The Pension Plan is a defined benefit plan, which means that it provides a monthly benefit, defined by a formula, for as long as you live.

**HOW IT WORKS**

Your pension grows as you accumulate annual pension credits over time. Each year you are enrolled as an active member in the plan, you accrue credits equal to the greater of

- 1.25 percent of your pension participation basis for that year; or
- 1.25 percent of the applicable median salary (prorated for part-time employees).

Your pension participation basis is the greater of your effective salary or 25 percent of the applicable median, but no more than $285,000*, the IRS maximum.

Your pension can also grow through periodic experience apportionments (see Experience Apportionments), granted by the Board of Pensions. You do not contribute to the Pension Plan. Employer dues and investment earnings fund the cost of the benefit.

**AMOUNT OF BENEFIT**

The amount of your monthly pension benefit will depend on your total accrued pension credits, age at retirement, and the payment option you choose.

**Estimating your pension benefits**

To estimate your pension benefit at retirement, use the pension estimator on Benefits Connect which allows you to view your estimated benefit immediately.

* The IRS maximum for 2020 is $285,000, effective January 1, 2020, increased from $280,000 in 2019.

**VESTING**

Vesting is a term used to describe when you own your benefit — meaning the amount is non-forfeitable, even when your employment ends.

If you are a minister of the Word and Sacrament, you are vested as soon as you are enrolled in the plan. Full-time seminary attendance counts toward the vesting period.

If you are an employee other than an installed pastor or minister, your accrued pension credits become 100 percent vested when you complete three years of eligible service or reach age 65. You are also immediately vested if your employer withdraws from the plan, or the Pension Plan terminates.

Even if you were not enrolled in the Benefits Plan, employment for at least 20 hours a week by an eligible employer counts toward vesting in the Pension Plan.

**APPLYING FOR BENEFITS**

You do not begin receiving your pension benefit automatically; you must apply for it and select a payment option at least 45 days in advance. Call the Board of Pensions at 800-773-7752 (800-PRESPLAN) to request the Retirement Pension Application for Members.

**Payment options**

When you apply for your pension, you choose from several payment options. The Normal form of payment is the Joint & 50% Survivor Pension.

If you retire at 65, this provides a lifetime monthly benefit equal to your accrued pension credits divided by 12. After you die, your surviving spouse (or eligible survivors) receives 50 percent of the value of your pension credits for life.
Other Joint and Survivor options allow you to choose an adjusted or reduced monthly benefit for your lifetime, to increase the benefit paid to your spouse (if you are married for one year or more before you die). There is also a Social Security Leveling option, which can provide a consistent total income before and after receiving Social Security benefits if you retire between ages 55 and 62. For more information, visit pensions.org.

**When benefits begin**
The Pension Plan pays benefits when you retire early, at age 65, or after age 65, as follows:

- **Normal Retirement (age 65):** Your benefit equals the total pension credits accrued.
- **Early Retirement (age 55 to 64):** Your benefit is lower because you likely will receive benefits for a longer period of time.
- **Post-normal Retirement (after age 65):** Your pension credits continue to accrue until age 70, resulting in an increased benefit.

The Pension Plan also pays benefits in other circumstances if you are vested — for example, if you leave employment after age 55, die, or if your accumulated credits are below certain amounts. For more information, visit pensions.org.

**Enrollment**
Your employer is responsible for enrollment; once enrolled, you do not need to take any action.

**Cost**
Your employer pays the full dues amount (cost) for Pension Plan participation. You do not contribute.

**LEARN MORE**
For more information about the Pension Plan, visit pensions.org/benefitsguidance. If you have questions, call the Board at 800-773-7752 (800-PRESPLAN).

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**How much?**
Will pension benefits cover monthly expenses after retirement? Can I use the Retirement Savings Plan to supplement my pension?

**More info?**
For more info, visit pensions.org/benefitsguidance.

**What should I do when I'm ready to retire?**
Call the Board to learn more or to apply for pension benefits.

**How do I sign up?**
Your employer will enroll you; you do not need to take any action.

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This is not a full description of benefits and limitations of the plan. If there is any difference between the information presented here and the provisions of the Benefits Plan of the Presbyterian Church (U.S.A.), the plan terms will govern. Visit pensions.org or call the Board at 800-773-7752 (800-PRESPLAN) for a copy of the plan document.