

Adoption Agreement for Church Sponsorship

Personal Investment Plan (PIP)

Information

Churches that have disaffiliated with The United Methodist Church but continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, and have not expressly resolved to the contrary, may use this form to sponsor PIP.

The following Employee types are covered under this Adoption Agreement:

- Clergy of the Plan Sponsor, and/or
- Lay Employees.

Call Wespath at **1-800-851-2201** to request an Adoption Agreement consultation with the Retirement Services team.

This Adoption Agreement should be reviewed and completed in conjunction with the *PIP Plan Document*. Capitalized terms in this Adoption Agreement have the meanings as defined in the *PIP Plan Document*.

Read the following Instructions and complete all parts of the Adoption Agreement.

Instructions

Part 1 – Plan Sponsor Information

Provide all the information requested in Part 1 of the Adoption Agreement.

Generally, organizations that share the same Federal Employer Identification Number (FEIN) are treated as one entity. Organizations with multiple FEINs may also be considered as one entity for Plan sponsorship purposes. For example, if a day care (or preschool) is part of a church, the daycare Employees are most likely considered Employees of the church and should be included in this Adoption Agreement, even if the day care has a separate FEIN for payroll purposes only. Contact Wespath for more information.

Part 2 – Employees Covered Under This Adoption Agreement

By completing the *Adoption Agreement for Church Sponsorship*, the Plan Sponsor must allow the following Employees to participate in PIP:

- All Clergy of the Plan Sponsor, and/or
- Lay Employees.

A Plan Sponsor may choose to specify different Plan Sponsor Contribution provisions for different types of Employees listed above and/or for Employees with different hire dates by completing more than one Adoption Agreement and indicating the covered Employee group in Part 2 of each Adoption Agreement.

Part 3 – Participant Contributions

All Employees covered under this Adoption Agreement are eligible to make Before-Tax, Roth and/or After-Tax Contributions to PIP by payroll deduction as of their hire date, even if they are not eligible for Plan Sponsor Contributions.

Part 4 – Plan Sponsor Contributions

4.1 Plan Sponsor Contribution Election. A Plan Sponsor may choose to sponsor PIP only for Participant Contributions. If electing not to make Plan Sponsor Contributions, check the “No” box in Part 4.1 and **skip to Part 5.**

If choosing to make Plan Sponsor Contributions for Employees covered under this Adoption Agreement as specified in Part 2, complete Parts 4.2 through 4.6 to describe the terms of those contributions.

4.2 Eligibility

- a) **Classification.** Permanent Employees are those employed for the indefinite future and not on a temporary, limited purpose or seasonal basis. The term “Permanent” is not meant to convey any guarantee of employment.
- b) **Initial Months of Service.** A Plan Sponsor may require eligible Participants to complete up to 12 Months of Service from the date of hire before qualifying for Plan Sponsor Contributions.
- c) **Hours of Service.** Participants are eligible for Plan Sponsor Contributions in any year in which they are regularly scheduled to work at least the minimum required number of hours chosen, if any.
 - If a Participant is regularly scheduled for those hours but fails to meet the minimum required number of hours during the year, he or she still is entitled to Plan Sponsor Contributions for that year.
 - If a Participant is not scheduled to work a sufficient number of annual hours to qualify for a Plan Sponsor Contribution, but actually does work at least the minimum required number of hours in a given year, he or she must be credited with that year’s Plan Sponsor Contributions at the end of the year.
- d) **Age.** A Plan Sponsor may designate a minimum age between 18 and 21 for Plan Sponsor Contribution eligibility.
- e) **Long-Term Disability (LTD).** A Plan Sponsor may elect that Participants on LTD retain eligibility for Plan Sponsor Contributions. LTD is defined as qualifying for a Social Security disability award or for benefits from the Plan Sponsor’s LTD plan. If electing to continue Plan Sponsor Contributions for LTD Participants, the contributions will cease when the Participant attains age 65 or after five years of contributions, if later. In no event would contributions continue beyond the attainment of age 70.

4.3 Entry Dates

- **Monthly:** Participants are eligible for Plan Sponsor Contributions on the first day of the month on or after the date they meet all the eligibility requirements specified in Part 4.2(a-d) [and Part 4.2(e) if applicable].
- **Semi-annual:** Participants are eligible for Plan Sponsor Contributions on the January 1 or July 1 on or after the date they meet all the eligibility requirements specified in Part 4.2(a-d) [and Part 4.2(e) if applicable].

4.4 Plan Sponsor Contribution Type. A Plan Sponsor may choose one or more types of Plan Sponsor Contributions.

- **Matching:** The Plan Sponsor contributes a specified percentage of Participant Contributions (1% or greater) up to a specified percentage of Compensation (1% or greater).
 - **Example #1:** The Plan Sponsor contributes 25% of Participant Contributions up to 4% of the Participant’s Compensation (maximum Matching Contribution is 1% of the Participant’s Compensation)
 - **Example #2:** The Plan Sponsor contributes 100% of Participant Contributions up to 3% of the Participant’s Compensation (maximum Matching Contribution is 3% of the Participant’s Compensation)
 - **Example #3:** The Plan Sponsor contributes 200% of Participant Contributions up to 2% of the Participant’s Compensation (maximum Matching Contribution is 4% of the Participant’s Compensation)
- **Non-matching.** The Plan Sponsor contributes a specified percentage of the Participant’s Compensation (1% or greater). The Participant is not required to contribute to PIP to receive this contribution.
- **Conditional.** The Plan Sponsor contributes a specified percentage of the Participant’s Compensation (1% or greater) if the Participant contributes a minimum specified contribution percentage (1% to 4%). The minimum specified Participant contribution percentage cannot exceed 4% of Compensation.
 - **Example #1:** The Plan Sponsor contributes 6% of the Participant’s Compensation if the Participant contributes at least 3% of Compensation
 - **Example #2:** The Plan Sponsor contributes 4% of the Participant’s Compensation if the Participant contributes at least 4% of Compensation

- **Discretionary.** By checking this box, the Plan Sponsor reserves the right to make a Discretionary Contribution for the current year or any future year(s). The Plan Sponsor must complete an *Addendum to Adoption Agreement: Discretionary Contribution Election Form* (Addendum) to make a Discretionary Contribution. Contact Wespath to obtain an Addendum.

The Discretionary Contribution must be declared by submitting a completed Addendum no later than May 1 following the year for which the contribution is to be made. The Plan Sponsor may specify on the Addendum that the Discretionary Contribution will be made either only for one year, or indefinitely until the Addendum is amended or the Adoption Agreement is amended to eliminate Discretionary Contributions. If the Discretionary Contributions are made only for one year, a new Addendum must be submitted for each subsequent year in which the Plan Sponsor elects to make Discretionary Contributions.

The Plan Sponsor must calculate the Discretionary Contribution for each eligible Participant and supply the data electronically following Wespath procedures. Discretionary Contributions must be remitted no later than June 15 following the year for which the contribution is to be made.

4.5 Vesting. All Participants are immediately 100% Vested in all Contributions.

4.6 Contribution Calculation Period. Specify the frequency with which the Plan Sponsor organization will calculate Plan Sponsor Contributions.

Part 5 – Plan Sponsor Acknowledgements

This section outlines the Plan Sponsor’s responsibilities related to PIP and acknowledges the Plan Sponsor’s agreement with the terms upon execution of the Adoption Agreement.

Part 6 – Effective Date

This is the effective date that the Plan Sponsor chooses to sponsor PIP or the effective date of an amendment to the Plan Sponsor’s agreement. Generally, the effective date must be the first of a month on or after the authorized representative of the Plan Sponsor signs and dates the Adoption Agreement in Part 7.

Part 7 – Adoption

An authorized representative of the Plan Sponsor must execute the Adoption Agreement. In addition, a second representative of the Plan Sponsor (such as a Senior Pastor or Chair of the Staff Parish Relations Committee) must sign and date the Adoption Agreement certifying that the first representative is authorized to execute the Adoption Agreement on behalf of the Plan Sponsor. The Plan Sponsor must retain a copy of its Board Resolution and/or governing committee meeting minutes that authorize PIP to be adopted or amended and be prepared to provide such documents to Wespath upon request.

Part 8 – Wespath Signatures

By signing the Adoption Agreement in Part 8, Wespath signifies acceptance of the Plan Sponsor’s completed Adoption Agreement and the Plan Sponsor’s sponsorship or continued sponsorship of PIP. A signed copy of the Adoption Agreement will be e-mailed to the contact person named in part 1.6 to retain for the Plan Sponsor’s records.



Adoption Agreement for Church Sponsorship

Personal Investment Plan (PIP)

Part 1 – Plan Sponsor Information

1.1 Plan Sponsor _____

1.2 Employer # _____

1.3 Federal Employer Identification # _____ - _____

1.4 Plan Sponsor mailing address _____

1.5 Plan Sponsor telephone _____

1.6 Contact person(s) Name _____ Title _____

E-mail _____ Telephone # _____

Part 2 – Employees Covered Under This Adoption Agreement

2.1 Employee Type(s) (choose one):

- All Employees (Clergy of Plan Sponsor and Lay Employees)
- Clergy of Plan Sponsor
- Lay Employees

2.2 Employee Hire Date (choose one):

- All Employees regardless of hire date (if this option is not selected, submit separate Adoption Agreements – see Instructions)
 - Only Employees hired before _____ (MM/DD/YYYY)
 - Employees hired on or after _____ (MM/DD/YYYY)
 - Employees hired on or after _____ (MM/DD/YYYY) and before _____ (MM/DD/YYYY)
-

Part 3 – Participant Contributions

All Employees covered under this Adoption Agreement may make Before-Tax, Roth and/or After-Tax Contributions to PIP by payroll deduction as of their hire date.

Part 4 – Plan Sponsor Contributions

4.1 Plan Sponsor Contribution Election (choose one):

- Yes
 No (skip to Part 5)

4.2 Eligibility

An Employee is eligible to receive Plan Sponsor Contributions only if he or she is covered under this Adoption Agreement as specified in Part 2 and meets the following requirements:

- a) Classification** (choose one):
 Permanent Employees
 All Employees
- b) Initial Months of Service** (choose one):
 No minimum
 ____ (1 to 12) months
- c) Hours of Service** (choose one):
 No minimum
 At least 1,000 hours per year
 At least 1,040 hours per year
- d) Age** (choose one):
 No minimum
 Age ____ (18 to 21)
- e) Long-Term Disability (LTD)** (choose one):
 Not Eligible
 Eligible

4.3 Entry Dates (choose one):

- Monthly
 Semi-annually

4.4 Plan Sponsor Contribution Type (choose one or more):

- Matching**
____% of Participant Contributions up to ____% of Compensation, with a maximum match of ____% of Compensation
- Non-Matching**
____% of Compensation
- Conditional**
____% of Participant Compensation if the Participant contributes at least ____% of Compensation
- Discretionary**
Complete an *Addendum to Adoption Agreement: Discretionary Contribution Election Form* to make a Discretionary Contribution

4.5 Vesting

All Participants are immediately 100% Vested in all Contributions.

4.6 Contribution Calculation Period (choose one for each contribution type chosen in Part 4.4):

- | Matching | Non-Matching | Conditional | Discretionary |
|--|--|--|----------------------|
| <input type="checkbox"/> By pay period | <input type="checkbox"/> By pay period | <input type="checkbox"/> By pay period | Elect using Addendum |
| <input type="checkbox"/> Monthly | <input type="checkbox"/> Monthly | <input type="checkbox"/> Monthly | |

Part 5 – Plan Sponsor Acknowledgements

By executing this Adoption Agreement, the Plan Sponsor hereby acknowledges, understands and agrees that:

- 51 Upon acceptance of this Adoption Agreement by Wespath, the employer will become a “Plan Sponsor” as defined in PIP.
- 52 The Plan Sponsor agrees to and will comply with the terms of PIP, as amended periodically, and the rules, regulations and procedures promulgated by Wespath, or its successors. The Plan Sponsor also agrees to execute an Administrative Services Agreement with Wespath, when such agreement becomes available, to remain a sponsor of PIP.
- 53 If PIP is amended in accordance with its amendment provisions, Wespath may (but need not) require the Plan Sponsor to execute a new Adoption Agreement.
- 54 Wespath will disclose to the Plan Sponsor all PIP investment options and fees, and Plan Sponsor agrees to such options and fees. Investment and fee information is located on Wespath’s website at wespath.org. Please refer specifically to the [Investment Funds Description – P Series, Summary Fund Description and Statement of Additional Information](#).
- 55 Wespath does not provide legal or tax advice to the Plan Sponsor or Plan Participants.
- 56 PIP is a Church Plan that is not subject to ERISA, including requirements such as the filing of annual reports and various reporting and bonding requirements.
- 57 Both Wespath and the General Conference of The United Methodist Church have the right to terminate PIP, or a Plan Sponsor’s sponsorship of PIP, at any time in accordance with the PIP provisions.
- 58 Wespath has the right to terminate the Plan Sponsor’s Adoption Agreement if the Plan Sponsor fails to satisfy its responsibilities under PIP.
- 59 In the event of any discrepancies between this Adoption Agreement and the *PIP Plan Document*, the *PIP Plan Document* will control.
- 510 The Plan Sponsor may freeze or terminate its sponsorship of PIP as of a specified date after giving at least 90 days advance written notice to Wespath and at least 30 days written notice to its Participants of its intent to freeze or terminate.
- 511 The Plan Sponsor will enroll Employees in PIP upon their election to make Participant Contributions and/or their satisfaction of the applicable Plan Sponsor Contribution eligibility requirements.
- 512 The Plan Sponsor will provide accurate data relevant to Plan administration to Wespath in a timely manner.
- 513 The Plan Sponsor will limit the total of Before-Tax and Roth Contributions to PIP to the annual dollar limit under Internal Revenue Code (Code) section 402(g), and total Contributions to PIP (and any other 403(b) plans sponsored by the Plan Sponsor) to the lesser of the annual dollar limit under Code section 415 or 100% of Code section 415 Compensation (generally taxable compensation plus before-tax salary deferrals, but not including housing allowance or parsonage).
- 514 The Plan Sponsor will remit Contributions to Wespath in a timely manner as required by PIP via electronic remittance using Contribution Management. Late Contributions may require payment of investment earnings and fees as specified in PIP and applicable procedures.

Part 6 – Effective Date

- 6.1 **Initial Agreement.** The Plan Sponsor agrees to adopt PIP as of _____, 1, 20____.
- 6.2 **Amendment of Agreement.** The Plan Sponsor agrees to amend PIP as of _____, 1, 20____.

Part 7 – Adoption

The undersigned, on behalf of the Plan Sponsor named in Part 1.1, hereby declares a desire to sponsor PIP or continue sponsorship in an amended PIP (as reflected in this Adoption Agreement) and hereby certifies that the appropriate governing board and/or officers have authorized the Plan Sponsor’s sponsorship or continued sponsorship in PIP as of the effective date indicated in Part 6. The undersigned authorizes that the Plan Sponsor continues to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, and that Plan Sponsor has not expressly resolved to the contrary. The undersigned also certifies that he or she is authorized to execute this Adoption Agreement on behalf of the Plan Sponsor. The Plan Sponsor agrees to the terms and conditions of this Adoption Agreement, its instructions, and the *PIP Plan Document*, which are incorporated herein by reference. If there is any conflict between these documents, the terms of the *PIP Plan Document* will control.

Authorized representative’s signature _____ Date _____

Print name of signatory _____ Title _____

The undersigned, on behalf of the Plan Sponsor named in Part 1.1, hereby certifies that the signatory above is authorized to execute this Adoption Agreement on behalf of the Plan Sponsor.

Second representative’s signature _____ Date _____

Print name of signatory _____ Title _____

Part 8 – Wespath Signatures

Wespath hereby accepts this Adoption Agreement submitted by the employer named in Part 1.1 and accepts that employer as one of the adopters and Plan Sponsors of PIP as of the effective date noted in Part 6.

Authorized signature _____ Date _____

Print name and title _____

Authorized signature _____ Date _____

Print name and title _____

Complete this form and send it by:

- E-mail (scanned copy) to retservices@wespath.org or
- Fax to **1-847-866-4635** or
- Mail to: Wespath, Retirement Services
1901 Chestnut Avenue, Glenview, IL 60025

Be sure to keep a copy for your records.