

Benefits through the stages of your life.

PLANNING TO RETIRE

Your Benefit Options at Retirement



THE BOARD OF PENSIONS
OF THE PRESBYTERIAN CHURCH (U.S.A.)



Table of Contents

1. Overview 1

2. Considering Your Retirement Income 3

From Your Employer: The Pension Plan	3
Vesting	3
How Your Pension Grows.....	3
Pension credits.....	3
Experience apportionments	3
From the Government: Social Security	4
Medicare	4
From You: Personal Savings and Investments	5

3. What You Should Know about Retiring 6

Commencing Your Pension Benefit	6
Full Retirement	6
Early Retirement	6
Post-normal Retirement.....	7
Applying To Commence Your Pension Benefit.....	7
Forms of Payment	7
Normal Form of Payment.....	7
Joint and Survivor Options	8
Receiving Your Pension Benefit.....	9
Taxes and Your Pension Benefit.....	9
Tax Withholding	9
Housing Allowance Designation.....	9
Working After Retirement.....	10
Continuing To Receive Pension Benefits under the Post-Retirement Service Rule	10
Returning to Active Service	11
Your Retirement Savings Plan	11
When You Retire	11
If You Work Beyond Age 65	12
How To Apply for Distributions.....	12
Types of Distributions	12
Rollover to another 403(b) or IRA Account	12

4. Your Medical Coverage Options 13

Eligibility for Coverage under the Traditional Program..	13
Coverage Options	13
Under age 65.....	13
Age 65 or older.....	13
Member couple	13
Medical Continuation Coverage.....	14
Medicare Supplement Plan.....	14

Medical Coverage for Retiring Affiliated Benefits	
Program Members.....	15
Retirees	15
Early Retirees (before Age 65)	15
When To Enroll in Medicare	15
Subscription Payments	16
Rates	16
Making Payment.....	17
Effect on Eligibility.....	17
Canceling Medical Coverage	17

5. Your Death Benefits in Retirement 18

Salary Continuation Benefit	18
Amount	18
Beneficiary	18
Timing	18
Children's Education Benefit.....	19
Living Needs Benefit	19
Supplemental Death Benefits	19
Retirement Savings Plan Account	20

6. Life Events after Retirement 21

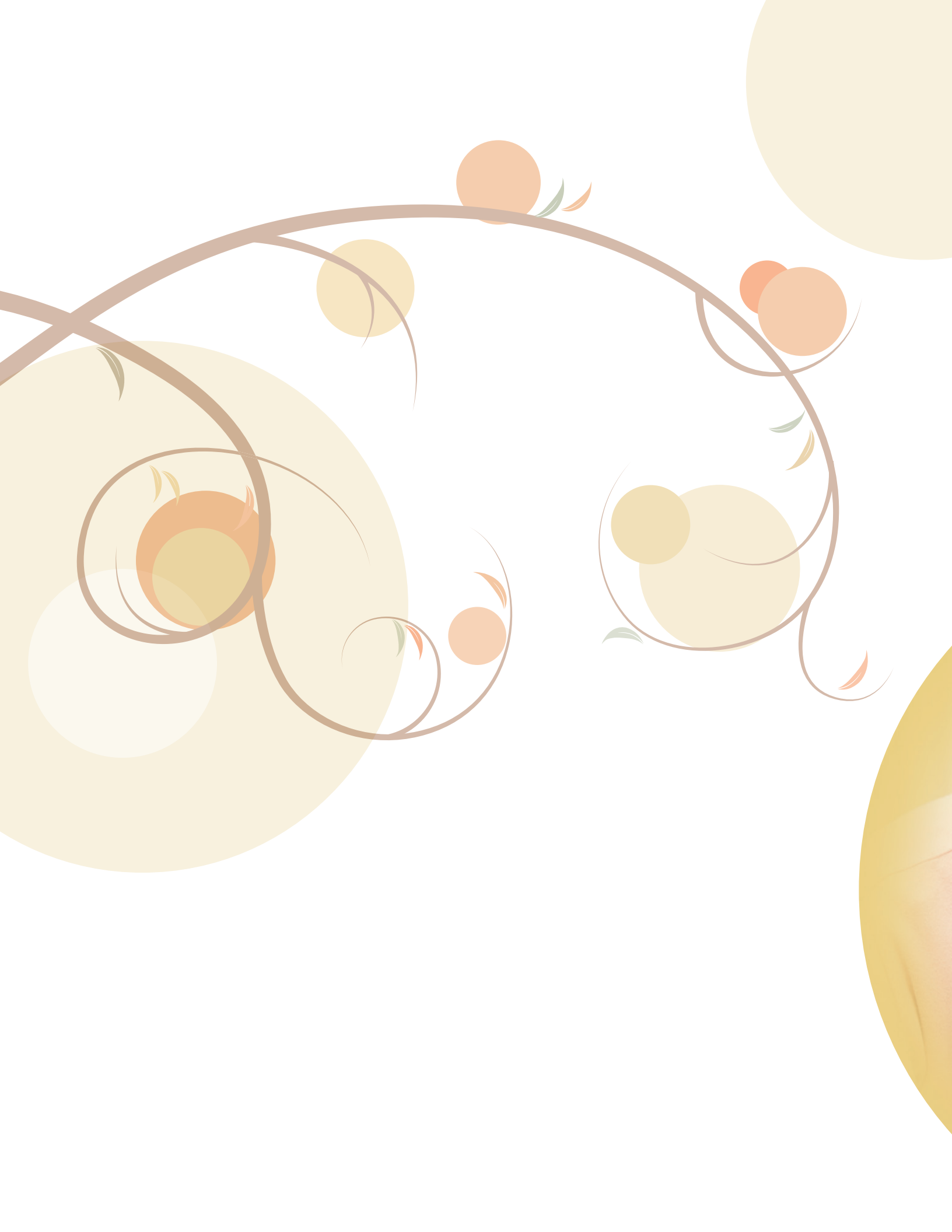
Birth or Adoption of a Child	21
Marriage or Qualified Domestic Partnership	21
Divorce or Dissolution	21
Death of Member.....	21

7. The Assistance Program 22

Shared Grants	22
Emergency Assistance Grants	22
Income Supplements	23
Housing Supplements	23
Transition-to-College Assistance Grants	23
Supporting the Assistance Program	24

8. Appendices 25

Appendix I Retirement Expenses	26
Identifying Retirement Expenses	27
Appendix II Retirement Planning Checklists.....	28
Appendix III Resources.....	30
Pre-retirement Planning Seminar.....	30
Publications	30



1

OVERVIEW

When you retire, your coverage and benefit options under the Benefits Plan of The Board of Pensions of the Presbyterian Church (U.S.A.) (the Board) change. This is an important consideration when deciding the best time to initiate your retirement benefits.

Your **pension benefit** is a key benefit. Designed to help with the expenses you will incur in retirement, your pension benefit is based on your service and salary. It is one of three main sources of retirement funds, along with Social Security and your personal savings and investments. Together, your employer, the government, and you provide your financial support in retirement.

To request the commencement of your retirement benefits from the Board, you must submit the **Retirement Pension Application for Members** approximately 45 days before your planned benefit commencement date. Members may defer initiating retirement benefits beyond their normal retirement age and receive an increase in benefits payments. Once you commence your pension benefit, you cannot change the payment option you select at retirement, and you cannot stop your pension benefit except in cases where you may resume working for an eligible church employer.



You need to consider that one of your most important benefits as an active member, **medical coverage**, may or may not be available to you during retirement, depending on your years of service and other eligibility requirements. The Board offers medical continuation coverage for eligible retirees until they reach age 65 and the Medicare Supplement Plan after age 65. These programs, including eligibility requirements and where to obtain current rates, are explained in the Your Medical Coverage Options section of this booklet.



In addition, some **optional programs** for which you are eligible as an active member will no longer be available to you after you terminate active service or reach a certain age. For example, retired members are not eligible to continue their dental or supplemental disability coverage. Also, as a retiree with Medicare Supplement coverage, any eligible mental health and/or substance abuse claims are paid first by Medicare, which is primary, then by Highmark, which is secondary. (For more information about medical coverage under the Medicare Supplement Plan, read the *Guide to the Medicare Supplement Plan*, provided by the Board and available on pensions.org. You can also call the Board and speak to a service representative to request a copy of it.)

As a retired member, you cannot contribute to the Retirement Savings Plan of the Presbyterian Church (U.S.A.), the 403(b)(9) plan that many church workers participate in while they are actively employed to help increase their retirement income. Contributions to the Retirement Savings Plan can only be made if you work for an eligible church employer, and in all cases, cease upon retirement from active service.

If you have supplemental death benefits coverage in effect when you cease active service, you may continue that coverage until you reach age 70.

Despite your best savings and retirement funding plans, if you experience financial difficulties in retirement, you may be eligible for **assistance** through the Board's Assistance Program (see The Assistance Program section).

To help you plan your retirement, you are encouraged to attend the Board's retirement planning seminar, *Growing into Tomorrow. . . Today*, which examines finances, health, housing, relationships, and pursuing your call in retirement. For information and a schedule, visit the Seminars and E-learning section of pensions.org or call the Board at 800-773-7752 (800-PRESPLAN) to speak with a service representative.



Making Phone, Address, and Other Status Changes:

To change your address or phone number, go to pensions.org and log on to Benefits Connect – the secure benefits website that provides online access to personal and plan benefits information. You can also log on to Benefits Connect to

- change your marital status (must report this to the Board within 60 days of the event); and
- change your beneficiary designations.

To change your beneficiary designations for your Retirement Savings Plan account, contact Fidelity Investments directly online at fidelity.com/atwork or by phone at 800-343-0860 (reference plan #57887).

If you return to church-related employment, the General Assembly rules require that you notify the Board, as discussed in "Working After Retirement" in the What You Should Know About Retiring section. Notify the Board by calling 800-773-7752 (800-PRESPLAN) and speaking to a service representative.

2. CONSIDERING YOUR RETIREMENT INCOME

Your income during retirement generally comes from three sources: your employer, the government, and your personal savings and investments. The answer to the question “When can I retire?” depends largely on when you are eligible to receive this income and the amount of income you expect to receive from these sources.

FROM YOUR EMPLOYER: THE PENSION PLAN

The Pension Plan is a defined benefit plan, which means it provides lifetime benefits to eligible plan members and survivors during retirement. It provides monthly pension payments throughout retirement and monthly survivor’s pension payments to eligible survivors after the member’s death.

VESTING

Vesting refers to when you have earned a non-forfeitable right to a benefit in the Pension Plan.

Full-time attendance at seminary counts toward vesting for teaching elders; they are immediately vested when they are ordained. Other employees in the plan are vested at the earliest of:

- completion of three years of eligible service,
- attainment of age 65,
- employer withdrawal from the plan, or
- termination of the Pension Plan.

HOW YOUR PENSION GROWS

During your active career, your pension may grow in two ways: through the accrual of pension credits and the granting of experience apportionments.

Pension credits

Pension credits accrue at 1.25 percent of the greater of:

- your effective salary (up to an annual cap), or
- the applicable median salary (prorated for part-time employment).

Each credit accrued equals one dollar of normal annual pension benefits at retirement (if you retire at age 65). Once you retire, you no longer earn new pension credits.

1 Effective salary is any compensation received during a plan year (January 1 through December 31) by a plan member from an employer, including sums paid for housing or the value of a manse. Effective salary is used to determine pension credits. For more information on effective salary, see the e-learning module “Effective Salary: Why It’s So Important To Get It Right” and the publication *Understanding Effective Salary*, provided by the Board and available on pensions.org. You can also call the Board and speak to a service representative to request a copy of *Understanding Effective Salary*.

Experience apportionments

Experience apportionments are discretionary increases in pension credits or benefits. From time to time, the Board of Directors of the Board of Pensions may grant experience apportionments. When deciding to grant experience apportionments, the Board of Directors annually considers investment and actuarial experience, level of reserves, and questions of fundamental fairness to all plan participants. These apportionments are always at the sole discretion of the Board.

An experience apportionment is calculated as a percentage of your existing pension credits or benefit. It increases the Pension Plan benefit of each member, whether active, inactive, or retired. When granted, it permanently increases your accrued pension credits and, thus, your future retirement income.

FROM THE GOVERNMENT: SOCIAL SECURITY

Social Security is a government program that collects contributions from your wages throughout your years of employment to help fund your retirement. If you are age 60 or older, about three months before your birthday, you receive a statement from the Social Security Administration outlining your Social Security benefits. If you are younger than age 60, you may be able to estimate your retirement benefit by logging on to the Social Security Administration website at ssa.gov and using the online retirement estimator.

For Social Security purposes, if you were born before 1938, full retirement age is 65. If you were born in 1938 or after, full retirement age gradually increases until it reaches age 67 for those born after 1959. (See Social Security Full Retirement Chart below.)

SOCIAL SECURITY FULL RETIREMENT CHART

Year of birth	Full retirement age
Before 1938	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and after	67

MEDICARE

Medicare eligibility begins at age 65. Medicare Part A covers hospital expenses and is provided at no cost to you if you qualify for a retirement benefit from Social Security. You must enroll in Medicare Part A at least three months before you turn age 65.

Medicare Part B covers physicians' fees and other professional services but excludes outpatient prescription drugs. Although it is a voluntary program, Medicare Part B participation is required in order to enroll in the Board's Medicare Supplement Plan as well as most other retiree medical plans. You must enroll in Medicare Part B at least three months before you retire, provided you are age 65 or older when you retire. When you start receiving your Social Security benefit, the cost of Medicare Part B is automatically deducted from your Social Security check. However, Medicare will send you a bill for your Part B premium every three months if

- you were born in 1938 or later; and
- you elect to retire from the Board and initiate your pension benefit, but defer receipt of your Social Security benefit.

The bill will include an address to send the payments. You also have the option of automatically paying the bill from your bank account.

An HMO alternative to Medicare Parts A and B, Medicare Part C is a voluntary managed care program known as Medicare Advantage.

Medicare Part D covers prescription drug expenses. Like Parts B and C, it is a voluntary program that is administered through private plans. If you plan to

If You or Your Spouse Has Not Participated in Social Security

If you or your spouse has opted out of Social Security, or if you or your spouse has been covered by a government program that replaces Social Security, you may be affected by the Windfall Elimination Provision or the Government Pension Offset.

In short, the Windfall Elimination Provision uses a modified formula to calculate the amount of your benefit, resulting in a lower Social Security benefit than you would otherwise receive.

The Government Pension Offset affects spouses and widows or widowers who receive a pension from a federal, state, or local government, based on work for which they did not pay Social Security taxes. **For more information about Social Security, log on to ssa.gov or call the Social Security Administration at 800-772-1213.**

enroll in the Medicare Supplement Plan, do not enroll in a Part D program; rather, you should rely on the Medicare Supplement Plan for your prescription drug benefits.

Refer to the Your Medical Coverage Options section for an explanation of your medical coverage options, including enrollment and eligibility rules for the programs offered under Medicare.

FROM YOU: PERSONAL SAVINGS AND INVESTMENTS

Most likely, you will supplement the retirement income you receive from your pension and Social Security through personal savings and investments, such as individual retirement accounts (IRAs), 403(b) and/or 401(k) plans, mutual funds, stocks and bonds, savings accounts, and variable life insurance products.

If you have saved for retirement by contributing to the Retirement Savings Plan of the Presbyterian Church (U.S.A.)(RSP), a 403(b)(9) plan, those savings may also be available to you at retirement. Once you reach age 59½, as well as at other specified times, you may have the option of withdrawing funds from your RSP account. If you plan to withdraw all or a portion of your savings from the RSP at retirement, be aware that, in general, certain distributions are subject to income tax.

More information on the RSP may be found beginning with “Your Retirement Savings Plan” in the What You Should Know About Retiring section of this publication.

I A **403(b) Plan** is a retirement savings account or annuity that provides retirement income for employees of certain tax-exempt organizations or public schools. Offering pretax and Roth after-tax contribution options, the Retirement Savings Plan of the Presbyterian Church (U.S.A.) is a 403(b)(9) plan. The “(9)” indicates it is a church retirement income account.

3. WHAT YOU SHOULD KNOW ABOUT RETIRING

COMMENCING YOUR PENSION BENEFIT

When determining the right time to leave employment to retire, you will want to consider the available income sources you will have in retirement. Keep in mind, under the Benefits Plan, the earliest you may commence pension benefits is the first of the month after you reach age 55. You must terminate eligible employment before commencing your pension benefit. You may defer commencing your pension benefit until age 70½. The age at which you commence your pension benefit determines whether you are eligible for full retirement, early retirement, or post-normal retirement pension benefits.

FULL RETIREMENT

Full retirement pension benefits are available to vested members of the Benefits Plan on the first day of the month after age 65. To obtain your full pension benefit, you must be at least age 65.

EARLY RETIREMENT

You may commence your pension benefit as early as the first day of the month after age 55; however, if you do so, your pension benefit will be reduced to reflect the longer span of time you will receive pension payments. If you commence your pension benefit before age 65, your total accrued pension credits will be reduced by a certain percentage based on your age at retirement. The younger you are, the greater the reduction factor and the lower the pension benefit you will receive. Sample factors are shown in the following table.

Age at Commencement of Pension Benefit	Percent Payable	Reduction Factor
55	50	50%
56	53	47%
57	56	44%
58	59	41%
59	62	38%
60	65	35%
61	71	29%
62	77	23%
63	84	16%
64	92	8%
65	100	no reduction

Note: If you were a member of the Ministers' Annuity Fund or Employees' Annuity Fund, the credits you accrued through December 31, 1986 are calculated on a different early retirement schedule. You may obtain information about this schedule by contacting the Board and speaking with a service representative.



Early Retirement: Social Security Leveling Option

If you retire from active service between the ages of 55 and 62 and wish to commence your pension benefit, you may elect the Social Security Leveling Option. This allows you to receive an increased pension benefit payable before age 62 and a permanently reduced pension benefit payable after age 62, so that your total income will be approximately the same before and after the start of Social Security payments.

To learn more about this option, go to pensions.org and access the benefits overview *The Social Security Leveling Option*, or you can call the Board and speak with a service representative to request a copy of it.

POST-NORMAL RETIREMENT

You may commence pension benefits after age 65 and receive an increase to your accrued pension credits. Age-based factors increase your pension credits each year between ages 65 and 70. If you commence pension benefits after age 70, you receive the same increase as those members who retire at age 70. The factors are shown in the chart below.

Age at Commencement of Pension Benefit	Percent Payable	Actuarial Factor
65	100	none
66	106.5	6.5%
67	113.0	13.0%
68	119.5	19.5%
69	126.0	26.0%
70	132.5	32.5%
70+	132.5	32.5%

In all cases, if you are not working at an eligible church employer, you must commence your pension benefit by April 1 following the calendar year in which you reach age 70½.

APPLYING TO COMMENCE YOUR PENSION BENEFIT

If you are approaching retirement and you have not already received a retirement packet, you should call the Board to request one to allow sufficient time for processing. To apply to receive pension benefits, you must complete, sign, and submit the **Retirement Pension Application for Members** contained in your retirement packet no later than

45 days in advance of your anticipated benefit commencement date after retirement. Be sure to allow time to obtain the required certification of the retirement form from your presbytery or employing organization, as applicable. Once all paperwork is submitted and complete, your pension benefit will begin on the next available payment cycle after your retirement commences.

Your retirement packet will include a **Pension Quote** based on your expected date of retirement, birth-date information, and your accrued pension credits.

FORMS OF PAYMENT

Because members' circumstances at retirement differ, the Board offers several optional forms of payment for your pension benefit. In lieu of the normal form of payment, described below, you may select one of four joint and survivor options.

NORMAL FORM OF PAYMENT

Under the Pension Plan, the normal form of payment provides a full, monthly benefit to you in retirement for life and a monthly benefit of 50 percent of your total pension credits accrued at retirement, plus experience apportionments, to your surviving spouse or other eligible survivors when you die. This means that if you predecease your spouse your surviving spouse will receive a monthly survivor's pension for the rest of his or her life in an amount equal to half of the annual pension credits accrued as of the date of your death.

1 Active member refers to a member, other than a retired or disabled member, who is currently enrolled for benefits coverage in the Benefits Plan and whose dues are not delinquent.

Active members include those who are enrolled in transitional participation coverage during a period of temporary unemployment or other approved leave.

Inactive member refers to a member who is not currently enrolled for coverage in the Benefits Plan (or who is enrolled but whose dues are delinquent) and who has not commenced his or her pension benefit. An inactive member with vested pension credits in the Pension Plan is sometimes also referred to as a "terminated vested member."

! If you have already received a Pension Quote as part of your retirement packet, your available options are listed on it so you can better understand the specific impact of each option on your pension benefit. You can also estimate your pension benefit and these options by visiting pensions.org and logging on to Benefits Connect to use the pension estimator.

If you decide to retire early (before age 65), you will receive a reduced pension, but your survivor’s pension will not be impacted by your early retirement election under the normal form of payment option.

If there is no surviving spouse, then dependent children, dependent parents, or dependent siblings may be eligible for the survivor’s benefit. To determine eligibility for the survivor’s benefit, documentation, including the most recently filed tax forms of the member showing dependency of the claimant, may be required. All claims are subject to review and approval.

Note: Use of the term “normal” refers to the fact that this selection is the “default” option, and does not imply that this option is the best one for all plan members or that the Board recommends this option. Review all the options carefully with your financial and legal advisers and consider your health and financial factors before making a decision.

JOINT AND SURVIVOR OPTIONS

If you have been legally married for at least one year before starting your pension benefit, you may elect a joint and survivor option in order to leave a larger pension benefit for your spouse than he or she would receive under the normal form of payment. This benefit is payable monthly upon your death after retirement in exchange for a permanently reduced or adjusted retirement pension for you.

When getting ready to retire, discuss the choices with your family and your tax or financial adviser, as applicable. Selecting an option is a personal decision for which you need to consider many factors.

Monthly Payment Options at a Glance

Payment Option	Available to	How It Works	Person Eligible for Survivor’s Pension
Joint & 50% Survivor Pension (Normal)	All members covered under the pension provisions	You receive a monthly payment for your lifetime. After your death, your eligible survivor receives 50% of your accrued pension credits or, if you retire after age 65, your eligible survivor receives 50% of your increased pension.	Eligible survivor.
Joint & 75% Spouse Pension (Option I)	Married members covered under the pension provisions	You receive an adjusted monthly payment for your lifetime. After your death, your spouse, if then living, receives monthly payments of 75% of the monthly amount you received when you were alive.	Only spouse married or in a qualified domestic partnership for at least one year before your retirement.
Joint & 75% Last To Survive Pension (Option II)	Married members covered under the pension provisions	You receive an adjusted or reduced monthly payment for your lifetime. After the death of you or your spouse, the survivor of the couple receives monthly payments of 75% of the monthly amount you received when both you and your spouse were alive.	Only spouse married or in a qualified domestic partnership for at least one year before your retirement. Your benefit would be reduced for the rest of your life if your spouse dies first.
Joint & 66⅔% Last To Survive Pension (Option III)	Married members covered under the pension provisions	You receive an adjusted or reduced monthly payment for your lifetime. After the death of you or your spouse, the survivor of the couple receives monthly payments of 66⅔% of the monthly amount you received when both you and your spouse were alive.	Only spouse married or in a qualified domestic partnership for at least one year before your retirement. Your benefit would be reduced for the rest of your life if your spouse dies first.
Joint & 100% Last To Survive Pension (Option IV)	Married members covered under the pension provisions	You receive an adjusted or reduced monthly payment for your lifetime. After the death of you or your spouse, the survivor of the couple receives monthly payments of 100% of the monthly amount you received when both you and your spouse were alive.	Only spouse married or in a qualified domestic partnership for at least one year before your retirement.

RECEIVING YOUR PENSION BENEFIT

The standard way to receive your pension benefit is by direct deposit. Depositing your payment electronically each month means you will not be affected by mail delays or have to worry about your check being lost, stolen, or damaged. It also will save you a trip to the bank to deposit your check. Exceptions may be made for members who reside in foreign countries and those with special circumstances.

To have your check deposited electronically in your account, complete the **Direct Deposit section of the Retirement Pension Application for Members**.

In the event you change banks or bank accounts, or your bank merges with another bank, you must complete a new **Authorization for Direct Deposit form**.

TAXES AND YOUR PENSION BENEFIT

Retirement benefits are taxable under federal income tax laws and some state and local tax laws.

TAX WITHHOLDING

Whether you are an installed pastor, other teaching elder, or other employee, you must indicate the amount of federal tax you want withheld from your pension check by completing the **Federal Income Tax Withholding section of the Retirement Pension Application for Members**. If you do not want federal income tax withheld from your check, you must indicate this on

the form. If you do not indicate whether or not you want federal income tax withheld, the Board will withhold taxes based on a marital status of “married” with three allowances, as required by IRS Publication 15.

If you wish to change the amount withheld sometime later during retirement, use the **Tax Withholding Election form**. To obtain this form, visit pensions.org or call the Board and speak with a service representative to request one.

Certain states require the Board to withhold state income tax. You will be advised if this withholding requirement affects you.

HOUSING ALLOWANCE DESIGNATION

If you are a retired or disabled teaching elder or an eligible Commissioned Ruling Elder (CRE), under the current federal tax code you may exclude from the gross income you report on your federal income tax return all or a portion of your pension, disability, or retirement savings benefit as a housing allowance to the extent that you use it to pay for housing-related expenses (housing, utilities, maintenance, and repairs). The allowance may not exceed the fair rental value of the home (furnished, including utilities). As the tax code may change, the Board strongly recommends that you consult with your tax adviser or local IRS office for further information. The Board cannot give tax advice or counsel to individual members or employers.

Historically, and presumably in the future based on applicable federal tax

! Failure to notify the Board of post-retirement service can result in suspension of your pension benefit or requirement to repay pension benefits. You do not need to report volunteer or uncompensated service.

law, the Board of Directors of the Board of Pensions has passed the following resolution:

The Board of Pensions designates 100% of pension, disability, and retirement savings plan benefits distributed by The Board of Pensions of the Presbyterian Church (U.S.A.) to an ordained, retired, or disabled member shall constitute a housing allowance, provided, however, that such housing allowance is not to exceed the actual expenditures for housing, utilities, maintenance, repairs, and other expenses related to providing a house or the annual fair rental value of the house (furnished, including utilities).

Each teaching elder must maintain financial records that document and support the income excluded based on the housing allowance exclusion.

The Board will issue a 1099R form each year. This 1099R form states the pension amount the Board paid and the taxes withheld during the previous calendar year. For teaching elders and eligible CREs, the 1099R will designate the amount paid as “taxable amount not determinable” so that the teaching elder may exclude all or part of his or her pension income under the housing allowance exclusion.

Other employees and surviving spouses or other eligible survivors receiving survivors’ pensions are not entitled to exclude any portion of the pension or the survivor benefit as housing allowance.

For more information on designating a Retirement Savings Plan distribution as a housing allowance, see “Types of Distributions.”

WORKING AFTER RETIREMENT

Generally if you are a retired plan member and you return to church employment, your pension benefit will be suspended until retirement resumes. However, there is an exception known as the Post-Retirement Service Rule, which is designed to facilitate pastoral or other services to churches and employers whose needs cannot be met through the employment of a permanent teaching elder or other employee. This exception makes it possible for a retired member to return to employed service and continue receiving pension benefits.

CONTINUING TO RECEIVE PENSION BENEFITS UNDER THE POST-RETIREMENT SERVICE RULE

Under the Post-Retirement Service Rule exception, a retired plan member may return to employment with a PC(USA) church, mid council, or General Assembly agency and continue receiving pension benefits, if all of the following conditions are met:

The new employment:

- is classified as one of the following:
 - temporary,
 - in a non-installed position of fewer than 20 hours per week, or
 - in an employment class that is not enrolled in the Pension Plan by the employer; and
- is reported to and approved by the Board.

A retired teaching elder may not return to employment with the last church or employer served at the time of retirement. The rules for other employees are different.

If your new employment meets these conditions and is approved by the presbytery and reviewed by the Board to ensure compliance with post-retirement rules, you may continue to receive your pension benefit while employed in the post-retirement service; however, if your new employment does not meet these conditions, your pension benefit will be suspended when you return to active service (see “Returning to Active Service”).

If, as a retired plan member, you return to employment with a church or employer that provides benefits coverage (including the Pension Plan) to other employees in your benefit group, you must be enrolled by the employer as an **active member** of the Benefits Plan, and payment of your pension benefits will be suspended until you resume retirement at a later date. This policy is intended to assume the employer’s compliance with applicable federal and state employment laws, including age and applicable pension and welfare plan nondiscrimination rules, and Medicare program requirements.

If your new, approved post-retirement service is a pastoral position of more than 20 hours a week, the church (as the employer) is required to pay post-retirement service dues

of 12 percent of your effective salary. These dues are used to help subsidize the Medicare Supplement Plan for retired church workers and their spouses.

You and your employer report the start of post-retirement service by completing, within 30 days of employment, a **Post-Retirement Service Registration form**, available on pensions.org. You can also call the Board and speak with a service representative to request one. The start of post-retirement service for teaching elders must be validated by the presbytery, so you or your church treasurer will need to request that the presbytery submit a letter to the Board to that effect in addition to the Post-Retirement Service Registration form that you will complete and return.

For additional information about post-retirement service, call the Board at 800-773-7752 (800-PRESPLAN).

RETURNING TO ACTIVE SERVICE

You may find returning to active service to be more advantageous than serving under the special post-retirement rule outlined above. You may return to active service with appropriate dues payments being remitted by your employer. In this case, your retirement pension will be deferred, and you will earn additional pension credits based on your new salary.

In addition, if you were enrolled in retiree medical coverage, this too will be suspended, as you will be covered under the active Medical Plan, as well as under the Death and Disability Plan, if appropriate dues payments are made. You also will once again have access to the Retirement Savings Plan and Dental Plan. If you are over age 65, call the Board to speak with a coverage coordinator concerning how to maintain your Medicare benefits.

When you subsequently retire, your pension benefit will be recalculated to reflect the additional pension credits earned.

Information about medical coverage as an active employee while eligible for Medicare is discussed in the Your Medical Coverage Options section of this booklet.

YOUR RETIREMENT SAVINGS PLAN

The Retirement Savings Plan, a 403(b)(9) plan, complements the Pension Plan and Social Security by providing you with another way to save for your own retirement. Under federal law, you (or your beneficiary in the case of your death) may withdraw funds (that is, take a distribution) from your retirement account only when you

- retire (at age 55 or older);
- reach age 59½;
- become disabled;
- enter military service;
- terminate eligible church employment, or die.

Any pretax contributions you make are tax-deferred; any distributions you make from those contributions are subject to income tax. In order for Roth earnings to be withdrawn tax-free, your withdrawal or distribution must satisfy the five-year Roth holding requirement.

Note that you or your dependents are not obligated to take an immediate distribution under any of the circumstances indicated above.

WHEN YOU RETIRE

At the time of your retirement, you may

- withdraw all of your funds;
- withdraw a portion of your funds; or
- leave your funds in the Retirement Savings Plan.

You may not make additional contributions to your account unless you return to active service with an eligible church employer.

If at the time you retire you leave your funds in the Retirement Savings Plan, your account will continue to be subject to any growth or loss of the investment funds in which you are participating, until withdrawal. **You must begin taking minimum distributions no later than April 1 following the calendar year in which you reach age 70½. (If you return to active service with an eligible church employer at or after 70½, you are not required to take minimum distributions.)**

Consult with your tax or financial adviser when making decisions about distribution elections and amounts.

For Additional Information

Call Fidelity at 800-343-0860 (reference plan no. 57887) to speak with a customer service associate for additional details about distributions and tax withholding. You can access the Retirement Savings Plan booklet and plan document on pensions.org, or you can call the Board at 800-773-7752(800-PRESPLAN) and speak with a service representative to request copies.

Applicable to Teaching Elders and CREs

Distributions from the Retirement Savings Plan are designated by the Board as housing allowance if you indicate to Fidelity you are a teaching elder or CRE (see "Housing Allowance Designation"). **If you roll over your funds to another account or plan, the housing allowance designation may no longer apply.**

IF YOU WORK BEYOND AGE 65

If you are in active service beyond age 65, you may continue to contribute to your Retirement Savings Plan account, and any money in your account will continue to share in the investment experience of the funds in which your account is invested. If you are still in active service at age 70½, the minimum distribution requirement is deferred until you retire.

How To Apply for Distributions

To initiate a distribution of your Retirement Savings Plan account, you (or your beneficiary, if applicable) must call Fidelity at 800-343-0860 (reference plan no. 57887) to speak with a customer service associate.

Types of Distributions

Several types of distributions are possible:

- A single sum paid directly to you: If you elect a single-sum payment of your account balance, a 20 percent federal income tax may be withheld at distribution.
- A partial payment paid directly to you: If you elect partial payment of your account balance, a 20 percent federal income tax may be withheld at distribution.
- Rollover of your account balance to another 403(b) plan, a 401(k) plan, or a traditional or Roth IRA: If you request a direct rollover to another plan or a traditional IRA, federal income tax is not withheld. If you request a direct rollover to a Roth IRA, you may enter into a voluntary tax withholding agreement with Fidelity.
- Systematic Withdrawal Plan: You may direct Fidelity to send you a set dollar amount every month. This

continues until either you direct Fidelity otherwise or your account has a zero balance. The 20 percent federal income tax may be withheld. Call Fidelity to speak with a customer service associate for more details.

- Distributions designated as housing allowance: Teaching elders and CREs can withdraw employer contributions and any earnings to purchase a home, if used for housing allowance. This withdrawal may be tax free.

ROLLOVER TO ANOTHER 403(B) OR IRA ACCOUNT

A rollover distribution is a request to transfer funds from your Retirement Savings Plan account to another 403(b) account or an IRA.

A rollover is only allowed if you:

- terminate eligible service employment,
- retire,
- become disabled, or
- separate from eligible service.

Your rollover distribution of pretax contributions will be tax free if it is made directly from the Retirement Savings Plan to a designated 403(b) or IRA custodian. Any non-qualified rollover distribution of pretax contributions will be subject to a 20 percent federal income tax withholding and, in some cases, state income tax. Rollovers of full or partial account balances are permitted.

Be sure to read the Special Tax Notice provided by Fidelity prior to a rollover distribution. It explains tax issues related to rollovers.

Although permitted, rollovers are also limited by the tax laws. Consult with your tax or financial adviser for advice concerning rollover distributions.

4. YOUR MEDICAL COVERAGE OPTIONS

You may be eligible to enroll in medical coverage when you retire from active service. Depending on your age, you may qualify for one of several coverage options.

Regardless of your eligibility for retiree medical coverage, if you are retiring from active service while in Pastor's Participation, you will be provided with no-cost medical coverage for 30 days (beginning the day following the last day of coverage for which dues have been paid). This no-cost coverage applies to you, your currently enrolled spouse, and your eligible dependents.

1 The Rule of 70 requires that:

- You must be age 55 or older when you terminate service to the Presbyterian Church (U.S.A.).
- You must have at least five years of Benefits Plan participation.
- The sum of your age and years of Benefits Plan participation at termination must equal 70 or more.

Even if you are younger than age 65, if you satisfy all of these conditions, then you may enroll in retiree medical coverage through medical continuation coverage.

ELIGIBILITY FOR MEDICAL COVERAGE AFTER RETIRING

To be eligible for medical coverage after retiring, you must be covered under the Medical Plan on the day you terminate service; you must either be at least age 65 or meet the Rule of 70 (see box)

and you must have participated in the Benefits Plan for at least five consecutive years. And, you must enroll for retiree medical coverage within 30 days of your active service ending.

COVERAGE OPTIONS

Under age 65

If you, your spouse, or your eligible dependents are under age 65 at your retirement, you may enroll in medical continuation coverage for up to the earlier of 18 months or Medicare eligibility. If you meet the Rule of 70 at termination from eligible service (see box), you may enroll in medical continuation coverage and continue coverage until you reach Medicare eligibility at age 65, provided you make the required payments.

Age 65 or older

You and/or your spouse, as appropriate, may enroll in the Medicare Supplement Plan if you meet all of the following conditions. You

- are age 65 or older or you meet the Rule of 70 (see box);
- have at least five years of plan participation;
- are participating in the Medical Plan at retirement or have an approved waiver of coverage; and
- are enrolled in Medicare Parts A and B.

If you have five years of plan participation and you reach age 65 during the 18 months of medical continuation coverage, you are also eligible for Medicare Supplement coverage (however, you must also enroll in Medicare Parts A and B).

You may not enroll in medical continuation coverage if you are over age 65 and do not qualify for Medicare.

Member couple

If you are part of a member couple, read *Your Benefits as a Member Couple* for information about eligibility to continue medical coverage. This publication is available on pensions.org, or you can call the Board and speak with a service representative to request a copy of it.

MEDICAL CONTINUATION COVERAGE

If you meet the eligibility requirements, you may continue your medical coverage by enrolling in medical continuation coverage. Except for the cost of coverage, deductible, and maximum copayment requirements, this coverage is identical to coverage available to active members or to the spouses or dependents of active members.

To enroll in medical continuation coverage, complete the **Medical Continuation Subscription or Waiver form**. Your form must be received by the Board within 60 days of your last day of service.

You and/or your spouse and qualified dependents may defer enrollment in medical continuation coverage if you are covered as either an active or retired member under another qualified health plan. To defer enrollment in medical continuation coverage, you must complete and return the waiver section of the **Medical Continuation Subscription or Waiver form**, in which you certify that your medical coverage is provided through another qualified plan. Your form must be received by the Board within 60 days of your last day of service. This form is provided in your retirement packet and on pensions.org, or you can call the Board and speak to a service representative to request one.

If you subsequently involuntarily lose that employer-sponsored coverage because of death, retirement, or termination of employment, or if the employer discontinues coverage, you and/or your spouse and qualified dependents may enroll in medical continuation coverage if you notify the Board within 60 days of the qualifying event. Call the Board and speak to a service representative to request instructions on the documentation needed to enroll.

MEDICARE SUPPLEMENT PLAN

The Medicare Supplement Plan, available through the Board, provides secondary coverage for hospital, physician, and other medical professional services and supplies covered by Medicare, and includes coverage for your prescription drug expenses. You must participate in both Parts A and B of Medicare in order to enroll in the Medicare Supplement Plan.

The Medicare Supplement Plan reimburses you only after Medicare has paid its portion of medical charges and you have incurred sufficient covered medical expenses to satisfy your deductible.

1 More Information on Retiree Medical

To learn about the full range of coverage options you should consider when you are Medicare eligible, read *Choosing Healthcare Coverage at Retirement*. For details about the Medicare Supplement Plan, see *Guide to the Medicare Supplement Plan*. Both publications are available on pensions.org, or you can call the Board and speak with a service representative to request copies.

If you have questions about your future medical coverage, call the Board to speak with a service representative, or call Medicare at 800-MEDICARE. Or, visit pensions.org or medicare.gov.

If you are eligible for the Medicare Supplement Plan, complete the **Medicare Supplement Subscription, Waiver, or Withdrawal form**. If you do not already have this form, you can obtain one on pensions.org, or call the Board and speak with a service representative to request one.

You and/or your spouse may be allowed to defer enrollment in the Medicare Supplement Plan. You may want to defer enrollment in this program if you are covered as either an active or retired member under another employer-sponsored group plan.

To defer enrollment in the Medicare Supplement Plan, you must complete and return the waiver section of the **Medicare Supplement Subscription, Waiver, or Withdrawal form**, in which you certify that your medical coverage is provided through another employer.

If you lose that employer-sponsored coverage because of death, retirement, or termination of employment, or if the employer discontinues coverage, you and/or your spouse may enroll in the Medicare Supplement Plan if you notify the Board within 30 days of the qualifying life event. A statement of health will not be required and no limits are placed on pre-existing conditions.

WHEN TO ENROLL IN MEDICARE

You are advised to contact Social Security three months before you turn age 65 to enroll in Medicare, whether you are retired or still working. This ensures that the necessary Medicare coverage will be in place when you turn age 65. You become eligible for Medicare benefits beginning the first day of the month in which your 65th birthday occurs.

Part A coverage, which covers hospital expenses, is provided at no cost to you if you qualify for a retirement income from Social Security, and you are automatically enrolled when you apply for Social Security.

Part B is a voluntary program covering physicians' fees and other professional services but excluding outpatient prescription drugs. If you are retiring, the Board encourages you to sign up for this important program. Note that you cannot participate in the Board's Medicare Supplement Plan without first enrolling in Medicare Part B. Your premium cost will be deducted from your Social Security check each month. If you decide to continue working, you are encouraged to enroll in Medicare Part A only and to delay enrolling in Part B until you retire. (If you do, at the time you enroll in Part A, you must indicate that you are delaying enrolling in Part B because you have active group coverage. Failure to do this will result in a permanent financial penalty from Social Security.) When you do retire, you will need to apply for "special enrollment" for Medicare Part B.

Part C is a voluntary managed care program known as Medicare Advantage, which is an HMO alternative to Medicare Parts A and B. If you plan to enroll in the Board's Medicare Supplement Plan, do not enroll in a Part C program. However, if you do enroll in a Medicare Advantage plan, you have 12 months to decide if the Medicare Advantage plan is meeting your needs. If it is not, you must re-apply for the Board's Medicare Supplement Plan before the 12 months expire. After 12 months, you will be able to re-enroll in the Medicare Supplement Plan in the future only in limited circumstances. You may only choose this 12-month option once.

If you choose to enroll in a Medicare Advantage plan, you must also complete sections D and E of the **Medicare Supplement Subscription, Waiver, or Withdrawal form** and return the form to the Board. By filing a withdrawal, you preserve your right to re-enroll in the Medicare Supplement Plan under the following conditions:

- if you move out of the Medicare Advantage plan service area and you send proof of prior managed care coverage and confirmation of your new address to the Board
- if the Medicare Advantage plan ceases to offer coverage to Medicare-eligible participants and you send a copy of the termination notice you received from the managed care plan to the Board
- if the Medicare Advantage plan significantly changes its benefits or premium requirements and you send information to the Board describing the benefit or premium changes

If you initially enroll in the Medicare Supplement Plan and later decide to elect a Medicare Advantage plan, the Board must receive your **Medicare Supplement Subscription, Waiver, or Withdrawal form** by the 15th of the month before your managed care enrollment begins. This is necessary to ensure that the monthly Medicare Supplement cost is not subtracted from your pension benefit for that month.

Part D is a voluntary program that covers prescription drug expenses. Like Parts B and C, it is administered through private plans. An essential part of the Board's Medicare Supplement Plan is the Prescription Drug Program, a qualified Part D plan, plus supplemental coverage, to help you pay for prescription drugs you take as an outpatient. If you plan to enroll in the Board's plan, do not enroll in a Part D program; rather, you should rely on the Medicare Supplement Plan for your prescription drug benefits.

COST OF COVERAGE

You may enroll in medical continuation coverage and Medicare Supplement Plan; that is, you must enroll and make monthly payments for coverage for you, your spouse, and eligible dependents.

RATES

Your cost is based on a monthly per-person charge. You, your spouse, and your dependent children can enroll in family coverage, and you will be charged a maximum of two subscription charges.

The two subscriptions may be for a combination of medical continuation coverage and Medicare Supplement Plan. If your subscription combines these two programs, you are charged for the cost of the member's subscription plus the cost of the coverage for either your spouse or dependent children, whichever is higher.

1 For current subscription rates, refer to *Medical Continuation* or *Medicare Supplement for Retiring Members*. These publications are available on pensions.org, or you can call the Board and speak with a service representative to request copies.

MAKING PAYMENT

The monthly charge for medical continuation coverage, Medicare Supplement Plan, or a combination thereof is deducted from your pension check.

If your monthly pension benefit does not cover the subscription cost, or if you are not receiving a monthly benefit payment from the Board, you will receive a monthly invoice one month in advance. For example, a bill received in January is for February coverage. Payment is due within 30 days of the invoice date. If you do not include an initial payment with the subscription form, the first bill includes billing for two months.

EFFECT ON ELIGIBILITY

Payment of the initial invoice activates eligibility; the Board can neither reimburse members for medical services nor verify eligibility for coverage until the Board receives payment.

When the Board receives your full monthly subscription payment, it extends eligibility for the period through which you are paid. If your payment is not received by the due date, your coverage is temporarily suspended. Paying the full account balance within 30 days of the due date can reinstate this coverage.

If the Board has not received your payment within 30 days of the due date, the coverage is terminated with no option for reinstatement. Members

whose claims are denied during the period of non-payment may resubmit those claims when coverage is reinstated.

Your benefits continue as long as this coverage is available and you continue to make timely payments; for dependents, coverage continues as long as they remain eligible.

CANCELING MEDICAL COVERAGE

You may cancel your retiree medical coverage, but once you have done so, you cannot reinstate it unless the cancellation and reinstatement are under the terms of the waiver or Medicare Advantage withdrawal options. Refer to the **Medical Continuation Subscription or Waiver form** or the **Medicare Supplement Subscription, Waiver, or Withdrawal form**. These forms are available on pensions.org, or you can call the Board and speak with a service representative to request them.

The Board must receive a written request from you at least one month in advance of the date you want your coverage to cease.

In lieu of a monthly invoice, you may sign up for automatic billing. Call the Board and speak with a member service representative or visit pensions.org for information on BoardLink, an online payment system that helps you pay Board invoices quickly and easily.

5. YOUR DEATH BENEFITS IN RETIREMENT

If you die after you commence your pension benefit, your survivors may be eligible for the salary continuation benefit and the children's education benefit.

SALARY CONTINUATION BENEFIT

The amount of the salary continuation benefit decreases once you leave active service. The amount paid depends upon when you die.

AMOUNT

If you die within the first three years of retirement from active plan participation, your salary continuation benefit is reduced by $\frac{1}{12}$ every three months following your retirement from eligible service. The initial benefit equals the greater of your last annual effective salary, subject to the maximum salary limit, or the applicable median effective salary (prorated for part-time employment) at retirement.

If you die after the third year of retirement or die after having retired from inactive status and meet the Rule of 70 (see Eligibility in the Your Medical Coverage Options section), the minimum benefit of \$9,000 will be paid to your beneficiaries.

The salary continuation benefit will be paid in 12 equal monthly installments to your designated beneficiary or eligible survivors unless the benefit amount is \$9,000, at which point the benefit will be paid as a one-time payment.

BENEFICIARY

Your benefit is paid to a designated beneficiary. If no beneficiary is designated, it is paid in the following order to your:

- spouse (of more than one year)
- unmarried dependent children under age 21 or disabled children
- adult children
- estate

If you are retiring from active service or inactive plan participation and met the Rule of 70 at termination, you may designate your beneficiary by completing the **Death Benefits**

Beneficiary Designation form included in your retirement packet. Members who are not eligible for this benefit will not receive the beneficiary form in their packets. If you have not yet received a retirement packet, go to pensions.org to obtain the form, or call the Board and speak with a service representative to request one.

TIMING

The timing of the salary continuation benefit payment depends on whom you designate as your beneficiary.

If your spouse is designated to receive the benefit, once the Board is notified of your death, either by phone or letter, the Board will pay the salary continuation benefit to your spouse within a week of notification. This is intended to help with funeral expenses.

If no designation form is on file, your spouse will be the default primary beneficiary if married to you, for at least one year before your death. As long as your spouse is on file with the Board, it will pay the salary continuation benefit to him or her within a week of notification.

1 Reminder
Go to pensions.org and log on to Benefits Connect to:

- view your death benefits
- view your beneficiary or beneficiaries of your death benefits

If there is no surviving spouse, other survivors or designated beneficiaries must complete and submit to the Board a **Death Benefit Claim form** with a copy of the death certificate attached before the benefit can be paid.

The Board will not accept any assignment of death benefits to pay the benefits to anyone other than the designated beneficiaries or eligible survivors.

CHILDREN'S EDUCATION BENEFIT

This benefit assists with the post-high school tuition and accompanying expenses of qualifying dependent children of members who die.

If you were enrolled in the Benefits Plan immediately before retiring and subsequently die, your eligible children may receive up to \$10,000 a year during the first four years of full-time study beyond high school, up to a \$40,000 maximum. To be eligible, your children must be under the age of 25 and you must have been providing at least 50 percent support prior to your death.

The school's registrar must verify student status in writing.

Eligibility for this benefit expires when the student reaches age 25 or completes four years of post-high school education. Any post-secondary, full-time study completed prior to your death will be deducted from the four years of eligible benefits.

LIVING NEEDS BENEFIT

If, as a retired member, you are diagnosed with a terminal illness and are expected to live 24 months or less, you may apply for an advance on your death benefits up to the present value of the \$9,000 minimum salary continuation benefit.

Any amount paid during the lifetime of a member is offset and deducted from the benefits payable at death.

A request for this benefit must be in writing from the member. The Board may require, at its expense, a second opinion.

SUPPLEMENTAL DEATH BENEFITS

When you retire, you may continue to enroll in the same supplemental death benefits coverage in effect on your retirement date. You also may decrease or discontinue your optional coverage.

If you are retiring and wish to cancel, decrease, or continue your existing supplemental death benefits (until no later than age 70), you may indicate this election on your retirement application.

Coverage for you may continue until the first of the month following your 70th birthday. Coverage for your spouse may continue until the first of the month following your covered spouse's 70th birthday. Coverage for your dependent children may continue as long as they qualify as dependents as defined by the Benefits Plan. Once coverage terminates, benefits are no longer payable.

Upon your death, supplemental death benefits coverage for your spouse and children terminates.

RETIREMENT SAVINGS PLAN ACCOUNT

If you have an account balance in the Retirement Savings Plan at the time of your death, your designated beneficiaries receive the balance.

If you do not name a beneficiary or your beneficiary is not living when you die, benefits are distributed in this order to you:

- surviving spouse, if you were married or in a qualified domestic partnership at least one year before your death (subject to any state regulations, as applicable),
- surviving children in equal shares, or
- estate, if no spouse or children survive you.

A beneficiary is allowed to roll over any distribution received as a result of a participant's death into a rollover IRA (including a Roth IRA) and defer payment of income taxes on the funds until distribution. A surviving spouse has additional distribution and rollover options.

6. LIFE EVENTS AFTER RETIREMENT

Significant life changes, or “qualifying life events,” often signal a change in benefits status. In several instances, you must call the Board and speak with a service representative **within 60 days of the qualifying life event** in order to maintain benefit coverage.

BIRTH OR ADOPTION OF A CHILD

When you expand your family through birth or adoption, notify the Board by completing, signing, and submitting a **Dependent Change form**.

If you enroll in retiree medical coverage, you must also complete a **Medical Continuation Subscription or Waiver form** to add the child to your coverage.

You may also wish to update your beneficiary designations for the salary continuation benefit, the supplemental death benefit, and the Retirement Savings Plan, as applicable, as well as complete a **Federal Tax Withholding form** to change the number of tax allowances.

To obtain a Dependent Change, Medical Continuation, Tax Withholding, or any beneficiary form, except for the Retirement Savings Plan, visit pensions.org or call the Board to speak with a service representative. To designate beneficiaries for your Retirement Savings Plan account, log on to fidelity.com/atwork, or call Fidelity to speak with a customer service associate (reference plan no. 57887).

MARRIAGE OR QUALIFIED DOMESTIC PARTNERSHIP

If you marry, remarry, or enter into a qualified domestic partnership after retiring, you may enroll your new spouse for medical coverage provided you notify the Board within 60 days of the marriage or qualified domestic partnership. The coverage for your new spouse becomes effective the

day of your marriage or qualified domestic partnership. Spouses with other employer-sponsored group coverage may defer the Board’s medical coverage by completing a waiver of medical coverage within 60 days of the marriage or qualified domestic partnership.

If you predecease your new spouse he or she is eligible to receive a monthly survivor’s pension benefit for the rest of his or her life in an amount equal to half of the annual pension credits accrued as of the date of your death if:

- you have been married or in a qualified domestic partnership at least one year at the time of your death
- the survivor’s pension is not otherwise assigned through a court order

If you marry, remarry, or enter into a qualified domestic partnership, you may wish to update your beneficiary designations for the salary continuation benefit, the supplemental death benefit, and the Retirement Savings Plan, as applicable. In addition, you may want to change the tax withholding from your pension benefit to reflect your new status, as appropriate.

To obtain a Dependent Change, Dependent Coverage Waiver and Re-enrollment, Medical Continuation, Medicare Supplement, Tax Withholding, or any beneficiary form, except for the Retirement Savings Plan, go to pensions.org or call the Board to speak with a service representative. To designate beneficiaries for your Retirement Savings Plan account, log on to fidelity.com/atwork, or call Fidelity to speak with a customer service associate (reference plan no. 57887).

DIVORCE OR DISSOLUTION

If you divorce or dissolve your marriage or qualified domestic partnership after retiring, your former spouse and eligible dependents may continue medical coverage by paying the monthly rates, provided you notify the Board within 60 days of the date of your divorce or dissolution. The rate starts the day the coverage becomes effective.

The Board must receive a copy of the divorce decree or copy of the court order stating the date of the termination of the marriage, civil union, or domestic partnership, and Domestic Relations Order (DRO), if any, addressing the right of a former

spouse to a share of the accrued pension and survivor's pension benefits of the member, if applicable.

To obtain a Dependent Change, Tax Withholding, or any beneficiary form, except for the Retirement Savings Plan, to remove your spouse from coverage, visit pensions.org or call the Board to speak with a service representative. To designate beneficiaries for your Retirement Savings Plan account, log on to fidelity.com/atwork, or call Fidelity to speak with a customer service associate (reference plan no. 57887).

To access a copy of *Benefits Plan and Divorce or Dissolution of a Marriage of Qualified Domestic Partnership*, which explains how your benefits are affected by divorce, go to pensions.org or call the Board and speak to a service representative to request a copy of it.

DEATH OF MEMBER

If you die, your spouse or dependent should call the Board and report the date of death to a service representative promptly; this will trigger release of the salary continuation benefit if your spouse is entitled to this benefit, and the appropriate forms will be sent for completion for any remaining benefits. Your spouse must then complete and sign a **Death Benefit Claim form** and related forms to ensure receipt of

any survivor's pension benefit due him or her. If a dependent or designated beneficiary is notifying the Board of your death, he or she must complete the Death Benefits Claim form and provide a copy of the death certificate before the salary continuation benefit can be paid.

If your spouse was enrolled in either medical continuation coverage or Medicare Supplement Plan at the time of your death, he or she is eligible to continue to subscribe for medical coverage for his or her lifetime. Also under these programs, your covered dependent children may continue coverage upon your death by paying the monthly subscription charges for as long as they remain eligible dependents under the plan.

If not yet eligible for Medicare, your surviving spouse may enroll in medical continuation coverage until he or she becomes eligible for Medicare. Your surviving spouse may then enroll in the Medicare Supplement Plan if he or she has maintained continuous coverage under the Medical Plan (or a waiver has been executed and approved by the Board) and is participating in Medicare Parts A and B.

In the event of your death, your survivors should call the Board at 800-773-7752 (800-PRESPLAN), Monday through Friday between 8:30 a.m. and 5:00 p.m. ET, to speak with a service representative, who can help them understand and receive your death benefits. For more information about death benefits eligibility as an active or retired member, visit pensions.org to access the Death Benefits booklet or plan document, or call the Board and speak with a service representative to request copies of it.

7

THE ASSISTANCE PROGRAM

During retirement, church workers sometimes have financial needs that they cannot meet. The Board, through its Assistance Program, may be able to help with these emergency or ongoing financial needs. The Assistance Program helps pastors, other church workers, and their families through a range of programs that complement the Benefits Plan. Eligibility varies by program.

The programs depend upon funding from the church community. So that the generosity of the church community may be shared as widely as possible, the Board asks that you first explore eligibility for help through public entitlement programs. Available public programs may include Medicare, Medicaid, Supplemental Security Income, and state and local assistance programs, among others.

For eligible retired church workers with demonstrated need, the Assistance Program provides Shared and Emergency Assistance Grants, Income and Housing Supplements, and, for retirees with a child going to college, Transition-to-College Assistance Grants.

SHARED GRANTS

Shared Grants are designed to help councils, congregations, and employers provide aid to active and retired church workers and their spouses who have urgent financial needs.

The grant must be:

- recommended and validated by a council of the church (normally, it is the presbytery) or employer
- evaluated in a joint process by the council or employer and the Board
- shared financially between the Board and the council or employer (normally on a 50/50 basis). Two or more councils or employers of the church may also join to share grants with the Board.

A Shared Grant cannot be initiated by the Board; rather the application is completed by the council, congregation, or employer that is recommending the member for the grant. The Board reviews each case on its merits as determined by the applicant's need and resources.

Teaching elders who wish to be considered for this program should contact the local council. Other employees should contact the employer from which they retired.

EMERGENCY ASSISTANCE GRANTS

At times, members may face extraordinary costs or a special need such as custodial care, unreimbursed medical or mental healthcare expenses, or other needs beyond the scope of the Benefits Plan. Normally, these needs are handled jointly by the Board with a council of the church or an employer through the Shared Grant program. However, there are occasions when councils and employers are unable to participate financially in a Shared Grant because of insufficient funds. When available, Emergency Grants can provide much-needed support in such cases.

Before an Emergency Grant can be issued, the following requirements must be met:

- You must commit some personal resources toward the expense and make every effort to obtain funds that may be available in your community.
- You must complete a written application and provide supporting documentation, and a council or employer must verify it.
- Councils and/or employers will be consulted to confirm the need and that the resources for a Shared Grant have been exhausted.

Note that no single Emergency Assistance Grant will exceed \$5,000, and no more than three Emergency Assistance Grants will be available to the same individual in any 12-month period.

Contact your presbytery to request an application, and return it to them after you have completed it.

INCOME SUPPLEMENTS

This program is designed to supplement the monthly income of retired church workers and their surviving spouses whose total income from all sources is below levels established by the Board. The maximum levels for this assistance are listed in the Assistance Program section of pensions.org.

Eligibility requirements include full-time service to the Presbyterian Church (U.S.A.) or its predecessors for a minimum of 20 years and commensurate participation in the Benefits Plan. Partial supplementation may be available to those who served the church for between 10 years and 20 years. Income Supplements may be granted to persons who retire early, but will be reduced on the same basis as early retirement pensions are reduced.

If the applicant opted out of Social Security, it is assumed that he or she had secured alternate protection, and any assistance will be reduced by an amount that the Board determines would have been payable under Social Security.

Call the Board and speak with a service representative to request an application.

HOUSING SUPPLEMENTS

This program is designed to help eligible retired church workers and their surviving covered spouses with housing needs. Depending upon the type of housing and the levels of personal income and assets, applicants may receive financial assistance to help pay for the costs associated with one's own home, condominium, or apartment, or living within a retirement community. Under certain circumstances, financial assistance may be available to help with moving costs.

To qualify for a Housing Supplement, your total family income must be below the target set by the Board. The maximum annual income you may receive and still qualify for the Housing Supplement program is listed in the Assistance Program section of pensions.org.

The program guidelines expect that you will first use your assets and income to maintain your quality of life and not divert funds to protect an estate or provide benefits for family members.

To be eligible, you must

- be at least 65 years of age;
- have retired from active service from the church;
- have served the Presbyterian Church (U.S.A.), or its predecessors, for a minimum of 20 years by the time housing is required; and
- have been a member of the Benefits Plan for a period of time commensurate with one's service to the Presbyterian Church (U.S.A.) or its predecessors.

In addition, the maximum monthly housing costs that may be considered for assistance are:

- \$1,000 for individuals living independently in residential housing in the general community
- \$1,500 for those living in independent living units in a retirement community
- \$3,400 for those living in assisted living units in a retirement community

Call the Board and speak with a service representative to request an application.

TRANSITION-TO-COLLEGE ASSISTANCE GRANTS

When your child is getting ready to go to college, you may apply for a Transition-to-College Assistance Grant (available to eligible Traditional Program participants/retirees only). This grant program is intended to help mitigate transitional expenses for eligible families of college freshmen.

Under this program, a one-time grant is available to qualifying members of the Benefits Plan for each dependent child entering his or her freshman year of an accredited college or university. The grants range in amount from \$500 to \$1,000, depending on total family income. Eligibility criteria relate to financial need, plan participation, and enrollment of a dependent child as a full-time freshman in an accredited college or university.

To apply, complete a **Transition-to-College Assistance Grant Application**, which is available on pensions.org. You can also call the Board and speak with a service representative to request an application.

SUPPORTING THE ASSISTANCE PROGRAM

The Assistance Program offers an important financial safety net for Presbyterian teaching elders, other eligible church workers, and their families, and provides critical vocational, leadership, and other training support to strengthen the Church's future leadership. The mission of the Assistance Program springs from a rich tradition of caring for our clergy and their families that dates back to 1717, when the Church established the Fund for Pious Uses to help missionaries and their widows and children.

You can continue that tradition of providing needed support to faithful servants of the church by donating or bequeathing funds or property to the Board. Gifts should be made payable to The Board of the Presbyterian Church (U.S.A.) and mailed to:

**The Board of Pensions of the Presbyterian Church
(U.S.A.)**

Funds Development
2000 Market Street
Philadelphia, PA 19103-3298

For your convenience, the Board also offers an online giving option that is both easy and secure at pensions.org.

You will receive an acknowledgement of your generosity and a receipt for tax purposes.



For more information about making a donation, call the Board at 800-773-7752, ext. 7300.



8. APPENDICES

APPENDIX I RETIREMENT EXPENSES27
APPENDIX II RETIREMENT PLANNING CHECKLISTS29
APPENDIX III RESOURCES31

APPENDIX I RETIREMENT EXPENSES

To develop a plan for financing your retirement, first estimate your retirement expenses. This determines how much money you will need to support your lifestyle in retirement. Typically, you need at least 80 percent of your former gross income to maintain your current lifestyle in retirement; use 90 percent to 100 percent to be conservative.

Many expenses stay roughly the same in retirement. Some expenses decrease, while others increase. These fluctuations vary from person to person but often follow general trends.

Expenses that may decrease include

- work-related costs, such as commuting and business clothing,
- some taxes (income taxes are usually lower for retirees, and retirees no longer pay Social Security taxes), and
- contributions to savings and investments.

Expenses that may increase include

- housing, for teaching elders living in a manse,
- healthcare and prescriptions,
- health insurance, and
- recreational activities.

Use the Identifying Retirement Expenses worksheet to help determine the amount of income you will need in retirement.

IDENTIFYING RETIREMENT EXPENSES

Expenses	Current Annual	Estimated Retirement Annual Expenses	Expenses	Current Annual	Estimated Retirement Annual Expenses
Insurance			Contributions/ Tithe		
Automobile			Savings/ Investments		
Home			Housing		
Life			Mortgage		
Disability			Rent		
Medical			Common Charges		
Long-term Care			Maintenance/ Repairs		
Other			Furnishings		
Taxes			Utilities		
Real Estate			Water		
State			Gas		
Federal			Electric		
Automobile			Telephone		
Other			Cable		
Social Security			Internet		
Medical			Waste Removal		
Doctor			Food		
Dental			Automobile		
Prescriptions			Payments		
Eye Care			Repairs		
Gifts			Gas/Oil		
Vacation/Travel			Maintenance		
Education (Adult/Children)			Clothes		
Subscriptions			Laundry/ Cleaning		
Entertainment			Debt Reduction		
Other			Credit Card(s)		
			Student Loan(s)		
			TOTAL	\$	\$

APPENDIX II RETIREMENT PLANNING CHECKLISTS

The transition from work to retirement can be eased by preparing for it well in advance. There are many tasks to complete to ensure you preserve those benefits for which you are eligible, and to make a successful adjustment to your new life in retirement.

The following checklist is designed to help you identify the tasks that you may need or want to perform in the years and months before retirement.

Task	Completed
10 to 15 Years Pre-Retirement	
Attend a Board of Pensions “Growing into Tomorrow . . . Today” pre-retirement seminar.	
Start saving for retirement, if you haven’t already, or increase your savings. Enroll in the Retirement Savings Plan, a 403(b)(9) plan, or, if already enrolled, increase your contribution. Call Fidelity and speak with a customer service associate to learn about catch-up contributions, which you may be eligible to make.	
Take advantage of preventive care benefits offered through the Medical Plan of the Presbyterian Church (U.S.A.). By seeing your doctor for an annual checkup and getting recommended screenings and immunizations, you can avoid preventable diseases and detect serious conditions before they become life-threatening.	
2 to 5 Years Pre-Retirement	
Research housing and community options. Visit with people who live in retirement communities, condominiums, apartments, etc. Consider climate, transportation, tax laws, churches, family, and social services.	
Attend a Board of Pensions “Growing into Tomorrow . . . Today” pre-retirement seminar. If you have already attended the seminar earlier in your pre-retirement planning, attending again will enable you to focus more intently on steps you need to take at this stage of retirement planning.	
Prepare or update an advance directive, living will, or durable power of attorney for health purposes, if you have not already done so.	
Go to pensions.org and log on to Benefits Connect to calculate your estimated retirement pension and options, or call the Board and speak with a service representative to obtain this information.	
Research information about working after retirement, supplemental medical coverage, and other issues related to retirement using pensions.org as a starting point.	
1 Year Pre-Retirement	
Visit a Social Security office for information about retirement and survivor benefits, Medicare, etc., one year before retirement or at age 64, whichever comes first.	
Review Medicare Part A and B coverage, as well as your options for Medicare supplement plans, one year before retirement or at age 64, whichever comes first.	
Research the many program and service opportunities for retirees, such as the Volunteer in Mission programs of the Presbyterian Church (U.S.A.).	
3-6 Months Pre-Retirement	
Contact your supervisor, executive presbyter, or Committee on Ministry area representative regarding the implementation of your retirement process in relation to your work.	
Decide on the exact date of your retirement.	
Call the Board and speak with a service representative to request a retirement packet.	
Apply for Medicare benefits three months before age 65.	
Consult with your session/employer about your retirement date, vacation benefits, and congregation/presbytery meetings (if appropriate) to request approval for retirement. Your session/employer will need time to plan recognition for your retirement and related arrangements.	
Submit your retirement application and all required paperwork to the Board. The Board needs at least three months to process your application.	
Complete the Social Security retirement application. You can apply for Social Security benefits online at ssa.gov.	

APPENDIX III RESOURCES

A variety of tools and resources are available to help you prepare for and begin retirement. The Board encourages you and your family to plan for retirement and to use all available resources to support you in this important decision.

Resources include seminars sponsored by the Board, publications, the Board's service representatives, websites, and more.

In addition, for those who may need and qualify for financial or other types of assistance, the Board may have a program that addresses your particular need.

The Board of Pensions of the Presbyterian Church (U.S.A.)

800-773-7752 (800-PRESPLAN)

Monday through Friday 8:30 a.m. to 5:00 p.m.

pensions.org

Fidelity Investments

800-343-0860

Monday through Friday 8:30 a.m. to 8:30 p.m.

(reference plan no. 57887)

Fidelity.com/atwork

Internal Revenue Service

800-829-1040

Monday through Friday 7 a.m. to 7 p.m.

irs.gov

Medicare

800-633-4227 (800-MEDICARE)

available 24 hours

medicare.gov

Social Security Administration

800-772-1213

Monday through Friday 7 a.m. to 7 p.m.

ssa.gov

PRE-RETIREMENT PLANNING SEMINAR

"Growing into Tomorrow . . . Today" is a holistic retirement planning seminar sponsored by the Board for plan members and spouses age 50 or older.

This two-day seminar looks at

- your call in retirement;
- changing relationships;
- financial planning;
- health and wellness;
- housing options; and
- balancing play, learning, and work.

For more information, call the Board to speak with a member of the Member Education team.

PUBLICATIONS

The Board produces print and electronic communications about its benefits and assistance programs.

You can obtain booklets, benefits overviews, plan documents, and more by visiting pensions.org or calling the Board at 800-773-7752 (800-PRESPLAN) to speak with a service representative.



THE BOARD OF PENSIONS
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