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

TRADITIONAL IRA OWNER RESOURCE BOOK

A benefit under the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ) ("DCRA")

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Issued January 2021

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INTRODUCTION

A. Our Common Mission: Caring and Support.

Pension Fund of the Christian Church (Disciples of Christ) was established by the Christian Church to provide retirement, disability, death, and other benefits to ministers, missionaries, and lay persons in service of the church. As part of this mission, Pension Fund maintains the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ) ("DCRA").

Pension Fund adopted a deemed Traditional IRA program as part of the DCRA, in accordance with Section 408(q) of the Internal Revenue Code ("Code"). The Traditional IRA program meets the requirements of Code Section 408.

Under the Traditional IRA program, you can establish and contribute part of your Compensation to a Traditional IRA on an after-tax basis. Some or all of your Regular Contributions may be tax deductible, based on whether you or your Spouse are covered by an employer retirement plan, your income, and your tax filing status. Earnings on your Contributions grow tax-deferred while in the Traditional IRA and are taxed at the time of distribution, along with deductible Regular Contributions. Your Regular Contributions and any Rollover Contributions to your Traditional IRA, and the earnings on these Contributions, determine your retirement benefits under your Traditional IRA.

B. Caution.

The purpose of this Traditional IRA Owner Resource Book is to help you understand the Traditional IRA program offered to you under the DCRA. The DCRA is the document that legally governs the terms and operations of the plan and creates any rights for you or your beneficiary(ies). If there are any differences between this summary and the DCRA, the DCRA will control. Further details about the DCRA are on file at Pension Fund.

If you have any questions that are not answered by this summary, you may contact Pension Fund toll free at 866-495-7322 or by email at pfcc1@pensionfund.org.

Pension Fund of the Christian Church (Disciples of Christ), Inc. is a not-for-profit corporation organized under the laws of Indiana. The Traditional IRA program is a benefit under the DCRA, which was most recently restated on January 1, 2017, and amended four times.

C. Traditional IRA vs Roth IRA: What's the Difference?

Pension Fund maintains both a deemed Traditional IRA program and a deemed Roth IRA program under the DCRA. Both IRA programs provide eligible Employees and former Employees, and the Spouses of eligible Employees and former Employees, a tax favored vehicle to save for retirement. This Traditional IRA Owner Resource Book describes the benefits of participating in the Traditional IRA program. Please refer to the Roth IRA Owner Resource Book for more detailed information on the benefits of participating in the Roth IRA program. The chart on the following page highlights the major differences between eligibility for and benefits under a Traditional IRA versus a Roth IRA.

	TRADITIONAL IRA	ROTH IRA
Maximum Annual Contribution	For 2021, **$6,000** (**$7,000** if you reach age 50 or older during the year).	For 2021, **$6,000** (**$7,000** if you reach age 50 or older during the year).
Is the Contribution Limit Reduced Based on My Income?	**No.**	**Yes.** The ability to contribute to a Roth IRA phases out (is reduced) for higher income earners. For 2021, you are not eligible to contribute to a Roth IRA if your modified adjusted gross income equals or exceeds $140,000 (filing single) or $208,000 (married filing jointly).
Are My Contributions Tax Deductible?	**Yes.** However, if you or your Spouse are covered by an employer retirement plan (such as the Pension Plan or TDRA), the amount you may deduct phases out (is reduced) based on your modified adjusted gross income and tax filing status. For 2021, if you are covered by an employer retirement plan, you may not deduct your Traditional IRA Contributions if your modified adjusted gross income equals or exceeds $76,000 (filing single) or $125,000 (married filing jointly).	**No.** Contributions are taxed when made to the Roth IRA.
By When Must I Make Contributions?	Contributions are due by the tax filing deadline for the year, without extensions (usually April 15).	Contributions are due by the tax filing deadline for the year, without extensions (usually April 15).
What Funds Can I Rollover Into My IRA?	• Traditional IRA • Pre-tax 403(b) account • Pre-tax 401(k) account • Pre-tax 457(b) account	• Traditional or Roth IRA • Pre-tax or Roth 403(b) account • Pre-tax or Roth 401(k) account • Pre-tax or Roth 457(b) account
How Are My IRA Distributions Taxed?	Deductible Contributions and earnings are included in your taxable income upon distribution. Nondeductible Contributions are not taxed at distribution. A 10% early distribution tax may apply if you take a distribution before age 59½ unless an exception applies.	Contributions are not taxed upon distribution. Earnings on your Contributions are not taxed upon distribution if certain holding requirements have been met. A 10% early distribution tax may apply to earnings if you take a distribution before age 59½ unless an exception applies.
Is There an Age Limitation for Making Contributions?	**No**. Contributions may be made at any age so long as you have taxable compensation.	**No**. Contributions may be made at any age so long as you have taxable compensation.
When Do I Have to Begin Taking Distributions?	By April 1 of the calendar year following the year in which you reach age 72 (age 70½ if you reached age 70½ before January 1, 2020).	You do not have to begin taking distributions during your lifetime if you are the original owner of the Roth IRA.

WHAT KEY DEFINITIONS DO I NEED TO KNOW?

Certain defined words and phrases are used in this summary. When the first letter of a word or phrase is capitalized, please refer to this section for its meaning.

Administrator means Pension Fund.

Board means the Board of Directors of Pension Fund.

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

Compensation means your wages, salaries, professional fees, tips, bonuses, and other amounts received for providing personal services, as well as self-employment income, nontaxable combat pay, military differential pay, taxable alimony, and separate maintenance payments. Compensation also includes taxable fellowships and stipend payments made to you to aid in your pursuit of graduate or postdoctoral study. Compensation does not include earnings and profits from property (rental, interest or dividend income), income from partnerships, any amounts not included in income (other than combat pay), or retirement plan payments (distributions from 403(b), 401(a), or 457 plans or from IRAs) or any other type of deferred compensation payments.

Contributions means your Regular Contributions and your Rollover Contributions.

DCRA means the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ).

Disabled means (i) if you are also a member in the Pension Plan, the meaning of disabled under the Pension Plan, or (ii) for any other Traditional IRA Owner, an inability to perform the material duties of any occupation, job or work for which the Traditional IRA Owner is, or could reasonably become, suited by education, training or experience.

Employee means any Minister or any common law employee of an Employer.

Employer means all of the entities which 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 which has been designated by Pension Fund as eligible to participate in the DCRA for its Employees. An Employer also includes any other organization if a Minister provides services to the organization in connection with the exercise of his or her ministry, and self-employed Ministers who contribute to the DCRA.

Good Experience Credit means the additional interest that may be credited to a Traditional IRA by the Board in its sole discretion, from time to time and when investment experience and actuarial results allow, to increase the base interest rate credited to the Traditional IRAs.

Minister means a credentialed minister of the Christian Church (Disciples of Christ) with standing or a credentialed minister of any church that is part of the Stone-Campbell movement.

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

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

Plan Year means the calendar year.

Regular Contributions mean the amount of your after-tax contributions that you voluntarily choose to contribute to your Traditional IRA Account.

Rollover Contribution means an amount you rollover into your Traditional IRA from another eligible retirement plan.

Spouse means the person to whom an Employee or former Employee is married where the marriage is legally recognized under the law of any State, including the law of Puerto Rico.

TDRA means the Tax-Deferred Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ), which is a benefit under the DCRA.

Traditional IRA means the separate account maintained for you to reflect your Traditional IRA benefit in the DCRA.

Traditional IRA Account Balance means the balance in all Traditional IRA Accounts maintained for you under the DCRA which reflects the aggregate amount credited or debited from your Traditional IRAs, including the interest credited and any transfers and/or distributions.

Traditional IRA Owner means an Employee or former Employee who is eligible or may become eligible to receive a benefit of any type under a Traditional IRA.

Trust means the trust created by the Trust Agreement for the Deemed IRAs under the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ).

Vested or ***Vesting*** means that your interest in your Traditional IRA is unconditional, legally enforceable, and nonforfeitable.

PARTICIPATION

A. Becoming a Traditional IRA Owner.

Eligibility. You are eligible to establish a Traditional IRA if you are an Employee, a former Employee, or a Spouse who files a joint tax return with the Employee or former Employee.

- If you are an Employee or a Spouse of an Employee who is receiving Compensation, you may establish a Traditional IRA and make both Regular Contributions and Rollover Contributions to that Traditional IRA.
- If you are a former Employee or a Spouse of a former Employee, you may establish a Traditional IRA and make Rollover Contributions (but not Regular Contributions) to that Traditional IRA.

In addition, if you are a surviving Spouse of an Employee or former Employee, you may establish a Traditional IRA after the death of the Employee or former Employee in order to receive Rollover Contributions to which you are entitled as a beneficiary under the DCRA. You may also elect to treat a Pension Fund inherited IRA as your own and make Rollover Contributions (but not Regular Contributions) to that Traditional IRA.

Establishing a Traditional IRA. To begin making Contributions to a Traditional IRA, you must complete and return an Enrollment Form to Pension Fund. Your Traditional IRA is considered to be established as of the date that your Enrollment Form is received by Pension Fund. You may establish a Traditional IRA for a year any time from January 1 of that year through your tax filing deadline for that year, without extensions (this is generally the following April 15 if you file on a calendar year basis).

IMPORTANT: You may establish and make Regular Contributions to a Traditional IRA for the prior year even if you are no longer an Employee, if you were eligible to establish and make Regular Contributions to the Traditional IRA in the prior year.

Forms. Participation in the Traditional IRA program is voluntary. You must complete all forms required by Pension Fund to establish a Traditional IRA. You will be provided a Traditional IRA Disclosure Statement and Financial Disclosure Statement with your Enrollment Form.

D. Revocation of Your Traditional IRA.

You have the right to revoke your Traditional IRA within seven days after the IRA has been established. Upon receipt of a timely revocation, Pension Fund will refund any contributions to the Traditional IRA you have made, without adjustment for earnings or fees.

E. End of Participation.

You will cease to be a Traditional IRA Owner when your entire Traditional IRA Account Balance is distributed.

CONTRIBUTIONS

A. Regular Contributions.

You may make Regular Contributions by making direct after-tax cash contributions to your Traditional IRA. Pension Fund may require a minimum initial Regular Contribution to establish a Traditional IRA. Regular Contributions must be made in U.S. dollars.

You may make Regular Contributions to your Traditional IRA for a year any time from January 1 of that year through your tax filing deadline for that year, without extensions (this is generally the following April 15 if you file on a calendar year basis). You may irrevocably designate the year to which a Regular Contribution relates.

A. Contribution Limits.

General Limit. Federal law limits the total amount of Regular Contributions that you may make to a Traditional IRA in a year. You cannot contribute more than the lesser of a specified dollar limit or your Compensation for the year (or, if you are married and filing jointly, the sum of your Compensation and your Spouse's taxable compensation).

For 2021, the dollar limit is $6,000. However, if you are age 50 or older (or will reach age 50 by the end of the calendar year), the dollar limit is $7,000 for 2021. The IRS adjusts the dollar limit periodically for increases in the cost-of-living. You can contact Pension Fund for information on limit increases after 2021.

	Under Age 50 Contribution Limit	Age 50 or Older Contribution Limit
2021	$6,000	$7,000

Your Regular Contributions cannot exceed 100% of your Compensation, except as discussed below under Special Rule for Spousal Compensation.

WARNING: Contributions you make to all your IRAs, whether traditional or Roth, are aggregated for purposes of this dollar limit. Therefore, any contribution you make to another traditional IRA or to a Roth IRA will reduce the contribution

that you can make to a Traditional IRA under the DCRA. Your contributions are not limited by participation in a retirement plan other than a traditional or Roth IRA.

For more information on these contribution limits, please see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Special Rule for Spousal Compensation. If you file a joint return and your Compensation is less than that of your Spouse, the amount you can contribute to the Traditional IRA is the lesser of the specified dollar limit or the total Compensation for both you and your Spouse for the year, reduced by your Spouse's contribution for the year to a traditional or Roth IRA.

EXAMPLE: Susan is a student in seminary and has Compensation equal to $1,000 from an Employer. Her husband Bill, who is not employed by an Employer, has Compensation equal to $30,000. Both Susan and Bill are less than age 50. If Susan and Bill file a joint return, Susan can contribute up to $6,000 to a Traditional IRA, and Bill can also contribute up to $6,000 to an IRA.

Qualified Reservist Repayments. If you were a member of the reserve component and were called to active duty after September 11, 2001, you can repay to a Traditional IRA an amount equal to any qualified reservist distributions you received from an IRA or a retirement plan. These repayments may be in excess of the general limit on Regular Contributions to a Traditional IRA, but must be made within two years after your active duty period ends. You are not entitled to a tax deduction for qualified reservist repayments.

B. Excess Contributions.

It is your responsibility to ensure that your Regular Contributions do not exceed the applicable contribution limits. If your Regular Contributions to your Traditional IRA exceed the applicable contribution limits, a 6% excise tax may apply to the portion of the contribution that is an excess contribution. This excise tax will apply each year that the excess contribution remains in your Traditional IRA. If you withdraw an excess contribution along with any applicable earnings prior to your deadline for making Traditional IRA contributions for the year (generally, by April 15 following the end of the tax year), the excise tax will not apply.

You may also apply the excess contribution in one year to a later year if your Regular Contributions for the later year are less than the general limit for that year, but you will pay a penalty tax on the excess contribution until fully applied.

C. Rollovers and Transfers.

You may consolidate your other pre-tax qualified retirement plan accounts and traditional IRAs into a Traditional IRA under the DCRA through a rollover or transfer.

Any distributions that you rollover from a qualified retirement plan or traditional IRA, or any transfers from a traditional IRA, will not be included in your taxable income.

Rollovers From Retirement Plans. You may request to make a Rollover Contribution to your Traditional IRA of an eligible rollover distribution you receive from a pre-tax account under an employer-sponsored qualified retirement plan. These include rollovers from any of the following types of plans:

- 401(a) or 403(a) qualified plan,
- 403(b) plan, or
- 457(b) plan of a governmental entity.

For example, you can rollover your 403(b) account under the TDRA to your Traditional IRA, if you are otherwise eligible for a distribution.

A Rollover Contribution from a qualified retirement plan can be made directly from the trustee or custodian of the qualified retirement plan to Pension Fund. You may also roll over a distribution you already received from a qualified retirement plan as long as the Rollover Contribution is made within 60 days after the date you received the distribution. You may be eligible to roll over a distribution from a qualified retirement plan *after* the 60-day deadline if you submit a Certification for Late Rollover Contribution Form to Pension Fund certifying that the reason for the late Contribution qualifies you for a waiver of the 60-day deadline.

There is no limit on the amount of pre-tax funds you can rollover to a Traditional IRA.

Rollovers From Traditional IRAs. You may request to make a Rollover Contribution to your Traditional IRA of a distribution you receive from another traditional IRA as long as the Rollover Contribution is made within 60 days after the date you receive the distribution. You may be eligible to roll over a distribution from another traditional IRA *after* the 60-day deadline if you submit a Certification for Late Rollover Contribution Form to Pension Fund certifying that the reason for the late Contribution qualifies you for a waiver of the 60-day deadline.

A Rollover Contribution may consist of both deductible and nondeductible amounts.

You can only make one rollover from an IRA to another IRA in a 12-month period. This restriction applies to all of your IRAs in aggregate.

This restriction does not apply to a conversion of a Traditional IRA to a Roth IRA, or to a trustee-to-trustee transfer from one IRA trustee to another IRA trustee.

Trustee-to-Trustee Transfers. You may consolidate your other traditional IRAs into a Traditional IRA through a trustee-to-trustee transfer. You may transfer funds tax-free from another traditional IRA to the Traditional IRA by requesting a transfer from the other IRA trustee to Pension Fund. The transfer may consist of both deductible and nondeductible amounts. There is no limit on the number of trustee-to-trustee transfers you can make to a Traditional IRA.

If you want to move funds from another traditional IRA to a Traditional IRA, a trustee-to-trustee transfer may be more advantageous to you than an IRA rollover. See the table on page 14 for a comparison of these transactions.

Recharacterizations. You may request a trustee-to-trustee transfer of a contribution made to a Roth IRA, adjusted by earnings or losses, to your Traditional IRA prior to your tax filing deadline plus extensions. The transferred contribution will be treated as if it had always been made to your Traditional IRA. This is often called a "recharacterization" of the IRA contribution.

However, you may not recharacterize a conversion contribution that you made to a Roth IRA as having been made to a Traditional IRA (in other words, reverse a Roth conversion).

Compliance. Pension Fund must determine that the rollover or transfer satisfies all applicable requirements of the Code.

D. No Age Restrictions.

You can make Contributions to a Traditional IRA at any age, provided that you must be an Employee or a Spouse of an Employee who is receiving Compensation in order to make Regular Contributions to a Traditional IRA.

E. Deductibility.

All or part of your Regular Contributions to a Traditional IRA may be tax deductible, based on your federal income tax filing status, modified adjusted gross income, and whether you (and your Spouse, if applicable) participate in an employer retirement plan.

Full Deduction. If neither you nor your Spouse was covered for any part of the year by an employer retirement plan, you can take a deduction for your total Regular Contributions to the Traditional IRA. An employer retirement plan includes a defined contribution plan and a defined benefit plan. Generally, you are covered by a defined contribution plan, such as the TDRA, if amounts are contributed or allocated to your account for the plan year. You are covered by a defined benefit plan, such as the Pension Plan, for any year in which you accrue a pension benefit.

Partial or No Deduction. If either you or your Spouse was covered for any part of the year by an employer retirement plan, you may be entitled to only a partial (reduced) deduction or no deduction at all, depending on your income and your filing status. See the following tables to determine if you are entitled to a deduction.

To designate your Regular Contributions as nondeductible, you must file IRS Form 8606 with your tax return. There is a tax penalty for failure to file Form 8606. Additionally, if you do not report nondeductible Regular Contributions on Form 8606, all of the Regular Contributions to your Traditional IRA will be taxable to you upon distribution.

If <u>you</u> are covered by an employer retirement plan, use the following table:

If your filing status is	And your modified AGI is	Then you can take
Single, head of household, or married filing separately and you did not live with your Spouse at any time during the year	$66,000 or less	A full deduction
	More than $66,000 but less than $76,000	A partial deduction
	$76,000 or more	No deduction
Married filing jointly or qualified widower	$105,000 or less	A full deduction
	More than $105,000 but less than $125,000	A partial deduction
	$125,000 or more	No deduction
Married filing separately and	Less than $10,000	A partial deduction

If your filing status is	And your modified AGI is	Then you can take
you lived with your Spouse at any time during the year	$10,000 or more	No deduction
This table is applicable to Regular Contributions made during 2021 only. These limits may be increased by the Internal Revenue Service after 2021 for any cost of living adjustment. If you received social security retirement benefits for the tax year, please see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) for information on your deductible limits.		

If you are not covered by an employer retirement plan, but your Spouse is covered by an employer retirement plan, **use the following table:**

If your filing status is	And your modified AGI is	Then you can take
Married filing separately and you did not live with your Spouse at any time during the year	Any amount	A full deduction
Married filing jointly	$198,000 or less	A full deduction
	More than $198,000 but less than $208,000	A partial deduction
	$208,000	No

If your filing status is	And your modified AGI is	Then you can take
	or more	deduction
Married filing separately and you lived with your Spouse at any time during the year	Less than $10,000	A partial deduction
	$10,000 or more	No deduction
This table is applicable to Regular Contributions made during 2021 only. These limits may be increased by the Internal Revenue Service after 2021 for any cost of living adjustment. If you received social security retirement benefits for the tax year, please see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) for information on your deductible limits.		

VESTING

You are always 100% Vested in your Traditional IRA under the DCRA.

INVESTMENTS

A. Exclusive Benefit.

It will be impossible, prior to the satisfaction of all liabilities with respect to the Traditional IRA Owners and their beneficiaries, for any part of the assets and income of a Traditional IRA to be used for, or diverted to, purposes other than for the exclusive benefit of the Traditional IRA Owners and their beneficiaries.

B. Earnings Rate.

Each Traditional IRA Account Balance will be credited with a base interest rate determined by Pension Fund and a Good

Experience Credit, if any, designated from time to time by the Board.

The base interest rate is determined by Pension Fund for each quarter prior to the start of that quarter. The base interest rate is credited at the end of each calendar quarter, and is compounded daily. Pension Fund has adopted policies which utilize indices based upon average short and intermediate term fixed income investment rates to guide decisions in establishing the base interest rate. By policy, the base interest rate may not be lower than 3.0% nor greater than 6.0%.

Because the DCRA is subject to market risk, the Board has enacted policies governing the maintenance of reserves which it deems adequate to protect against periodic market fluctuations. Funds in excess of the established reserve policy are available for Good Experience Credit allocation at the discretion of the Board.

If a Good Experience Credit is declared by the Board, the Good Experience Credit is calculated on the average daily balance of the Traditional IRA for the period October 1 through September 30 and credited before the end of that year.

Traditional IRAs closed on or before September 30 of the year are not eligible for a Good Experience Credit.

ACCOUNTING

A. Traditional IRA Owner Accounts.

For accounting purposes, Pension Fund maintains records to reflect the Traditional IRA Account Balance of each Traditional IRA Owner.

B. Statements.

You will receive quarterly statements from Pension Fund. The statement will show the activity and balance of your Traditional IRA for that quarter. You should review these statements and contact Pension Fund if you have questions.

BENEFITS

A. Distributions.

You may request a distribution of your Traditional IRA at any time. Distributions will be made in U.S. dollars.

If only deductible Contributions were made to your Traditional IRA, any distributions are fully taxable unless you directly rollover your distribution to another traditional IRA or eligible employer plan. If nondeductible Contributions were made to your Traditional IRA, the portion of your distribution that represents the nondeductible Contributions will not be taxed, but all earnings are taxable. In addition, unless you rollover your distribution to another traditional IRA or employer-sponsored qualified retirement plan, you must generally pay a 10% penalty tax on the part of the distribution that you have to include in taxable income. This penalty tax is not applicable, however, if the distribution is:

- made after you reach age 59½;
- made in the form of an annuity;
- made after you become Disabled;
- made to you as the beneficiary of the deceased Traditional IRA Owner;
- for a first time home purchase (up to a $10,000 lifetime limit);

- for medical expenses in excess of 10% of your adjusted gross income;
- for medical insurance premiums while you are unemployed;
- for qualified higher education expenses;
- a qualified reservist distribution;
- a qualified birth or adoption distribution (up to $5,000 per birth or adoption); or
- a distribution that is excepted by federal legislation relating to certain emergencies and disasters.

B. Payment Options.

You may elect to receive distributions from your Traditional IRA in either form of payment option listed below.

Forms of Payment Options
Lump sum: A distribution of a portion or all of your Traditional IRA Account Balance.
Installments: A series of payments to you in a fixed amount designated by you, paid over a fixed amount of time. The sum of the payments to you equal your Traditional IRA Account Balance.

Annuity forms of payment were permitted for distributions commencing before January 1, 2020. Traditional IRA Owners who elected a distribution in the form of an annuity before January 1, 2020 will continue to receive their benefit under the terms of the annuity.

C. Beneficiaries.

You may designate on the form provided by Pension Fund one or more primary and contingent beneficiaries to receive any portion of your Traditional IRA payable upon your death. Your beneficiary may be a person, institution, trustee, trust, tax-exempt charitable religious organization, or estate.

IMPORTANT: You should keep a current beneficiary designation form on file with Pension Fund.

You may revoke or change your beneficiary designation by completing a new beneficiary designation form and giving your completed form to Pension Fund.

If you do not elect a beneficiary, or if your named beneficiary dies before you die, benefits will be paid to your estate.

Your beneficiary may name his or her own beneficiary to receive any benefits remaining after your beneficiary's death. If your beneficiary does not elect a beneficiary, or if the named beneficiary dies before your beneficiary, any benefits remaining after your beneficiary's death will be paid to the beneficiary's estate.

D. Inheriting an IRA.

General Rules. When you die, your beneficiary will receive the balance in your account (this is called an "inherited IRA").

If you die before receiving a complete distribution of your Traditional IRA, your beneficiary will receive any remaining amounts of your Account Balance. The timing and form of payment options available to your beneficiary will be determined based on the form of payment you elected prior to your death, if applicable, and the type of beneficiary entitled to your Account Balance (*e.g.*, a Spouse, other individual, or non-individual such as a trust or charity).

Federal law places limits on the maximum time period when benefits must be paid and on the minimum amount that must be paid after your death. Pension Fund will notify your beneficiary(ies) if any of these limits apply.

Non-Spouse Beneficiaries. A non-Spouse beneficiary cannot make Contributions to an inherited IRA and cannot rollover distributions from an inherited IRA.

Spouse Beneficiaries. If your sole beneficiary is your Spouse, your Spouse may elect to either treat himself or herself as the beneficiary of the inherited IRA (similar to the rules that apply to non-Spouse beneficiaries), to treat the inherited IRA as his or her own Traditional IRA, or to rollover the inherited IRA into another traditional IRA or eligible retirement plan. If your Spouse elects to treat the Traditional IRA as his or her own, this may delay the time at which your Spouse must begin distributions from the Traditional IRA.

A beneficiary of an inherited IRA is not treated the same as an IRA owner, except in the case of a Spouse beneficiary who elects to be treated as the IRA owner. The distinctions can be important for the beneficiary's own financial and retirement planning. For example, an inherited IRA is not excluded from a beneficiary's estate in bankruptcy proceedings. Beneficiaries should consult with a financial or tax advisor to fully understand their rights with respect to an inherited IRA.

E. Withholding.

Unless you transfer your distribution directly to another traditional IRA, Pension Fund is required to withhold from your distribution for federal income tax purposes. The required withholding amount is 10%. You may instead elect for no withholding or for additional withholding to apply.

State income tax withholding may also apply to distributions from your Traditional IRA. If you live in a state that mandates state income tax withholding, Pension Fund will withhold the required amount.

F. Qualified Charitable Distributions.

You may direct that all or part of your Traditional IRA be contributed to a charitable cause by taking a qualified charitable distribution ("QCD") from your Traditional IRA. A QCD is generally a nontaxable distribution made directly by Pension Fund to an organization eligible to receive tax-deductible contributions. You must be at least age 70½ when the distribution is made, and you must have the same type of acknowledgment of your contribution that you would need to claim a deduction for a charitable contribution.

You may exclude from tax QCDs made up to $100,000. However, the tax exclusion is <u>reduced</u> by an amount equal to (i) all deductible IRA contributions that you make for all tax years ending on or after the date you attain age 70½ <u>minus</u> (ii) all reductions to the tax exclusion for QCDs due to post-70½ deductible IRA contributions for all tax years preceding the current tax year.

EXAMPLE: Sue is age 72 and makes deductible IRA contributions of $7,000 in 2020, 2021 and 2022. Sue makes a QCD from her Traditional IRA of $10,000 in 2020 and $15,000 in 2022. The amount excluded from Sue's gross income in 2020 would be \$3,000 (\$10,000 – \$7,000 for 2020), and the amount excluded from Sue's gross income in 2022 would be \$1,000 (\$15,000 – \$7,000 for 2021 – \$7,000 for 2022).

Any QCD in excess of the maximum exclusion limit (\$100,000), or due to a reduction required for post-70½ deductible IRA contributions, is included in income as any other taxable distribution.

The amount of the QCD is limited to the amount of the distribution that would otherwise be included in income. If your Traditional IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income. A QCD will count towards your required minimum distribution, discussed next.

G. Required Minimum Distributions After Age 72.

You are required to begin taking distributions from your Traditional IRA by no later than April 1 of the calendar year following the year in which you reach age 72 (age 70½ if you turned age 70½ before January 1, 2020). Pension Fund will calculate the amounts required to be distributed to you and notify you prior to the date that distributions must begin. To the extent available, you may be able to withdraw any required amounts from another IRA that you own instead of from the Traditional IRA under the DCRA. The payment of benefits under this rule is important to avoid a 50% excise tax on the difference between your required distribution and the amount actually distributed to you.

PAYMENTS THAT CAN BE ROLLED OVER OR TRANSFERRED

A. Eligible Rollover Distributions.

Distributions of deductible Contributions and earnings from your Traditional IRA will generally be "eligible rollover distributions" that can be rolled over to a pre-tax account under an employer-sponsored qualified retirement plan. These include rollovers to any of the following types of plans:

- 401(a) or 403(a) qualified plan,
- 403(b) plan, or
- 457(b) plan of a governmental entity

If you have made nondeductible Contributions to your Traditional IRA, an amount equal to the nondeductible portion is not eligible for rollover to these types of accounts.

You may also roll over a distribution of all or part (both deductible and nondeductible Contributions and earnings thereon) of your Traditional IRA to another traditional IRA or to a Roth IRA. A rollover from a traditional to a Roth IRA is referred to as a "conversion".

By electing to roll over your eligible rollover distribution to another traditional IRA or pre-tax account under an employer-sponsored qualified retirement plan, you will defer paying income taxes on the rollover amount (and avoid any early withdrawal tax). Conversely, by electing to convert your Traditional IRA to a Roth IRA, you will pay income taxes on the part of the distribution that represents deductible Contributions and earnings (but the 10% early withdrawal tax will not apply).

A conversion from a Traditional IRA to a Roth IRA results in current taxable income. However, Roth IRAs provide different benefits, including tax-free growth for qualified distributions and no requirement to take distributions during your lifetime. Pension Fund maintains a Roth IRA program as part of the DCRA. Please see the Roth IRA Owner Resource Book for more information.

Pension Fund can help you determine what portion, if any, of your payment is an "eligible rollover distribution". Generally, lump sum payments and installment payments made to you for a period of less than 10 years are "eligible rollover distributions" and can be rolled over. However, amounts that must be distributed during a particular year as a required minimum distribution are not eligible for rollover treatment (and cannot be converted to a Roth IRA). You are responsible for determining the deductible and nondeductible portion of your Traditional IRA in order to calculate how much of your Traditional IRA can be rolled over to a pre-tax account under an employer-sponsored qualified retirement plan.

To roll over a distribution from your Traditional IRA, you must elect to receive a direct cash payment of the distribution. You must then make the Rollover Contribution to the new IRA or qualified retirement plan by the 60th day after the day you receive the distribution from Pension Fund. A failure to complete the rollover within the 60-day period will result in your distribution being taxable in the year received, and you may be subject to an early withdrawal tax. You may be eligible to roll over a distribution from your Traditional IRA *after* the 60-day deadline if you submit a certification to the new IRA or qualified retirement plan trustee and the reason for the late rollover qualifies you for a waiver of the 60-day deadline.

B. Trustee-to-Trustee Transfers.

You may elect to transfer all or a portion of the balance in your Traditional IRA to another IRA through a trustee-to-trustee transfer (both deductible and nondeductible Contributions and earnings thereon). A trustee-to-trustee transfer is generally not treated as a distribution to you (unless it is a conversion from a Traditional IRA to a Roth IRA) and is not subject to the one year waiting period required between IRA-to-IRA rollovers.

The following table summarizes some of the key differences between an IRA rollover and an IRA transfer.

	IRA Rollover	**IRA Transfer**
Who receives payment?	Made directly to you and you must make contribution by 60th day after receipt of distribution (unless a waiver is available)	Made directly to receiving IRA by Pension Fund on your behalf
Is there withholding?	Yes, *unless* you elect no withholding or additional withholding	No, *except for* a conversion from a Traditional IRA to a Roth IRA unless you elect no withholding or additional withholding

	IRA Rollover	IRA Transfer
Is any amount included in income?	No, *unless* rollover is not completed within 60-day time period (and a waiver is not available) in which case taxable portion of distribution is reported in income	No, *except for* a conversion from a Traditional IRA to a Roth IRA, in which case taxable portion of distribution is reported in income
Do tax penalties apply?	No, *unless* rollover is not completed within 60-day time period (and a waiver is not available), in which case 10% tax penalty applies if you are not age 59 ½ (unless an exception to penalty applies)	No
Will Member receive a Form 1099-R?	Yes	No, *except for* a conversion from a Traditional IRA to a Roth IRA
Do limitations apply?	Yes, only one rollover is permitted every 12 months, *unless* the rollover is a conversion from a Traditional IRA to a Roth IRA	No, transfers are unlimited

The rules governing the taxation of distributions from a Traditional IRA and tax-free rollovers and transfers can be complicated. Pension Fund suggests that you consult with a financial or tax advisor before requesting a distribution from your Traditional IRA. You can find more information about the tax treatment of Traditional IRA distributions in IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs). This publication is available from your local IRS office, on the IRS website at www.irs.gov or by calling 1-800-TAX-FORMS.

ADMINISTRATION OF THE DCRA

A. Administrator.

Pension Fund has the authority to control and manage the operation and administration of the Traditional IRA program. Benefits under the Traditional IRA program will be paid only if Pension Fund, in its sole discretion, decides that the applicant is entitled to them.

Pension Fund has the power and authority to determine all questions of law or fact that may arise as to eligibility, benefits, status and rights of any person claiming benefits or rights under the Traditional IRA program, to construe and interpret the terms of the Traditional IRA program consistent with the Code, and to correct any defect, supply any omissions, or reconcile any inconsistencies in the Traditional IRA program.

B. Claims Procedure.

You or your beneficiary may file a claim for benefits with Pension Fund.

Denial of Claims. If the claim is denied, in whole or in part, then Pension Fund may give you or your beneficiary a written notice within a reasonable period of time, explaining the specific reasons for the denial, identifying the DCRA document sections on which the denial is based, describing additional material necessary to perfect the claim, explaining why the material or information is necessary, and explaining the review procedure. If Pension Fund does not provide a written explanation, the claim will be deemed denied.

Appeal of Denial of Claim. If Pension Fund's determination to deny the claim is not acceptable to you or your beneficiary, an appeal for benefits may be filed with Pension Fund. This appeal must be in writing and filed within a reasonable period of time from the date of the determination by Pension Fund. If you do not file an appeal within a reasonable period of time, the decision of Pension Fund will be final. When reviewing an appeal, all information submitted by you will be considered, regardless of whether it was submitted in the initial determination.

Pension Fund will make a determination as to any claim for benefits within a reasonable period of time of receiving the appeal without regard to whether all information needed to make a determination is included with the appeal.

If Pension Fund denies your appeal as to any claim, you will receive a statement explaining the specific reason for the denial. The decision will be in writing and will be final and binding on you and all other parties involved and afforded the maximum deference under the law.

For more details on the claims procedures, contact Pension Fund.

NONALIENATION OF BENEFITS AND DOMESTIC RELATIONS ORDERS

A. Nonalienation of Benefits.

Except as discussed below, your Traditional IRA, prior to your actual receipt, will not be subject to any debt, liability, contract, engagement, or tort, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or other legal or equitable process.

B. Tax Levy.

Your benefits may be reduced to the extent permitted under federal law to satisfy your liability under a levy issued by the Internal Revenue Service or that is sought to be collected by the United States government under a judgment resulting from an unpaid tax assessment against you.

C. Transfer of Traditional IRA Pursuant to Divorce.

Pension Fund may approve a direct transfer of all or a portion of a Traditional IRA Owner's interest in his or her Traditional IRA to a separate IRA owned by a Spouse or former Spouse, pursuant to a divorce decree or written instrument incident to such a decree. You may request written procedures from Pension Fund for more information regarding transfers pursuant to divorce.

PLAN EXPENSES

Plan expenses will generally be paid from the Trust, but expenses specific to a Member, such as wire transfer charges, multiple withdrawal fees, or fees for transfers incident to a divorce, may be charged to the Member in the discretion of Pension Fund.

AMENDMENT OR TERMINATION OF TRADITIONAL IRA PROGRAM OR DCRA

It is expected that the Traditional IRA program and the DCRA will continue indefinitely, but the Board has reserved the right to change, modify, or discontinue the Traditional IRA program and the DCRA. However, no change may decrease the benefits already earned by you or violate any provisions of the Code.

WHAT GENERAL INFORMATION ABOUT THE DCRA SHOULD I KNOW?

A. Name of Plan.

The legal name of the plan is the "Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ)".

B. Type of Plan.

The DCRA is a defined contribution plan designed to satisfy the requirements of and have tax favored status under Code Section 403(b)(9) which includes both a Traditional IRA component and a Roth IRA component. The DCRA is a church plan within the meaning of Code Section 414(e) and Section 3(33) of the Employee Retirement Income Security Act of 1974 ("ERISA") and is, therefore, exempt from ERISA.

C. Effective Date.

The DCRA was most recently amended and restated in its entirety effective January 1, 2017, and has been amended four times.

D. Administrator.

The Administrator for the DCRA is:

Pension Fund of the Christian Church
(Disciples of Christ)
1099 North Meridian Street
Suite 700
Indianapolis, IN 46204

Service of legal process may be made on Pension Fund at the above address.

E. Plan Year.

Records of the DCRA generally are maintained on the 12-month period from January 1 to December 31.

F. Source of Financing.

The DCRA is funded through Contributions made by you in accordance with the DCRA. Contributions earn a base interest rate plus a Good Experience Credit, if any.

RISKS

1. Traditional IRAs are unsecured obligations of Pension Fund and reserve funds that are held by Pension Fund in Trust for the Traditional IRA and Roth IRA programs. Reserves created for other programs of Pension Fund, including but not limited to reserves of the Pension Plan, the TDRA, and the Christian Church Health Care Benefit Trust, are held in separate trusts and are independent of the financial structure of the Traditional IRA program.

2. Although Pension Fund strives to maintain reserves in the Trust believed to be adequate to pay all Traditional IRAs at any time, market fluctuations and investment decisions could impact the Trust's ability to pay all Traditional IRAs. Further, market fluctuations could negatively impact the level of Good Experience Credits, or cause the Board to forego declaring a Good Experience Credit for any given year.

3. Changes in federal laws, rules or regulations regarding deemed Traditional IRAs may affect the availability to participate in such accounts, their expected returns, and distribution provisions, which could make it more difficult or costly to offer such investments to Traditional IRA Owners.

4. Traditional IRA assets are commingled for investment purposes with Pension Plan assets, TDRA assets, and Roth IRA assets. Funds from these programs are invested based upon established investment policies and asset allocation decisions of the Board. Currently, funds are invested in an asset mix of approximately 50% equities, 35% fixed income, and 15% alternative investments, utilizing a number of independent investment managers. Administrative expenses, expected to be in the range of 50 to 100 basis points, are charged to the earnings of the Trust prior to consideration of any Good Experience Credit.

The accounts maintained to manage and hold the assets of the DCRA and interests of the DCRA are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or States' Securities Laws. Participants and beneficiaries in the Traditional IRA, therefore, will not be afforded the protections of those provisions.

Unlike federally insured bank deposits, contributions to the DCRA are not insured or guaranteed by an agency of the United States Government (including FDIC), or any state of the United States.