Member FAQ for TCU Benefits Change effective June 1, 2020

I am currently enrolled in the Tax-Deferred Retirement Account (TDRA), what will happen?
No action is required on your part. The contribution from TCU will simply be decreased from 11.5% to 8%. If you desire to make or increase a pre-tax salary reduction contribution to the TDRA, then you need to login to my.tcu.edu and make changes in the benefits section.

I am currently enrolled in the Pension Plan, what will happen?
Because full dues in the Pension Plan require contributions of 14% of your compensation base, you will automatically see your contribution from TCU decreased from 11.5% to 8% and your contribution from your pre-tax salary reduction increase from 2.5% to 6%. Doing this will allow you to maintain full death and disability benefits as well as the anticipated guaranteed retirement income for life.

What if I do not wish to increase my employee contribution from 2.5% to 6% in the Pension Plan?
You will no longer be eligible to actively participate in the Pension Plan if you do not contribute full dues (14% of your compensation base). If you do not wish to make the additional contribution (6% pre-tax salary reduction) for the Pension Plan, you may enroll in a PFCC defined contribution product, the TDRA. The TDRA will accept the TCU 8% employer contribution and your desired pre-tax salary reduction (up to IRS limits) (enrollment form here).

What happens to my Pension Plan account if I no longer actively participate?
Your accumulated Pension Plan credits will remain at Pension Fund, increasing in value due to Special Apportionments, when awarded. When you retire, you will receive a guaranteed lifetime income based on credits earned and Special Apportionments awarded. However, once you are an inactive member in the Pension Plan, death and disability benefits (found on p.2) (other than Surviving Spouse Pension and Full Orphan Pension) are not payable during any period that you are an inactive member, including in retirement.

What are Special Apportionments?
A unique feature of the Pension Plan is Special Apportionments. Special Apportionments are additional pension credits over and above those allotted for in the retirement formula required for current and future benefits. They are awarded as a percentage of the accumulated pension credits in a Pension Plan member’s account. The Pension Fund Board of Directors reviews the reserves required for current and future benefits. When reserves exist above what are required by policy, the Board of Directors may declare a Special Apportionment for all Pension Plan participants.

What if I leave active participation in the Pension Plan but later decide to return to active participation?
If you become an active member in the Pension Plan again, your death benefits and disability benefits will be modified as follows:

<table>
<thead>
<tr>
<th>Completed Years of Membership</th>
<th>Maximum Percentage of Benefits Provided</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>50%</td>
</tr>
<tr>
<td>2 or more</td>
<td>100%</td>
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</tbody>
</table>
A Year of Membership for this purpose means that Dues were paid on your behalf for a 12-month period beginning on the date Dues commence and each anniversary thereafter.

Your Age Retirement Pension, Early Age Retirement Pension, and Surviving Spouse Pension are not reduced.

**Can I roll money into the Pension Plan if I wish to return to active participation?**
Rollover contributions to the Plan are not permitted.

**What is the impact to the Late Retirement Bonus if I become an inactive member?**
If you discontinue contributions to the Pension Plan and become an inactive member, you will no longer qualify for an adjustment to the accrued age pension credits for service after age 65.

**Why should I choose the Pension Fund Tax-Deferred Retirement Account (TDRA) if I no longer contribute to the Pension Plan?**
The TDRA has several advantages over similar products from other vendors:
(1) No member account at Pension Fund has ever experienced a loss in value due to market volatility in the 125-year history of Pension Fund.
(2) TDRAs receive a base interest rate (currently 3.5%*) so that your account gains value even in uncertain market conditions.
(3) TDRAs receive Good Experience Credits when awarded by the Pension Fund Board of Directors.
(4) Allows clergy to take Housing Allowance in retirement.
(5) We manage your investments, so you don’t have to.
(5) Your money stays in your pocket. No fees or surrender charges will be deducted from your account balance.

*Quarterly interest rates are published on Pensionfund.org.*