

# The Pension Plan

*The Board of Pensions administers the Benefits Plan of the Presbyterian Church (U.S.A.), offering retirement, healthcare, death, and disability benefits to qualifying members. The Board also provides financial and vocational grants through the Assistance Program.*

## Summary

The Pension Plan provides monthly retirement pension payments for the life of the plan member and the survivor, and helps provide financial security when combined with Social Security and personal savings. When financially possible, increases known as experience apportionments protect the value of the pension from inflation (see chart on back).

## Type of Plan

The Pension Plan is a defined benefit plan, which means it provides a monthly benefit, as defined by the plan's formula, for as long as you live. It differs from the 403(b)(9) Retirement Savings Plan, to which you and/or your employer make contributions.

## Vesting

Pension credits granted in the Pension Plan are 100 percent nonforfeitable (vested) at the earliest of when

- you complete three years of eligible service;
- you reach age 65;
- your employer withdraws from the plan; or
- the Pension Plan terminates.

Ministers of the Word and Sacrament are vested as soon as they are enrolled in the plan. Seminary attendance counts toward the vesting period.

## Yearly Pension Credit

A benefit of 1.25 percent of the greater of your total annual effective salary (up to \$280,000 in 2019) or the applicable median salary (prorated for part-time employees) is added to your accrued annual benefit during each year you participate as an active Pension Plan member.

## Experience Apportionments

Periodic increases to the benefits of all plan members — retired, active, and terminated — are made at the discretion of the Board of Directors, based on established guidelines.

Any experience apportionment granted by the Board of Directors is a permanent increase in the pension benefits for the lives of plan members and their surviving spouses.

## When the Plan Pays

**Normal Retirement.** Age 65.

**Early Retirement.** After attaining age 55; the benefit is reduced for all pensions beginning before age 65.

**Post-normal Retirement.** After attaining age 65; the benefit is increased for all pensions beginning after age 65, through age 70.

**Termination with Vested Benefits.** Reduced pension payable as early as age 55.

**Survivor's Pension.** Payable to eligible survivors at the death of a vested member before or after retirement.

**Cashouts.** Payable in a single sum that is equivalent to all future benefit payments to terminated vested employees whose pension credits have a value of \$5,000 or less or whose benefit payment is less than \$50 a month, or to retirees whose benefit payment is less than \$50 a month.

## Payment Options

**Joint and Survivor Options.** Members married for at least one year at retirement may elect to increase the survivor's pension benefit payable to their spouse (but not other survivors) under the plan; monthly retirement pension benefits are adjusted to account for the survivor's pension that is larger.

**Social Security Leveling.** Active members who retire before age 62 may elect to receive the same level of combined benefits before and after receiving Social Security benefits. (Also refer to *The Social Security Leveling Option* benefits overview, PTS-640.)

*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](http://pensions.org) or call the Board at 800-773-7752 (800-PRESPLAN) for a copy of the plan document.*

## Historical Record of Experience Apportionments of the PC(USA), and Compound Effect of Apportionment and CPI Increases

Operational Year	CPI			Apportionments			Year in Which Apportionment is Applied
	Annual Increase in CPI	Increase through 12/31/17		Annual Increase	Increase through 12/31/17		
		Compound	Annualized		Compound	Annualized	
1989	4.6%	104.6%	2.5%	8.0%	196.6%	3.8%	1990
1990	6.1%	95.6%	2.4%	0.0%	174.7%	3.7%	1991
1991	3.1%	84.4%	2.3%	8.0%	174.7%	3.8%	1992
1992	2.9%	78.8%	2.3%	4.0%	154.3%	3.7%	1993
1993	2.7%	73.8%	2.2%	8.0%	144.5%	3.6%	1994
1994	2.7%	69.2%	2.2%	3.0%	126.4%	3.5%	1995
1995	2.5%	64.8%	2.2%	8.0%	119.8%	3.5%	1996
1996	3.3%	60.8%	2.2%	6.0%	103.6%	3.3%	1997
1997	1.7%	55.6%	2.1%	11.0%	92.0%	3.2%	1998
1998	1.6%	53.0%	2.2%	10.0%	73.0%	2.8%	1999
1999	2.7%	50.6%	2.2%	9.0%	57.3%	2.4%	2000
2000	3.4%	46.7%	2.2%	3.0%	44.3%	2.1%	2001
2001	1.6%	41.8%	2.1%	0.0%	40.1%	2.0%	2002
2002	2.4%	39.6%	2.1%	0.0%	40.1%	2.1%	2003
2003	1.9%	36.3%	2.1%	2.0%	40.1%	2.3%	2004
2004	3.3%	33.8%	2.1%	3.0%	37.3%	2.3%	2005
2005	3.4%	29.5%	2.0%	3.6%	33.3%	2.2%	2006
2006	2.5%	25.3%	1.9%	3.7%	28.7%	2.1%	2007
2007	4.1%	22.2%	1.8%	3.8%	24.1%	2.0%	2008
2008	0.1%	17.4%	1.6%	0.0%	19.6%	1.8%	2009
2009	2.7%	17.3%	1.8%	0.0%	19.6%	2.0%	2010
2010	1.5%	14.2%	1.7%	0.0%	19.6%	2.3%	2011
2011	3.0%	12.5%	1.7%	0.0%	19.6%	2.6%	2012
2012	1.7%	9.2%	1.5%	1.0%	19.6%	3.0%	2013
2013	1.5%	7.4%	1.4%	4.6%	18.4%	3.4%	2014
2014	0.8%	5.8%	1.4%	4.7%	13.2%	3.1%	2015
2015	0.7%	5.0%	1.6%	2.0%	8.1%	2.6%	2016
2016	2.1%	4.2%	2.1%	2.0%	6.0%	2.9%	2017
2017	2.1%	2.1%	2.1%	3.9%	3.9%	3.9%	2018

