

TERMS TO KNOW



Pension Fund
of the Christian Church
strong. smart. secure.

GENERAL

Administrator – means Pension Fund of the Christian Church (Disciples of Christ).

Alternate payee – means an individual who has a right to a benefit under the terms of a qualified domestic relations order.

Board – means the Board of Directors of Pension Fund.

Code – means the Internal Revenue Code of 1986, as amended.

Employee – means any minister or any employee of an eligible employer.

Employer – means all of the entities that directly or indirectly serve the Christian Church (Disciples of Christ), any other church or affiliated entity that is part of the Stone-Campbell Movement, and any other organization that has been designated by Pension Fund as eligible to participate in the Pension Plan or DCRA for its employees. An employer also includes any other organization if a minister provides services to that organization in connection with the exercise of his or her ministry, and self-employed ministers who contribute to a specific Pension Fund program (TDRA, Pension Plan, etc.).

Employer contribution – means a contribution made to a plan (Pension Plan, TDRA, etc.) by the employer on behalf of an employee.

Member/participant – means an account holder of an active or inactive Pension Fund account.

Minister – means an ordained or commissioned minister of the Christian Church (Disciples of Christ) with standing or an ordained minister of any church that is part of the Stone-Campbell Movement.

Pension Fund – means Pension Fund of the Christian Church (Disciples of Christ).

Plan – means the Pension Plan (Defined Benefit Plan) of Pension Fund of the Christian Church (Disciples of Christ).

Plan year – means the calendar year.

Pre-tax contribution – means a contribution made to a program (Pension Plan, TDRA, etc.) by an employer or employee on a pre-tax basis. If the election is made by an employee, the member must complete a salary contribution agreement.

USERRA – means the Uniformed Services Employment and Reemployment Rights Act of 1994 and its amendments.

Vested – means that your interest in your retirement programs is unconditional, legally enforceable and non-forfeitable.

SPECIFIC TO DEFINED BENEFIT RETIREMENT ACCOUNTS (Pension Plan)

Accrued age pension credits – means the annual pension benefit a member is entitled to receive at age 65, which is equal to his or her total compensation base on which dues have been paid multiplied by:

- .014966 for the portion of total compensation base attributable to the payment of full dues, and
- .00426 for the portion of total compensation base attributable to the payment of partial dues.

The amount of accrued age pension credits will be increased by Special Apportionments, as applicable.

Active member – means a person employed by an employer for whom pension dues are being paid. An active member does not include a person receiving a disability benefit.

Age retirement pension – means the benefit a Pension Plan member is entitled to receive at age 65, which, if received monthly, is equal to 1/12 of his or her accrued age pension credits.

Compensation base – means the total cash salary a participant receives during a plan year, plus all housing and/or parsonages allowances. If a parsonage is provided to a

minister, the compensation base also includes the greater of the fair rental value of such parsonage or 25% of your cash salary.

The participant and his/her employer must pay dues on a compensation base of at least \$125 per month provided; however, the participant's compensation base will be deemed to be a minimum of \$500 per month if he or she is a seminary student participating in the Student Gift Membership program.

Pension Fund may reduce a Pension Plan participant's compensation base for any plan year during which full dues or partial dues are not paid to the plan.

Disabled – means if you are a member of the Pension Plan, the meaning of "disabled" under the Pension Plan.

Disability benefit – means the benefit payable to a disabled Pension Plan member equal to 1) below and multiplied by 2):

- 1) A participant's compensation base, excluding any amount in excess of \$50,000 on which full dues were paid to the Pension Plan during the 12-month period immediately preceding the date of the disability; and
- 2) 60% for the first 12 months of disability and 40% for each month of disability thereafter.

Dues – means the contributions paid to Pension Fund by or on behalf of a Pension Plan member in accordance with the Plan's terms. Full dues are equivalent to 14% of the compensation base and partial dues are 6% of the compensation base.

Early age retirement pension – means the monthly pension a Pension Plan member is entitled to receive at age 60 (but before age 65), equal to 1/12 of accrued age pension credits, reduced by .6% of the accrued age pension credits and multiplied by the number of full calendar months by which the member's date of retirement precedes the member's 65th birthday.

Inactive member – means a Pension Plan member who has not retired and for whom dues are not currently being paid to the Pension Plan. Inactive members do not include persons receiving disability benefits.

Married or marriage – with respect to a Pension Fund participant, means a legal marriage or substantially similar union recognized under the applicable law of the state in which the marriage or union took place.

Member dues – means the portion of Pension Plan dues paid to the Pension Plan that is contributed by a member in any plan year. Member dues may be made on a pre-tax or an after-tax basis.

Pension credits – means the annual pension paid to you each year upon retirement. For example, if you've earned 1,000 pension credits, you will receive \$1,000 per year after retirement until death. Special Apportionments can add to this amount over time, if granted by Pension Fund's Board of Directors.

Pension credits are calculated through Pension Fund's conversion formula, based on a given compensation base. This formula makes a conservative assumption that credits will have earned a 4.5% annual return. Anything above that figure helps fund Pension Fund – keeping it stable during financial downturns – or provides returns to members through Special Apportionments.

Refundable dues – means the portion of dues contributed to the Pension Plan representing 3% of a member's compensation base.

Retire or retirement – means that the member has reached at least age 60 and either (i) has had a severance from employment or (ii) in the case of a minister, has permanently severed employment with the employer for whom the person was performing ministerial services and, in the case of not serving as a minister (or serving as a minister who is not performing ministerial services), the person and his/her employer reasonably anticipates that the level of bona fide services will permanently decrease to no more than 20% of the average level of bona fide services performed over the immediately preceding 36-month period.

Seminary student – means a student who is currently enrolled in a master's of

divinity program at an accredited theological education institution in preparation for services as a Christian Church (Disciples of Christ) minister.

Severance from employment – means a complete termination of the employment relationship between the employee and the employer and any related employer.

Special Apportionment – means an increase in earned benefit. The Board of Directors enacted policies governing the maintenance of reserves it deems adequate to protect against periodic market fluctuations. When reserves exist above what are required, the Board of Directors may declare Special Apportionments for members.

Spouse – means the person to whom the Pension Fund participant is married as of the relevant date.

Surviving Child – means a child under age 21 at the time of a Pension Plan member's death who is:

- the natural born child of the member or his/her spouse or the legally adopted child of the member, and
- for whom the member has legal responsibility to support.
- Note: A stepchild is not a surviving child of a member unless the child has been legally adopted by the member.

Total compensation base – means the sum of the compensation base for each Pension Plan year on which dues were paid by or on behalf of a Pension Plan member.

SPECIFIC TO DEFINED CONTRIBUTION RETIREMENT ACCOUNTS (i.e., Tax-Deferred Retirement Account, Roth IRA)

Accounts – means the accounts maintained for to reflect the participant's benefit in any particular program (TDRA, etc.).

Account balance – means the balance in a specific account maintained for the participant and includes interest credited and any transfers and/or distributions.

Compensation – means wages, salaries, professional fees, tips, bonuses, and other amounts received for providing personal services, as well as self-employment income, nontaxable combat pay and military differential pay. Compensation does not

include earnings and profits from property (rental, interest or dividend income) or retirement plan payments (distributions from 403(b), 401(1), or 457 plans or from IRAs) or any other type of deferred compensation payments.

Contributions – means regular contributions and rollover contributions.

DCRA – means the defined contribution retirement accounts of Pension Fund (i.e., Tax-Deferred Retirement Account, Roth IRA).

Disabled – for a Roth IRA owner, means an inability to perform the material duties of any occupation, job or work for which the Roth IRA owner is, or could reasonably become, suited by education, training or experience.

The normal occupation is the occupation, job or work that the participant performed immediately prior to the onset of his or her disability.

Good Experience Credit – means the additional interest that may be credited by the Board at its sole discretion from time to time, and when investment experience and actuarial results allow, to supplement the base interest rate credited to select Pension Fund retirement programs.

Qualified distribution – means a distribution of dollars from a participant's retirement program. The requirements vary depending on the program.

Regular contributions – means the amount of contributions that the participant voluntarily chooses to contribute to his or her retirement accounts.

Rollover contributions – means the amounts rolled over into your Roth IRA or Tax-Deferred Retirement Account from another eligible retirement plan.

Roth IRA – means the separate account maintained for a person to reflect his or her Roth IRA benefit in the defined contribution retirement account.

TDRA – means Tax-Deferred Retirement Account of Pension Fund of the Christian Church (Disciples of Christ), which is a benefit under the defined contribution retirement accounts of Pension Fund of the Christian Church (Disciples of Christ).