addition to the Contributions described in subsection (a) above, a Participant who qualifies may make 15-Year Catch-Up Contributions in accordance with the following:

(i) *Eligibility.* A Participant who qualifies under section 3.1 will be deemed to make 15-Year Catch-Up Contributions to the extent provided in this section (and subject to the other provisions of the Plan) if:

(A) he or she:

(I) is eligible to make before-tax Contributions or Roth Contributions under subsection (a) at some time during a

Plan Year for which he or she is deemed to have made 15-Year Catch-Up Contributions; and

(II) has, by the end of that Plan Year (or such further period as may be permitted under section 5.2(b)), made all of the before-tax Contributions and Roth Contributions he or she can make for that Plan Year under section 5.2(a), as limited by other provisions of the Plan; and

(B) by the first day of that Plan Year, he or she has at least 15 years of 15-Year Catch-Up Service.

(ii) *Making 15-Year Catch-Up Contributions.*

(A) *Deemed Election.* Each Participant who qualifies under paragraph (b)(i) above will be deemed to have made an election to have a portion of his or her Compensation contributed to the Plan as 15-Year Catch-Up Contributions to the extent his or her before-tax Contributions and/or Roth Contributions exceed the limit in section 5.2(a) (i.e., the Code §402(g) limit), up to the applicable limit specified in paragraph (b)(ii)(B) below. The election to make 15-Year Catch-Up Contributions is automatic and is triggered under the conditions specified in this section. A Participant may not specifically elect to make 15-Year Catch-Up Contributions.

(B) *Contribution Limit.* 15-Year Catch-Up Contributions may be made in any dollar amount or percentage of the Participant's Compensation, provided that 15-Year Catch-Up Contributions for any Plan Year may not exceed the least of:

(I) \$3,000;

(II) \$15,000 minus the Participant's 15-Year Catch-Up Aggregate Sum; or

(III) the difference between:

(1) \$5,000 times the years of service computed under paragraph (b)(i)(B) above; minus

(2) the sum of the Participant's before-tax Contributions and Roth Contributions previously made with respect to the years of service computed under paragraph (b)(i)(B) above.

Notwithstanding the foregoing, 15-Year Catch-Up Contributions, taken together with all other Contributions on behalf of a

Participant in a Plan Year may not exceed the limits of section 5.1(a) (i.e., the Code §415(c) limit).

- (C) *Accounting.* 15-Year Catch-Up Contributions will retain their character as before-tax Contributions and/or Roth Contributions and will be accounted for, respectively, in an Accountholder's before-tax Contribution Account and/or Roth Contribution Account. But 15-Year Catch-Up Contributions will also be separately accounted for in each Participant's 15-Year Catch-Up Aggregate Sum for the purpose of determining the aggregate of all 15-Year Catch-Up Contributions made for a Participant in all previous years. A Participant's 15-Year Catch-Up Aggregate Sum will also reflect any contributions made before the Effective Date of this Plan or made outside of this Plan, to the extent known by the Administrator and/or as further specified in regulations, that may be taken into account under Code §402(g)(7)(A)(ii) or (iii).
 - (D) *Matching Contributions.* A Participant will retain any matching Contributions made on account of his or her before-tax Contributions and/or Roth Contributions that have been deemed to be 15-Year Catch-Up Contributions.
- (c) *Age 50 Catch-Up Contributions.* In addition to the Contributions described in subsection (a) above, a Participant who qualifies may make Age 50 Catch-Up Contributions in accordance with the following:
- (i) *Eligibility.* A Participant who qualifies under section 3.1 will be deemed to make Age 50 Catch-Up Contributions to the extent provided in this section (and subject to the other provisions of the Plan) if:
 - (A) he or she:
 - (I) is eligible to make before-tax Contributions or Roth Contributions under subsection (a) at some time during a Plan Year for which he or she is deemed to have made Age 50 Catch-Up Contributions; and
 - (II) has, by the end of that Plan Year (or such further period as may be permitted under section 5.2(b)), made all of the before-tax Contributions and Roth Contributions he or she can make for that Plan Year under section 5.2(a), as limited by other provisions of the Plan; and
 - (B) by the last day of that Plan Year, he or she is scheduled to have attained at least age 50 (without regard for whether he or she survives or remains in employment until his or her 50th birthday or the end of the Plan Year).

(ii) *Making Age 50 Catch-Up Contributions.*

(A) *Deemed Election.* Subject to the limitations of subsection (d) below, each Participant who qualifies under paragraph (b)(i) above will be deemed to have made an election to have a portion of his or her Compensation contributed to the Plan as Age 50 Catch-Up Contributions to the extent his or her before-tax Contributions and/or Roth Contributions exceed either or both of the limits in:

(I) Section 5.2(a) (i.e., the Code §402(g) limit); or

(II) Code §415(c)(1)(A);

in either or both cases up to the applicable limit specified in paragraph (c)(ii)(B) below. The election to make Age 50 Catch-Up Contributions is automatic and is triggered under the conditions specified in this section. A Participant may not specifically elect to make Age 50 Catch-Up Contributions. Age 50 Catch-Up Contributions withheld in any Plan Year may not be made retroactive to or with respect to another Plan Year.

(B) *Contribution Limit.* Age 50 Catch-Up Contributions may be made in any dollar amount or percentage of the Participant's Compensation, provided that Age 50 Catch-Up Contributions for any Plan Year may not exceed the limits of section 5.2(a)(iii).

(C) *Accounting.* Age 50 Catch-Up Contributions will retain their character as before-tax Contributions and/or Roth Contributions and will be accounted for, respectively, in an Accountholder's before-tax Contribution Account and/or Roth Contribution Account.

(D) *Matching Contributions.* A Participant will retain any matching Contributions made on account of his or her before-tax Contributions and/or Roth Contributions that have been deemed to be Age 50 Catch-Up Contributions.

(iii) *Applicability of Code Limitations.* Notwithstanding anything in the Plan to the contrary, Age 50 Catch-Up Contributions will not be taken into account under Code §§401(a)(30), 402(g), or 415(c)(1)(A) (or any provision of this Plan implementing any such provisions, such as sections 5.1(a), 5.2 (excluding section 5.2(a)(iii)), and 5.3). Further, the Plan will not be treated as failing to satisfy Code §§401(a)(4), 410(b), or 416 of the Code by reason of the making of Age 50 Catch-Up Contributions.

(d) *Catch-Up Contribution Ordering.* If a Participant is deemed to make both 15-Year Catch-Up Contributions and Age 50 Catch-Up Contributions, 15-Year Catch-Up Contributions will be treated as having been made first to the extent

permitted under subsection (b) above, and then Age 50 Catch-Up Contributions for any remaining Catch-Up Contributions to the extent permitted under subsection (c) above.

- (e) *Roth Contributions.* Roth Contributions, if any, will be made under subsection (a)(i)(C) in accordance with the following:
- (i) *Irrevocable Election.* A Participant must elect to designate certain Participant Contributions irrevocably as Roth Contributions. They may not be recharacterized later as after-tax or before-tax Contributions. A Participant may, however, prospectively change his or her election to start, stop, or change the proportion of his or her Contributions that are designated as Roth Contributions.
 - (ii) *Elective Deferral.* Roth Contributions will be considered elective deferrals within the meaning of Code §402(g)(3)(C).
 - (iii) *Roth Contribution Account.* Roth Contributions will be made to a Roth Contribution Account, which will be maintained separately from other Accounts. The Administrator will maintain a record of the Participant's investment in the contract, i.e., the original Roth Contributions, unadjusted for debits or credits, that have not yet been distributed.
 - (iv) *First Roth Contribution.* To determine when a Roth Qualified Distribution occurs, the Administrator will establish and maintain a record of the earlier of:
 - (A) the year in which the first Roth Contribution or Roth Conversion was made to a Participant's Roth Contribution Account; or
 - (B) when a Roth Contribution has been rolled into the Plan, the year in which the first Roth contribution was made to the predecessor Roth account from which such Roth Contribution was rolled into this Plan.

4.3 Allocation and Deposit of Contributions. All Contributions will be forwarded to the Administrator by the Remitter as soon as possible, but in no event later than the due date specified by the Administrator. The Administrator will deposit Contributions in the Trust as soon as possible after receiving them. Each Participant's share of Contributions will be allocated to the appropriate Account for such Participant as of the Accounting Date coinciding with or next succeeding the deposit date in the Trust.

4.4 Late Contributions. If a Remitter fails to make a Contribution to the Plan on behalf of any Participant by the due date, then the Plan Sponsor or other Remitter 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. The Salary-Paying

Unit has the initial liability to make such late Contributions and imputed earnings to the Administrator, but if the Salary-Paying Unit fails to remit such amounts within such time as may be determined under rules adopted by the Administrator, then the Plan Sponsor must remit such amounts instead (thereby becoming entitled to collect such amounts from the Salary-Paying Unit as reimbursement). Any special services provided by the Administrator in connection with this section are subject to the additional charges provided for in section 10.7(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.

4.5 Ineligible Participants. If a Participant ceases to qualify under section 3.1, is on an unpaid Leave of Absence (except as otherwise required under section 12.9 (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 3.1, 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 Contributions.

4.6 Rollovers into the Plan.

(a) *General Rule.* An eligible Accountholder who qualifies under subsection (b) below may, in accordance with procedures established by the Administrator and subject to any limitations imposed under the Code, roll over to such eligible Accountholder's Rollover Account in the Plan part or all of an Eligible Rollover Distribution received by such eligible Accountholder from a:

- (i) Code §403(b)(1) annuity contract;
- (ii) Code §403(b)(7) custodial account;
- (iii) Code §403(b)(9) retirement income account;
- (iv) Code §401(a) qualified plan (including §401(k) plans);
- (v) Code §457(b) government plan;
- (vi) Code §408(a) individual retirement account (but not including after-tax amounts); and
- (vii) Code §408(b) individual retirement annuity (but not including after-tax amounts);

including amounts that are:

- (1) before-tax contributions (and earnings thereon);
- (2) after-tax contributions made to the other plan (and earnings thereon), but not including such rollovers from an IRA;

- (3) Roth-type contributions (and earnings thereon) under Code §402A made to the other plan, provided that any such rollovers must be either:
 - (A) added to such eligible Accountholder's Roth Contribution Account; or
 - (B) separately accounted for as Roth contributions in such eligible Accountholder's Rollover Account; and
- (4) Plan Sponsor or employer contributions (and earnings thereon);

provided that the Eligible Rollover Distribution is paid over to the Plan as a direct rollover or within 60 days following receipt of the Eligible Rollover Distribution by such eligible Accountholder, or such later date as may be permitted under the Code. Notwithstanding the foregoing, a rollover into the Plan will not be permitted when it is not permitted under the Code.

- (b) *Eligibility for Rollover.* For the purpose of subsection (a) above, the term "eligible Accountholder" includes:
 - (i) a Participant or Terminated Participant;
 - (ii) a Retired Participant; and
 - (iii) the surviving Spouse or Alternate Payee of any Participant,

provided that the total Account balance of an Accountholder who is a Terminated Participant will be at least \$5,000 upon completion of the rollover.

4.7 Roth Conversions. Roth Conversions, if any, will be available in accordance with the following:

- (a) *Effective Date.* Roth Conversions will not be available under the Plan until such date, if any, as the Administrator chooses to implement them by means of a written rule announced to Plan Sponsors.
- (b) *Eligible Accountholders.* Only Participants, Terminated Participants, Beneficiaries who are surviving Spouses of a Participant or Terminated Participant, and Alternate Payees who are a Spouse or former Spouse of a Participant or Terminated Participant, are eligible to make a Roth Conversion.
- (c) *Eligible Amounts.* All amounts that are held in Accounts established for Accountholders that are not the Roth Contributions Account, whether currently distributable or not, are eligible to be converted into the Roth Contributions Account via a Roth Conversion.
- (d) *Irrevocable Election.* Elections to make a Roth Conversion, which will be made in a manner determined by the Administrator, are irrevocable.

- (e) *Applicable Rules and Policies.* Roth Conversions may be subject to written rules established by the Administrator in its discretion.

SECTION 5 - LIMITS ON CONTRIBUTIONS

5.1 Limit on Annual Additions.

- (a) *Limitation.* Notwithstanding any other provisions of the Plan, “annual additions”, as defined by Code §415(c)(2), which are allocated to a Participant’s Account for any limitation year (which, for the Plan, is the Plan Year) shall comply with Code §415(c) and the regulations issued thereunder, including but not limited to the special limitations for church plans under Code §415(c)(7) and the adjustments pursuant to Code §415(d), and the Plan will be construed accordingly. Such Code and regulation provisions are incorporated herein by reference, and will control over any provision in the 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 make or revoke such election or use such alternative method of compliance.
- (b) *Section 415 Compensation.* For purposes of this section 5.1 and Code §415(c), a Participant’s compensation will be based on the definition of compensation set forth in regulations §1.415(c)-2(d)(2).
- (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 5.1(d) below, in a Plan Year would exceed the limitation set forth in section 5.1(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; or, if there is a conflict in the application of this Plan and 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 in accordance with a written policy established by the Administrator.
- (d) *Aggregation of Plans.* For the purpose of this section, all Code §403(b) defined contribution plans of, and all Code §415 Compensation from, any Plan Sponsor or its affiliated entities (i.e., those that are required to be aggregated with the Plan Sponsor for purposes of Code §415(c)), whether or not such plans are terminated, are to be aggregated and/or treated as one defined contribution plan. If the limit of subsection (a) is exceeded, annual additions must be limited, more than one plan is aggregated, and the provisions of this section 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.

5.2 Limit on Salary-Reduction Contributions.

- (a) *Limitation.* The total amount of before-tax Contributions and Roth Contributions made on behalf of any Participant under this Plan, plus the total amount of pre-tax and Roth-type elective deferrals made on behalf of the Participant under any other

plan described in Code §§401(k), 402(h)(1)(B), 402A and 403(b) in any calendar year will not exceed an amount equal to the limit of paragraph (a)(i) below, as increased, if at all, by the provisions of paragraphs (a)(ii) and (iii) below.

- (i) *Standard Limit.* The limit of this paragraph (a)(i) is \$19,000 or such greater amount as may be provided under Code §402(g) for Plan Years after 2019.

Each Participant is responsible to alert the Administrator or the Plan Sponsor of any other contributions that might have been made on his or her behalf under any other such plans during such calendar year.

- (ii) *15-Year Catch-Up Contributions.* A Participant who qualifies under section 4.2(b), or Code §402(g)(7) or regulations thereunder, may make 15-Year Catch-Up Contributions to the extent provided in section 4.2(b), as an increase to the maximum limit of paragraph (a)(i) above.

- (iii) *Age 50 Catch-Up Contributions.* A Participant who:

- (1) qualifies under section 4.2(c) above, or Code §414(v) or regulations related thereto; and
- (2) has made all 15-Year Catch-Up Contributions for which he or she is eligible under paragraph (a)(ii) above

may make Age 50 Catch-Up Contributions to the extent provided in section 4.2(c), notwithstanding the limits of paragraph (a)(i) above, up to the lesser of:

- (A) \$6,000 as adjusted for changes in the cost of living as provided in Code §414(v)(2)(C) for years following 2019; or
- (B) The Participant's Code §415 compensation for the Plan Year, described in section 5.1(b) above, minus the sum of his or her contributions made under paragraphs (a)(i) and (ii) above.

- (b) *Notification and Distribution of Excess.* In the case of a Participant who participates in another plan or plans or in cases where the Administrator is not aware that the Participant has exceeded the limits of subsection (a) above, if the Participant gives a notice to the Administrator not later than April 15 of the following calendar year (or such earlier date as the Administrator may establish) that the limitation of subsection (a) above has been exceeded for any given calendar year, and specifies the amount of before-tax Contributions or Roth Contributions that may be recharacterized as Age 50 Catch-Up Contributions (in the case of a Participant eligible under section 4.2(c)) or that must be distributed from the Plan to satisfy such limitation, such amount will be so recharacterized (up to the limits of section 4.2(c) and subsection (a) above) or distributed to the Participant notwithstanding any other limitation on distributions contained in this

Plan. The amount required to be distributed pursuant to this section will be reduced by any amount previously distributed to satisfy Code §415(c) and will not include Gap Period earnings or losses.

- (c) *Distributions During Year.* If the notice is received or deemed received within the calendar year for which the limitation is exceeded, the required distribution will, if possible, be made out of before-tax Contributions or Roth Contributions already received and before the end of such year, and will be designated as a distribution of excess before-tax Contributions or Roth Contributions.
- (d) *Distributions After End of Year.* If the notice is received or deemed received after the end of the calendar year, or the required distribution cannot be accomplished before the end of the calendar year, the required distribution will be made not later than April 15 of the following calendar year and will include the income attributable to such distribution (as determined under subsection (e) below), but will not include Gap Period earnings or losses. The total principal amount distributed will be included in the Participant's taxable income for the calendar year in which the excess occurred and the earnings will be taxable in the year distributed. If the required distribution cannot be made until after April 15 of the following calendar year, it will be handled in accordance with the applicable regulations.
- (e) *Allocation of Income.* For the purpose of subsection (d) above, the Administrator may use any reasonable method of allocating income for any year, provided that such method does not violate Code §401(a)(4) (as applicable), is applied consistently to all excess distributions and Participants for the year, and is the method used to allocate income to Accounts generally.

SECTION 6 - INVESTMENTS AND PLAN ACCOUNTING

6.1 Participant Accounts. The Administrator will establish and maintain one or more Accounts, corresponding to the appropriate Contributions, on behalf of each Accountholder who is allocated any of such Contributions under the Plan or who succeeds to any such amounts. Such Accounts may include the following:

- (a) Plan Sponsor Contribution Accounts, holding Plan Sponsor Contributions, may include the following:
 - (i) Non-matching Contribution Account;
 - (ii) Matching Contribution Account; and
 - (iii) any other Plan Sponsor Contribution Accounts the Administrator may choose to establish.

[See Appendix A]

- (b) Participant Contribution Accounts may include the following:
 - (i) Before-tax Contribution Account;
 - (ii) After-tax Contribution Account;
 - (iii) Roth Contribution Account;
 - (iv) Rollover Account; and
 - (v) any other Participant Contribution Accounts the Administrator may choose to establish.
- (c) Special Purpose Accounts, which may, but need not, hold some or all of the Account Balances in other Accounts, including Plan Sponsor Contribution Accounts and/or Participant Contribution Accounts.

Each Account represents the aggregate amount of Contributions attributable to that Account, adjusted for any applicable debits and credits, all in accordance with generally applicable 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. Accounts may overlap each other, such that given assets may be simultaneously classified under more than one applicable Account type. 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. The Administrator may create, aggregate, disaggregate, or discontinue any Account or Accounts, as best serves the Administrator's convenience, provided that each Accountholder's Account Balance is accounted for as long as such an Account Balance is due under the terms of the Plan. Any reference in the

Plan to an Accountholder's "Account(s)" or "Account Balance(s)" refers to all amounts credited to the Accounts maintained in the Accountholder's name under the Plan unless the context otherwise requires.

6.2 Separate Fund Accounting.

- (a) *Manner of Accounting.* To the extent the Trust is divided into separate funds, including funds established pursuant to section 6.3, 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.
- (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.

6.3 Investment of Accounts.

- (a) *Self-Direction.* Subject to subsection (b) below, Accountholders have the right to direct the investment of their Accounts among any one or combination of such investment funds as are offered for such purpose by the Administrator from time to time. The Administrator may subject this right to reasonable rules and limitations, including the obligation to direct account balances from multiple self-directed plans in the same way, as though they were one pooled account balance. If the Administrator offers LifeStage Investment Management, Accountholders may also elect LifeStage Investment Management to direct their Account Balances in accordance with rules established by the Administrator.
- (b) *Mandatory and Default Investments.* The Administrator will establish a written procedure to govern an Accountholder's investments under the Plan, including specifying:
 - (i) a default investment fund or funds; or
 - (ii) that LifeStage Investment Management will invest the Accountholder's Account Balance

when the Accountholder elects not to direct the investment of his or her Account Balance or omits to direct it, as permitted under subsection (a) above. [See Appendix A]

- (c) *Investment Assistance.* The Administrator may (but need not) offer investment assistance to some or all Accountholders that may take the form of professional advice by individuals, a computerized program (including LifeStage Investment Management), or some other means that either advises Accountholders or directs the investment of their Accounts. Such investment assistance may be offered on

an opt in, opt out, or default basis, although Participants will retain the right of investment self-direction specified in subsection (a) above. If the Administrator does offer such investment assistance, neither the Administrator, nor the Trustee, nor any Plan Sponsor, nor any Salary-Paying Unit will be liable for the results of any assistance provided by such entity offering investment assistance. Each Accountholder's sole remedy will be to exercise his or her right to direct the investment of his or her own Accounts as permitted by subsection (a) above.

- (d) *Direction by Administrator.* In cases where an Accountholder is incapacitated in any way so as to be unable to manage his or her financial affairs (and the Administrator is given notice of such fact), or in any other appropriate circumstance, the Administrator may, but need not, direct the investment of such Accountholder's Account, either as provided under subsection (b) above or in any other fiduciarily appropriate manner. The Administrator will not be liable to any person if it does not exercise its authority under this subsection (d) or allows the default of subsection (b) above to become effective.

SECTION 7 - VESTING AND FORFEITURE

7.1 Full Vesting. [See Appendix A]

7.2 Forfeitures. Notwithstanding section 7.1, 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 8.6.
- (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 used by the Administrator to defray the administrative expenses of the Plan. Uncashed checks returned to the Administrator because the payee is missing or for other reasons are not covered by this subsection.
- (c) *Relinquished Benefits.* If a Participant relinquishes a benefit, it is forfeited. The relinquished benefit will be used by the Administrator to defray the administrative expenses of the Plan.
- (d) *Ineligible Person.* Benefits credited to an ineligible person will be handled as described in section 3.5.
- (e) *Election Not to Participate.* Eligible Clergy who elect not to participate in the Plan will be handled as described in section 3.6.
- (f) *Contributions in Excess of Limits.* Contributions and earnings thereon may be forfeited in accordance with the terms of section 5.

SECTION 8 - PAYMENT OF BENEFITS

8.1 Methods of Benefit Payment.

- (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. [See Appendix A]

- (b) *Payment in Cash Installments.* To the extent a particular form of payment is not required by the Plan, 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 in one of the following forms:
 - (i) payments in a specific periodic dollar amount selected by the Accountholder.
 - (ii) payments for a specific period of time selected by the Accountholder and computed based on the Accountholder's Account Balance at the time the distribution is selected. But changing Account Balance levels may cause the period over which the periodic distributions are made to be shortened if the Account Balance is completely distributed before the end of the selected period. If the Account Balance is not exhausted over the period selected by the Accountholder, then such periodic distributions will end when the originally-selected period ends.
 - (iii) payments made pursuant to LifeStage Retirement Income, including the options that may be elected by Accountholders under that form of payment.

The periodic payments provided for above will continue until the Accountholder changes his or her distribution option (if permitted), until the terms of the form of cash installments elected provide for an end of the periodic payments, or until the Accountholder's entire Account Balance has been distributed, whichever first occurs. Until such time, credits and debits will continue to be allocated or charged to the Account in accordance with section 6.

- (c) *Partial Distributions.* Except as otherwise provided in the Plan, an Accountholder may elect one or more partial distributions of his or her Account Balance under the Plan.

- (d) *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.

8.2 Distributions.

- (a) *Small Account Balances.* Except in the case of a Disabled Participant, if, at the time:
- (i) a Participant qualifies for Early Retirement, Normal Retirement, or Late Retirement;
 - (ii) a Terminated Participant first becomes a Terminated Participant;
 - (iii) an Alternate Payee's benefit is segregated pursuant to a QDRO; or
 - (iv) an Accountholder dies, leaving an Account Balance to a Beneficiary,

such person's Aggregate Benefit does not exceed \$5,000, the entire amount of the Accountholder's 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 8.5(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 Plan at one time is in excess of \$1,000, such distribution will be rolled over in accordance with section 8.5(b) unless such Accountholder:

- (1) actively elects a distribution or a rollover under section 8.5(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 8.2(c).

- (b) *Distribution at Retirement or Termination.* A Participant with an Aggregate Benefit that exceeds \$5,000 who attains his or her Early, Normal, or Late Retirement Date or 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 or he or she

will be deemed to have elected to postpone receiving his or her distribution under section 8.2(d). Such distribution will be made either in the normal form of payment provided in section 8.1(a) or, if the Participant so elects, in any optional form of payment provided under section 8.1. [See Appendix A]

- (c) *Distribution at Disability.* Subject to paragraphs (c)(i), (ii), and (iii) below, 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 8.1(e) and 8.2(f)) 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 8.2(e). The foregoing is subject to the following:
- (i) Such distribution will be made either in the normal form provided in section 8.1(a) or, if the Participant so elects, in any optional form provided by section 8.1;
 - (ii) In the case of a Participant's before-tax Contribution Account or Roth Contribution Account, the Participant will be entitled to a distribution on account of disability only if he or she is Permanently Disabled;
 - (iii) In the case of a Participant's Account Balance other than amounts in his or her before-tax Contribution Account or Roth Contribution Account, the Participant will be entitled to a distribution on account of disability only if he or she is Disabled; and
 - (iv) [See Appendix A]
- (d) *Delayed Distribution.* A Participant who has deferred the Distribution of some or all of his or her Accounts under the Plan under subsections (b) or (c) 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 8.1(d) and 8.2(f), but not later than the date specified in section 8.2(e)) in any optional form provided by section 8.1, to the extent permissible under that section.
- (e) *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 8.4.
- (f) *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.

8.3 Payments After an Accountholder's Death.

- (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.
- (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 designate a Beneficiary in accordance with section 8.12.
- (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 Beneficiary; provided, however, that the Administrator need not solicit such a Spousal consent. 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's survivors 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 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, benefits will be payable as though the former Spouse had predeceased the Participant.

8.4 Required Minimum Distributions. Distributions under this section 8 are intended to comply with the requirements of Code §401(a)(9), including but not limited to 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 incorporated herein by this reference, and will control over any form of distribution provided in the Plan that is inconsistent therewith. To the extent that such regulations provide for any elections or alternative methods of compliance not specifically addressed in section 8, the Administrator will have the authority to make or revoke such election or use such alternative method of compliance. The requirements of this section 8.4 will take precedence over any inconsistent provisions of the Plan.

- (a) *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.
- (b) *Elections for Death Before Required Beginning Date.* If the Participant dies before a distribution to the Participant begins, the Participant's entire interest will be distributed in accordance with Code §401(a)(9)(B) and regulations. Beneficiaries who are eligible under such rules to elect to have distributions made under either the five-year rule of Code §401(a)(9)(B)(ii) or the life-expectancy rule of (B)(iii) will be deemed to have elected the life-expectancy rule, unless such Beneficiary affirmatively and timely elects the five-year rule.
- (c) *Amount of Required Minimum Distributions.* The amount of required minimum distributions due for a Plan Year shall be determined in accordance with regulations §1.401(a)(9)-5 and other regulations sections cited therein.

8.5 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 similarly has the right to elect a direct rollover of all or a portion of such distribution, but only to an inherited IRA that will accept such rollover. 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 applies with a notice describing his or her right to a direct rollover and the tax consequences of a distribution.

- (b) *Roth Rollovers.* Any amount that is from a Roth Contribution Account must be rolled into a Roth account at the recipient plan, trust, or IRA. An Accountholder may roll some or all of his or her Account (not merely his or her Roth Contribution Account) to a Roth IRA within the meaning of Code §408A(a) by means of a direct rollover, subject to any required tax withholding on any portion of such direct rollover that is before-tax Contributions and any limitations on such Accountholder's adjusted gross income.
- (c) Auto-Rollovers. When:
 - (i) a distribution from this Plan 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 subsection (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.

- (d) *Administrative Procedures.* 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 IRS Notice 2005-5, regulations issued under Code §401(a)(31), or any other applicable regulations.

8.6 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 (including, but not limited to, the Required Beginning Date) and the Administrator is 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 subsection (b)), such benefit will be forfeited (except as provided in subsection (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), 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 subsection (a), then the amount specified in subsection (a) will be forfeited. The Administrator will hold such forfeitures in a suspense account on behalf of the Plan Sponsor of the Accountholder to be applied against that Plan Sponsor's next Contribution to the Plan.
- (c) If, at any time before the expiration of the 12-month period described in subsection (b), an Accountholder who is or was due a benefit described in subsection (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 has elapsed, then such benefit will be permanently forfeited and used by the Administrator as described in subsection (b).

8.7 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 will completely discharge the obligation for making such payment under the Plan, and the Administrator will have no further liability on account thereof.

8.8 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.

8.9 Ordering of Distributions.

- (a) Except where otherwise specifically required, all distributions, in-service withdrawals, and loans constituting less than an Accountholder's entire Account Balance will be made from the Accountholder's Accounts in the order specified in rules adopted by the Administrator in accordance with applicable regulations.
- (b) The rules adopted under subsection (a) above will treat after-tax Contributions (other than those made before 1987) as having been contributed to a separate contract, within the meaning of Code §72(d)(2), with distribution priority. To the extent required by regulations, distributions of after-tax Contributions, either under the separate contract or outside of it, will be distributed according to the Simplified Rule.

8.10 In-Service Withdrawals.

- (a) *Non-Hardship Withdrawals.* Subject to rules adopted by the Administrator regarding the form of and the frequency of withdrawals, a Participant may withdraw all or any portion of the Account Balance of his or her:
 - (i) Participant Contribution Accounts under section 6.1(b) without demonstrating a financial hardship if such Participant:
 - (A) has attained the age of 59½, or
 - (B) in the case of:
 - (I) Before-tax and Roth Contribution Accounts, is Permanently Disabled; and
 - (II) all other Participant Contribution Accounts, is Disabled;

- (C) was called to active military duty after September 11, 2001 and qualifies for a qualified reservist distribution under Code §72(t)(2)(G)(iii); or
 - (D) in the case of a non-reservist Participant on qualified military leave for 30 days, qualifies in accordance with USERRA/HEART Act §105(b);
 - (ii) Rollover Account without demonstrating a financial hardship; or
 - (iii) Plan Sponsor Contribution Accounts under section 6.1(a) if the Participant is Disabled. [See Appendix A]
- (b) *Hardship Withdrawals.* A Participant who qualifies under section 3.1 (or who was so qualified and is on a Leave of Absence (including a Participant on a Transitional Leave or who is otherwise between Appointments) or who is Appointed to a Salary-Paying Unit that is not a Plan Sponsor but who has not Retired) may receive a hardship withdrawal from his or her:
- (1) Before-tax contribution Account or Roth Contribution Account (excluding any earnings attributable to before-tax Contributions or Roth Contributions as described in paragraph (iii) below);
 - (2) After-tax Contribution Account (including any earnings therein)

that are part of his or her Account Balance, subject to the limitations set forth below:

- (i) *Hardship Reasons.* The Participant must demonstrate one of the following hardships:
 - (A) the Participant's need to pay medical expenses (as defined in Code §213(d)) for the Participant, his or her Spouse, one of his or her dependents (as defined in Code §152, without regard to §§152(b)(1), (b)(2), or (d)(1)(B)), or the Participant's primary designated Beneficiary;
 - (B) the Participant's need to pay tuition, related educational fees, and/or room and board expenses for up to the next 12 months of post-secondary education for the Participant, his or her Spouse, one of his or her children, one of his or her dependents (as defined in Code §152, without regard to §§152(b)(1), (b)(2), or (d)(1)(B)), or the Participant's primary designated Beneficiary;
 - (C) the Participant's need to purchase a principal residence (excluding mortgage payments) for him- or herself;

- (D) the Participant's need to make payments necessary to prevent his or her eviction from his or her principal residence or to avoid foreclosure on the mortgage of that residence;
 - (E) the Participant's need to pay for the repair of damage to his or her principal residence that would qualify for a casualty deduction under Code §165 (without regard for whether the damage exceeds 10% of the Participant's adjusted gross income);
 - (F) the Participant's need to pay funeral and burial expenses for the Participant's deceased parent, Spouse, child, dependent (as defined in Code §152, without regard to §152(d)(1)(B)), or the Participant's primary designated Beneficiary;
 - (G) the Participant's need to pay expenses related to any natural disaster for which relief has been granted by the IRS, and any similar relief granted to date or in the future; or
 - (H) such other circumstances causing a safe harbor immediate and heavy financial need as may be determined under regulation §1.401(k)-1(d)(3)(iii)(B) or other applicable regulations.
- (ii) *Restrictions.* A hardship withdrawal is limited to the amount reasonably necessary to satisfy the financial need described in paragraph (i) above (including the payment of all income taxes and penalties on the withdrawal). A withdrawal will be considered reasonably necessary to satisfy a financial need if the Participant has obtained all other distributions permitted under subsection (a) above (or distributions permitted under any other plans sponsored by the Plan Sponsor) and loans permitted under section 8.11 or any other plan of the Plan Sponsor, except to the extent that obtaining such a loan would itself cause undue financial hardship. The Administrator may rely on the Participant's written representation of the foregoing, provided that the Administrator does not have actual knowledge to the contrary.
- (iii) *No Earnings on Elective Deferral Contributions.* A hardship withdrawal that is charged to the before-tax Contribution Account or Roth Contribution Account may not exceed the lesser of:
- (A) the current aggregate balances of the Accounts, or
 - (B) the excess of the total amount of before-tax Contributions and Roth Contributions made to the Accounts over the total prior hardship withdrawals made from such Accounts.

Hardship withdrawals charged to other Accounts are subject only to the limitation of paragraph (iii)(A) above.

- (iv) *Withdrawal Procedures.* A hardship withdrawal application must be made by the Participant in a form acceptable to the Administrator. The Administrator may adopt uniform and non-discriminatory procedures imposing limitations on the number, frequency, or dollar amount of hardship withdrawals pursuant to this section. Subject to the limitations of the Plan and any procedures adopted by the Administrator, withdrawals will be paid pro rata from all of the Participant's Accounts.
- (v) *Treatment of Withdrawals.* Except as otherwise specifically provided herein, a withdrawal will be treated as a distribution for all purposes of the Plan, except that an in-service withdrawal under this section may not be distributed in the form of cash installments.
- (vi) *Procedures.* The Administrator may adopt procedures and rules in accordance with regulations to supplement the foregoing provisions of this subsection (b).

8.11 Hardship Loans. The Trustee may make hardship loans to:

- (1) Participants who qualify under section 3.1;
- (2) Participants on a Leave of Absence from a Plan Sponsor (including those on a Transitional Leave or who are otherwise between Appointments); and
- (3) Retired Participants who are not Terminated Participants

to the extent of the Participant's Account Balance and in accordance with the following:

- (a) *Equal Availability.* Loans will be made available to all eligible Participants on a reasonably equivalent basis.
- (b) *Interest.* Loans will bear a reasonable rate of interest.
- (c) *Security.* Loans will be adequately secured.
- (d) *Amount of Loan.* The amount of any loan made pursuant to this section must be at least \$1,000 per loan and (when added to the outstanding balance of all other loans made by the Plan (or any other Code §403(b) plan of the Plan Sponsor) to the Participant) will be limited in size to the lesser of:
 - (i) \$50,000, reduced by the excess (if any) of:
 - (1) the highest outstanding balance of loans from the Plan to the Participant during the one-year period ending on the day before the date on which such loan was made, over
 - (2) the outstanding balance of loans from the Plan to the Participant on the date on which such loan was approved; or

- (ii) the greater of:
 - (1) one-half of the Account Balance of the Participant at the time the loan is approved; or
 - (2) \$10,000.

Notwithstanding the foregoing, the amount of the loan may not exceed the balance in the Participant's Participant Contribution Account at the time the loan is approved.

- (e) *Term.* Loans will provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed 5 years. However, loans used to acquire any dwelling unit that, within a reasonable time, is to be used (determined at the time the loan is made) as the principal residence of the Participant will provide for periodic repayment over a reasonable period of time that may not exceed 15 years.
- (f) *Repayment.* Generally, loans will be repaid via electronic funds transfer in accordance with procedures established by the Administrator from time to time. In accordance with rules adopted by the Administrator, paper checks and other means of loan repayment may be accepted in the Administrator's discretion. The failure to timely repay a loan will be an event of default.
- (g) *Hardship Reasons.* The Participant must demonstrate one of the following hardships:
 - (i) the Participant's need to pay medical expenses (as defined in Code §213(d)) for the Participant, his or her Spouse, or one of his or her dependents (as defined in Code §152, without regard to §§152(b)(1), (b)(2), or (d)(1)(B));
 - (ii) the Participant's need to pay tuition, related educational fees, and/or room and board expenses for up to the next 12 months of post-secondary education for the Participant, his or her Spouse, one of his or her children, or one of his or her dependents (as defined in Code §152, without regard to §§152(b)(1), (b)(2), or (d)(1)(B));
 - (iii) the Participant's need to purchase a residence (excluding mortgage payments) for him- or herself;
 - (iv) the Participant's need to make payments necessary to prevent his or her eviction from his or her principal residence or to avoid foreclosure on the mortgage of that residence;
 - (v) the Participant's need to pay for the repair of damage to his or her principal residence that would qualify for a casualty deduction under Code

§165 (without regard for whether the damage exceeds 10% of the Participant's adjusted gross income);

- (vi) the Participant's need to pay funeral and burial expenses for the Participant's deceased parent, Spouse, child, or dependent (as defined in Code §152, without regard to §152(d)(1)(B));
 - (vii) the Participant's need to pay expenses related to any disaster that has been declared by the President of the United States, the governor of any state, or the Administrator;
 - (viii) such other circumstances causing a safe harbor immediate and heavy financial need as may be determined under regulation §1.401(k)-1(d)(3)(iii)(B) or other applicable regulations; or
 - (ix) such other circumstances as may qualify under regulation §1.401(k)-1(d)(3)(iii)(A), or other applicable regulations, as an immediate and heavy financial need on the basis of all relevant facts and circumstances.
- (h) *Loan Policy.* Any loans granted or renewed will be made pursuant to a written Participant loan policy prepared by the Administrator. Such loan policy must include, but need not be limited to, the following:
- (i) The identity of the person or positions authorized to administer the Participant loan program;
 - (ii) A procedure for applying for loans;
 - (iii) The basis on which loans will be approved or denied;
 - (iv) Limitations, if any, on the types and amounts of loans offered;
 - (v) The procedure under the program for determining a reasonable rate of interest;
 - (vi) The amount of any loan origination or other fee, which may be deducted from the Participant's Account Balance after the amount of the loan is computed;
 - (vii) The types of collateral that may secure a Participant loan; and
 - (viii) The events constituting default and the steps that will be taken to preserve Plan assets.

Such Participant loan policy will be contained in a separate written document, which is hereby incorporated by reference and made a part of the Plan. Such Participant loan policy may be modified or amended in writing by the Administrator from time to time without the necessity of amending this section.

- (i) *Loans Outstanding.* Notwithstanding the foregoing provisions of this section, a Participant may have only one loan outstanding at a time.

8.12 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 may otherwise be provided in the Plan, 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 8.3(d)(ii)–(iv) exists, then his or her default Beneficiary will be the Participant's estate.

- (a) *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 section, such Beneficiary will receive the Accountholder's Account in the case of the Accountholder's death. If an individual who becomes an Accountholder does not designate his or her own Beneficiary as permitted in this section, if a designated Beneficiary does not survive such individual, or if section 8.6 does 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.
- (b) *Revisions.* An Accountholder may revise his or her designated Beneficiary under the Plan from time to time, but the most recently designated Beneficiary will be deemed to be the Accountholder's designated Beneficiary under the entire Plan.
- (c) *Preexisting Beneficiary.* If a Participant or Terminated Participant does not designate a Beneficiary under this Plan on or after the Effective Date but has designated a valid beneficiary under the Clergy Retirement Security Program before the Effective Date of this Plan, then the latest of such validly designated beneficiaries will be deemed such Participant's initial designated Beneficiary under this Plan.

8.13 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.

- 8.14 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.
- 8.15 Administrative Rules.** All distributions, in-service withdrawals, and loans are subject to rules adopted by the Administrator, such as, but not limited to, the forms required to be submitted to request such distributions, in-service withdrawals, or loans and the frequency and minimum dollar amount of such distributions, in-service withdrawals, or loans.

SECTION 9 - ADOPTION AGREEMENTS

- 9.1 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 Plan.
- 9.2 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.
- 9.3 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).
- 9.4 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 9.3.

SECTION 10 - PLAN ADMINISTRATION

- 10.1 General Fiduciary Standard of Conduct.** Each fiduciary under this Plan will discharge his or her duties hereunder solely in the interest of the Accountholders and for the exclusive purpose of providing benefits to the Accountholders and defraying the reasonable expenses of administering the Plan 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 Plan and the Trust, insofar as such documents and instruments are consistent with this standard.
- 10.2 Allocation of Responsibility Among Fiduciaries.** The fiduciaries will have only those specific powers, duties, responsibilities, and obligations specifically delegated to them under this Plan. 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 Plan or controls or influences the investment of the assets of the Plan. 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.
- 10.3 Administrator.** The Administrator of the Plan is the General Board. The Administrator will be the "plan administrator" as defined in Code §414(g). The Administrator or the Plan Sponsor will furnish each Participant with a summary plan description and all other notices and other documents required by the Code or the Plan. 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.
- 10.4 Powers, Authority, and Duties of Administrator.** The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Accountholders, subject to the terms of the Plan. The Administrator will administer the Plan in accordance with its terms and has the sole power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation, and application of the Plan. 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 Plan, has 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 Plan;
- (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 Plan;
 - (c) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Account holder may be entitled hereunder and to prescribe procedures to be followed by Account holders when applying for benefits;
 - (d) to make and publish such administrative rules or regulations relating to the Plan as are consistent with the terms hereof, and to resolve or otherwise decide matters not specifically covered by the terms and provisions of the Plan;
 - (e) to maintain all necessary records for the administration of the Plan;
 - (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, and Account holders such information as may be necessary to the proper administration of the Plan;
 - (h) to assist any Account holder to understand his or her rights, benefits, or elections available under the Plan;
 - (i) to decide the validity of any election or designation made under the Plan, 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;
 - (j) to prepare and distribute information explaining the Plan;
 - (k) 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 Plan or to assist in the administration of the Plan;
 - (l) to select annuity providers to provide benefits from the Plan;
 - (m) 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 Plan. Any such person may be removed by the Administrator at any time with or without cause;
 - (n) 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;

- (o) to the extent permitted under the agreement establishing the Trust, to direct the Trustee with respect to the investments of the Trust;
- (p) to furnish the Plan Sponsors, upon request, with such annual reports with respect to the administration of the Plan as are reasonable and appropriate;
- (q) to receive, review, and keep on file (as it deems convenient and proper) reports of benefit and expense payments made by the Trustee; and
- (r) to do all other acts that the Administrator deems necessary or proper to accomplish and implement its responsibilities under the Plan.

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 and Accountholders and all persons claiming through them. The Administrator has discretionary authority to grant or deny benefits under this Plan. Benefits under this Plan 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 Plan 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.

10.5 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 Plan and will be responsible for supplying all information and reports to appropriate government entities, Accountholders, and others as required by law.

10.6 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 in the Plan within 60 days of satisfying the eligibility requirements;
- (b) to maintain records of a Participant's service;
- (c) to provide the Administrator with notice within 90 days of a Participant's 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 accurate employment data and other 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.

10.7 Fees and Expenses. All expenses incurred by the Administrator and Trustee in connection with the administration of the Plan will be paid by the Plan, 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 Plan's or each Plan's reserves, funds, contributions, and/or earnings thereon, the expenses and fees necessary or appropriate to the administration of the Plan 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 and Accountholders and to require the Plan Sponsor or Accountholder to pay separately for such non-routine reports and services.

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

10.9 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 Plan. 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, 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, 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, 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, an Accountholder, or others, that the Administrator reasonably believes to be genuine and communicated by an authorized person.

10.10 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 Plan 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 the Plan. This provision will survive the termination of the Plan and the termination of a Plan Sponsor's participation in the Plan as to events that occurred while the Plan Sponsor was participating in the Plan.

10.11 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 in 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, an Accountholder is not required to apply for or begin the receipt of benefits under the Plan 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 subsection (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 Plan's appeals procedures.
- (c) *Appeal of Denial.* If a Claimant is denied benefits under (b) above, 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 Appeal Procedure.* The Administrator will establish an intermediate appeals procedure containing no more than a three-level process.
 - (ii) *Final Appeal Procedure.*
 - (A) If the Claimant wishes to appeal the denial of benefits under subsection (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. Such an appeal may be addressed to the Administrator or in care of the person or persons specified in the notice of denial.
 - (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 Mandatory Arbitration.* [See Appendix A]

10.12 Qualified Domestic Relations Orders. Notwithstanding section 12.2, all or part of a Participant's Vested benefits arising under this Plan may be transferred to one or more Alternate Payees pursuant to a court issued "qualified domestic relations order," as that term is defined in Code §414(p).

- (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. 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) The Administrator may charge to the Plan 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 11 – AMENDMENT AND TERMINATION OF PLAN

[See Appendix A]

SECTION 12 - GENERAL PROVISIONS

12.1 Rules and Forms. The Administrator will have the authority and responsibility to:

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

12.2 Non-Alienation of Benefits. No benefits payable at any time under the Plan 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 Plan will in any manner be liable for, or subject to, the debts or liabilities of any Accountholder or other person entitled to any benefit, except:

- (a) as provided in section 10.12 (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 or other person has received an overpayment under the Plan or any other plan administered by the Administrator; or
- (f) to the extent that such Accountholder 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 Plan, including the making of any elections and submission of any applications required of the Accountholder or other person.

12.3 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) 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).

Refunds to a Plan Sponsor from an Accountholder's Plan Account will reduce that Account accordingly.

- (b) If a Contribution is made to the Plan 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 Plan and return the payment (or an amount equal to it) to the Plan Sponsor.

12.4 Construction. The Plan 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.

12.5 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 an Accountholder have been transferred to a separate dedicated trust, all benefits to which the 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 Plan, all benefits to which 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.

12.6 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.

12.7 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 Plan, rather than the titles or headings, will control.

12.8 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.

12.9 USERRA. Notwithstanding any provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with USERRA.

12.10 Participant, Beneficiary, and Accountholder Duties. Each person entitled to benefits under the Plan 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 Plan.

12.11 Adequacy of Evidence. Evidence that is required of anyone under the Plan 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.

12.12 Notice to Other Parties. A notice mailed first class, postage prepaid, to an Accountholder at his or her last address known to the Administrator will be binding on the Accountholder for all purposes of the Plan 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 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 Compass Retirement Plan
General Board of Pension and Health Benefits of The United Methodist Church
1901 Chestnut Avenue
Glenview, IL 60025-1604.

- 12.13 Waiver of Notice.** Any notice under the Plan 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.
- 12.14 Successors.** This Plan is binding on the Plan Sponsors, and on all persons entitled to benefits hereunder, and their respective successors, heirs, and legal representatives.
- 12.15 Severability.** If any provision of the Plan is held illegal or invalid for any reason, such illegal or invalid provision will not affect the remaining provisions of the Plan, and the Plan will be construed and enforced as though such illegal or invalid provisions had never been contained in the Plan.
- 12.16 Supplements.** The Plan may be amended from time to time as provided in section 11 by adding one or more supplements to the Plan 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 Plan, such rules or benefits will supersede the general provisions of the Plan 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 Plan will apply to the persons covered by the supplement.
- 12.17 Transfer of Benefits.** Notwithstanding any provision of the Plan 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 Account Balances due to a Participant, an Accountholder, an Alternate Payee, or a Beneficiary from the Plan to another retirement plan administered by the Administrator, subject to the following:
- (a) Defined contribution plan b benefits, and the Account Balances funding such benefits, may be transferred from one Plan Account to another Plan Account within the Plan or to another defined contribution plan administered by the Administrator.
 - (b) 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.
 - (c) All regulations relating to transfers will be complied with, including but not limited to §1.403(b)-10(b)(3) of the regulations.
- 12.18 Mandatory Arbitration.** [See Appendix A]

APPENDIX A – CORE BENEFIT DESIGN FEATURES OF PLAN

This Appendix A describes core benefit design features of the Plan that may be amended only by General Conference, as further described in section 11 below, if ¶1504.1 of the Discipline is amended by General Conference 2020 to reflect such amendment authority. If ¶1504.1 of the Discipline is not amended in such manner by General Conference 2020, the Plan sections below will revert to their numbered locations within the Plan document, and this Appendix A will be deleted.

1.4 Funding. * * *

- (c) *Contributions for Missionary Conferences.* Notwithstanding anything to the contrary in the Plan, the Alaska Missionary Conference, Oklahoma Indian Missionary Annual Conference, and the Red Bird Missionary Annual Conference will not be responsible for funding the non-matching Contributions due to their Participants under sections 4.1(a)(i) and (ii). Participants from these Conferences may still earn and receive such Contributions. To fund these non-matching Contributions, the Administrator will require additional Contributions each Plan Year from all other Plan Sponsors, with the total amount of additional Contributions being calculated by the Administrator, in an amount that is sufficient to fund all non-matching Contributions of the Conferences listed above. Responsibility for the additional Contributions will be divided among such other Plan Sponsors in proportion to the Plan Sponsor Contributions each made under the Plan in the prior Plan Year (as determined by the Administrator). Such additional Contributions will be deposited into an Account that will be debited throughout the Plan Year to fund such non-matching Contributions. Any amount remaining in the Account at the end of the Plan Year will reduce the amount of additional Contributions due for the following Plan Year.

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.

1.6 Plan Sponsors.

- (a) Each Conference is a Plan Sponsor of the Plan with respect to Participants who are:
 - (i) Appointed 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 paragraph (ii) above;
- (iv) Non-Jurisdictional Clergy, Other Methodist Denomination Clergy, or Other Denomination Clergy Appointed by the Bishop of that Conference; or
- (v) entitled to Contributions under USERRA but who last served that Conference under paragraph (i) above.

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

- (b) The General Council on Finance and Administration will be a Plan Sponsor of the Plan with respect to Participants who are:
 - (i) Bishops;
 - (ii) Bishops on Medical Leave; or
 - (iii) Bishops entitled to Contributions under USERRA.
- (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 Plan 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 Plan.

2.13 Automatic Contribution Escalation. A feature under which the rate of Participant Contributions of a contributing Participant escalates annually by a selected percentage of the Participant's Compensation (in an increment acceptable to the Administrator), upon a selected month of the year, unless the contributing Participant opts out of the feature in a form acceptable to the Administrator, or unless the contributing Participant is a member of a category of Participants that is ineligible for escalation, as defined by the Administrator from time to time. Plan Sponsors may choose the percentage rate of increase (which may not be lower than one percent per year), the month of the year in which the increase occurs, and the contribution rate at which escalation ceases. The Automatic Contribution Escalation feature is subject to any rules or procedures that the Administrator chooses to implement.

2.14 Automatic Enrollment. A feature that provides that Participants of the Plan Sponsor who are eligible for Participant Contributions under the Plan will be enrolled by the Plan Sponsor (after an appropriate notice of same to each such individual) for before-tax Contributions of a default percentage of each such Participant's Compensation, unless any such Participant elects, in a form acceptable to the Administrator, not to make such Participant Contributions or to change their amount or type or unless the contributing Participant is a member of a category of Participants that is ineligible for Automatic Enrollment, as defined by the Administrator from time to time.

2.23 Compensation. A Participant's Compensation equals the sum of the following:

- (a) the Participant's annual base wages or salary paid or made available by a Plan Sponsor or Salary-Paying Unit to a Clergy person in a Plan Year, including, at the Plan Sponsor's election, any additional wages or salary 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. Such wages or salary will include any amount that is excluded from gross income pursuant to Code §107(2); and
- (b) when a parsonage is provided to the Participant as part of his or her compensation, 35% of the amount described in subsection (a), not to exceed 35% of the annualized rate of Compensation for a Bishop, but not less than \$10,000 (with such maximum and minimum being pro-rated for partial years during which a parsonage is provided).

Compensation will be determined under procedures that may be established by the Administrator. Compensation excludes, among other things, one-time or occasional payments that are not made regularly as part of a Clergy person's annual base wages or salary, such as expense reimbursements or bonus payments. Severance pay is also excluded from Compensation.

2.51 LifeStage Investment Management. An asset allocation and investment direction service offered by the Administrator directly or through a contractor, which provides Accountholders with an appropriate investment mix based on factors such as the Accountholder's age and selected level of risk tolerance. This service may, in the Administrator's discretion, be branded under a different name.

2.52 LifeStage Retirement Income. A method of payment that is either optional or mandatory, depending on the type of Accountholder and Account, which is provided by the Administrator directly or through a contractor. Under this form of payment, a series of periodic payments that may vary in amount over time are distributed from all or a portion of an Accountholder's Account Balance, over the Accountholder's life expectancy or the Accountholder's and Spouse's joint life expectancy. This method of payment may also incorporate modifications elected by the Accountholder, affirmatively or as a result of a default feature, with such modifications determined in accordance with procedures established by the Administrator. Such modifications may include the purchase of a deferred annuity from an insurance company, the receipt of Social Security

bridge payments, under which increased periodic payments are made during a period of deferral of Social Security retirement payments, and the ability to receive no more than the required minimum distributions under section 8.4. The purchase of a deferred annuity with amounts from the Accountholder's Account Balance will be made in accordance with regulations under Code section 401(a)(9). Additional administrative details of this method of payment will be determined by the Administrator, consistent with the objectives of providing installments over applicable life expectancies, in a manner that prudently balances the objectives of maximizing payments made over the expected lifetime or joint lifetimes, and minimizing longevity and investment risks. This method of payment may, in the Administrator's discretion, be branded under a different name.

3.1 Eligibility for Participation.

(a) *Eligible Clergy person.* An Eligible Clergy person is a Clergy person:

(i) who:

(A) is Appointed full-time or, when a Plan Sponsor has so elected, is Appointed at least half-time or 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 Appointed by the Bishop of such Plan Sponsor Conference; or

(II) who is a member of a Conference but is Appointed by the Bishop of another Plan Sponsor Conference (within the meaning of ¶346.1 of the Discipline); or

(B) 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

(C) 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 subsection (a)(i)(A)(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 ¶357.7 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 is not relevant.

(b) *Participation.* Each Eligible Clergy person will become a Participant on his or her Entry Date, 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 Appointed 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 subsection (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 subsections (a) and (b) above to remain eligible to receive Contributions.

4.1 Plan Sponsor Contributions. For each month beginning on and after the Effective Date, Plan Sponsors will make the following Contributions on behalf of each of their Participants who qualify under section 3.1 (and continue to qualify at the end of each such month):

- (a) *Non-Matching Contributions.* A non-matching Contribution in the following amounts:
 - (i) *Non-Matching Percentage Contribution.* A non-matching percentage Contribution of 3% of such Participant's Compensation for such month; and
 - (ii) *Non-Matching Flat-Dollar Contribution.* A non-matching flat-dollar Contribution of \$140 per month, increased annually by 2% for Plan Years after the Plan Year that begins on the Effective Date, rounded down to the nearest \$5 increment (and with the annual increases being made on the unrounded amount). Such flat-dollar Contribution will be prorated for Participants who are Appointed less than full-time.
- (b) *Matching Contributions.* A matching Contribution in an amount equal to:
 - (i) the portion of such Participant's Participant Contributions under section 4.2 for the current Plan Year to date that does not exceed 4% of such Participant's Compensation for the current Plan Year to date (doubling such Participant Contributions for any months during which matching Contributions under paragraph (ii) below are made, but only to the extent they do not exceed 4% of such Participant's Compensation for the current Plan Year), reduced by the amount of matching Contributions made for such Participant for previous months in the current Plan Year; or

- (ii) for a Participant who has become a Provisional Member, as described below, twice the amount of such Participant's Participant Contributions under section 4.2 for the current Plan Year to date that does not exceed 2% 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.

Matching Contributions will be provided under paragraph (ii), in lieu of those provided under paragraph (i), for a Participant who has attained status as a Provisional Member, beginning with the month that follows the date on which such status was attained, but not earlier than the Effective Date. Matching Contributions under paragraph (ii) will cease, and revert to those provided by paragraph (i), on the first month that follows the 10th anniversary of the date the Participant becomes a Provisional Member. This 10 year period will be extended for a Participant who incurs an unpaid Leave of Absence during such period, with the extension of time equaling the period of such leave.

- (c) *Disabled Participants.* Contributions described in subsections (a) and (b) above will be made to Participants who are CPP Disabled or on Medical Leave only as provided in this subsection (c):

- (i) *Disabled Participant Eligibility.* The following groups of Participants will be eligible to receive Contributions under this subsection (c):
 - (A) CPP Disabled Participants who are eligible under section 3.1 (and continue to qualify at the end of each month);
 - (B) Bishops on Medical Leave who are eligible under section 3.1 (and continue to qualify at the end of each month); and
 - (C) Participants on Medical Leave who are eligible under section 3.1 (and continue to qualify at the end of each month) whose Plan Sponsors have elected on their Adoption Agreements to cover such Participants.

Such Contributions for CPP Disabled Participants will be made by CPP. Contributions for Bishops on Medical Leave will be made pursuant to ¶410.4 of the Discipline. Contributions for Participants described in subparagraph (C) will be made by the Plan Sponsor of the Participants. Notwithstanding the foregoing, a Participant will cease to qualify for further Contributions under this subsection (c) on account of periods after he or she becomes a Terminated Participant.

- (ii) *Amount of Contributions.* Participants eligible under section 4.1(c)(i) above will be entitled to Non-Matching Contributions and Matching Contributions:

- (A) in the case of CPP Disabled Participants covered under section 4.1(c)(i)(A) above, in the amount the Participants would otherwise have received if not CPP Disabled, determined using the Participant's Compensation as of the month immediately preceding the start of such Participant's CPP Disability. The maximum amount of Matching Contributions will be provided to CPP Disabled Participants regardless of whether any Participant Contributions are made by such Participants under section 4.2;
- (B) in the case of Bishops on Medical Leave covered under section 4.1(c)(i)(B) above, in the amount the Bishops would otherwise have received if not on Medical Leave, determined using the Bishop's Compensation as of the month immediately preceding the start of such Medical Leave, and with Matching Contributions being provided to the extent that such Bishop makes Participant Contributions while on Medical Leave; or
- (C) in the case of Participants on Medical Leave covered under section 4.1(c)(i)(C) above, in the amount elected on the Plan Sponsor's Adoption Agreement, determined using the Participant's Compensation as of the month immediately preceding the start of such Medical Leave, and with any Matching Contributions being provided only to the extent the Participant makes Participant Contributions while on Medical Leave,

and, for all three situations above, with 3% annual imputed increases in Compensation starting with the year following the year in which such Contributions under this subsection (c) were first made,

and to the extent permitted under Code §415(c)(3)(C) (or any other applicable Code provisions) and section 5.

- (iii) *Period of Contributions.* Contributions provided pursuant to this subsection (c) will be made from the date such Participant is eligible under subsection (c)(i) above until the earliest of:
 - (A) the date such Participant ceases to qualify under subsection (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.

4.2 Participant Contributions.

- (a) *Participant Contributions.* * * *
- (ii) *Automatic Enrollment.* If such Participant does not make an election under paragraph (a)(i) above and the Participant is a member of a category of

Participants that is eligible for Automatic Enrollment, as defined by the Administrator from time to time, an amount as before-tax Contributions equal to the Participant's Compensation multiplied by the default Contribution rate that is elected by the Plan Sponsor on its Adoption Agreement, which rate may not be less than the percentage of Participant's Compensation that would be required to be contributed by the Participant to earn the full matching Contribution under section 4.1(b) above. * * *

A Participant's percentage of Participant Contributions will be increased under the Automatic Contribution Escalation feature, subject to any rules and procedures established by the Administrator, based on elections of the Plan Sponsor, unless the Participant has opted out of such feature in a form acceptable to the Administrator or unless the Participant is a member of a category of Participants that is ineligible for Automatic Contribution Escalation, as defined by the Administrator from time to time. * * *

6.1 Participant Accounts. * * *

Plan Sponsor Contributions will be accounted for separately, as such amounts and any earnings thereon are subject to investment and distribution requirements if such Account is held by a Participant. * * *

6.3 Investment of Accounts. * * *

- (b) *Mandatory and Default Investments.* * * * Notwithstanding the foregoing, Accounts of Participants that hold Plan Sponsor Contributions and Accountholders that hold defined benefit accruals that were converted to a lump sum and transferred to this Plan pursuant to transition provisions within the Clergy Retirement Security Program must be invested in accordance with LifeStage Investment Management. * * *

7.1 Full Vesting. An Accountholder's Account in the Plan will be fully Vested at all times, and will not be forfeited for any reason except as provided in section 7.2.

8.1 Methods of Benefit Payment.

- (a) *Normal Form of Payment.* * * * Notwithstanding the foregoing, for Participants with an Account that holds Plan Sponsor Contributions made under section 4.1, payments from such Accounts will be distributed to such Participants pursuant to LifeStage Retirement Income, with the following exceptions:
 - (i) distributions made in the event of critical or terminal illness of a Participant, in accordance with procedures established by the Administrator that may be modified from time to time;
 - (ii) transfers from an Account described above that are made pursuant to QDRO described in section 10.12; and

- (iii) distributions made under section 8.2(a).

The distribution requirement and exceptions described in the previous sentence will apply also to the Accounts of Accountholders that hold defined benefit accruals that were converted to a lump sum and transferred to this Plan pursuant to transition provisions within the Clergy Retirement Security Program. * * *

8.2 Distributions. * * *

- (b) *Distribution at Retirement or Termination.* * * * Notwithstanding the foregoing, distributions from an Account that is subject to the distribution requirement and exceptions listed in section 8.1(a) may not commence until the Participant has attained his or her Early, Normal, or Late Retirement Date (or the date the Accountholder has attained such date as if he or she were a Participant).
- (c) *Distribution at Disability.* * * *
- (iv) Distributions from an Account that is subject to the distribution requirement and exceptions listed in section 8.1(a) may not commence until the Participant has attained his or her Early, Normal, or Late Retirement Date (or the date the Accountholder has attained such date as if he or she were a Participant). * * *

8.10 In-Service Withdrawals. * * *

- (a) *Non-Hardship Withdrawals.* * * *
- (iii) * * * Notwithstanding the foregoing, distributions from an Account that is subject to the distribution requirement and exceptions listed in section 8.1(a) may not commence until the Participant has attained his or her Early, Normal, or Late Retirement Date (or the date the Accountholder has attained such date as if he or she were a Participant), and such distributions must be made pursuant to section 8.1(a). * * *

10.11 Claims Procedure. * * *

- (d) *Appeal a Condition Precedent to Mandatory Arbitration.* No cause of action in civil law with respect to any alleged violation of the terms and conditions of this Plan may be commenced or maintained by any Claimant or Accountholder. Any alleged violation of the terms and conditions of the Plan may be challenged by a Claimant or Accountholder under the mandatory arbitration provisions set forth in section 12.18, but only after such Claimant or Accountholder has initiated and completed the claim and appeal process as set forth in subsections (a) and (c) above. Any such request for arbitration must be made within 12 months of the date on the written notice of denial described above or such right to seek arbitration will be deemed waived; provided, however, that such 12-month limit will apply only if it is described in such notice of denial.

11.1 Amendment.

- (a) *General Conference.* General Conference may amend prospectively or retroactively any or all provisions of the Plan at any time by written instrument identified as an amendment of the Plan, effective as of a specified date. Such amendments will be limited, however, to the non-administrative aspects of the core benefit design features of the Plan that are described in this Appendix A, if ¶1504.1 of the Discipline is amended by General Conference 2020 to reflect such amendment authority.
- (b) *Administrator.* The Board of Directors of the General Board may amend prospectively or retroactively any or all provisions of the Plan at any time by resolution, effective as of a specified date:
 - (i) to conform the Plan to any applicable law and/or regulations promulgated thereunder;
 - (ii) to conform the Plan to the Discipline or changes therein; and
 - (iii) to make any administrative changes to the Plan that do not impact the level of benefits provided to Participants, but only if:
 - (A) such amendment is not within the scope of General Conference's amendment authority described in subsection (a) above; and
 - (B) such amendment is not prohibited by applicable law or ruling by the Judicial Council.

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

12.18 Mandatory Arbitration. Individuals who become or claim to be a Participant or Accountholder in the Plan agree, by electing to make Participant Contributions, choosing not to opt out of Automatic Enrollment, receiving Plan Sponsor Contributions, or filing any form related to the Plan with the Administrator, to be bound by the mandatory arbitration provisions of this section, in consideration for the Administrator and Trustee also agreeing to be bound by such provisions. If a claim for benefits or dispute that arises out of or related to the relationship between a Claimant or Accountholder and the Administrator or Trustee is not resolved through the claims and appeals procedures of section 10.11 once such procedures are fully exhausted, the party that seeks resolution of the matter must make a written request to the other party or parties to have the matter resolved through binding arbitration. Claimants or Accountholders must make such written request within the timeframe set forth under section 10.11(d) or, for matters not involving a claim for benefits, within one year of the date that the facts giving rise to the

dispute arose. If the Administrator or Trustee is making such request to a Claimant or Accountholder, the request must be made within 12 months of discovery of the facts that give rise to the dispute. Such claim for benefits or unresolved controversy or claim arising out of or relating to the relationship between a Claimant or Accountholder and the Administrator or Trustee will be settled by binding arbitration through the American Arbitration Association, or another arbitration service mutually agreed upon by the parties. The abuse of discretion standard of review will be used by the arbitrator(s) in reviewing the dispute and the Administrator's decisions under the claims and appeals procedures of section 10.11.

- (a) The site of the 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 of arbitration will be allocated to the parties by the arbitrators.