

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

Disability coverage under the Benefits Plan provides a monthly payment equal to 60 percent of a member's effective salary. The maximum salary protected is \$100,000 for a benefit of up to \$5,000 a month before taxes. If a member's current salary is greater than \$100,000 and their expenses have grown accordingly, this limit could make it hard for them to meet even routine expenses.

To help plan members protect their incomes against such loss, the Board offers optional supplemental disability coverage.

About optional supplemental disability coverage

Optional supplemental disability benefits can replace 60 percent of a member's effective salary in excess of \$100,000, covering salary up to the maximum salary for pension participation purposes. Currently, the maximum salary is \$280,000.

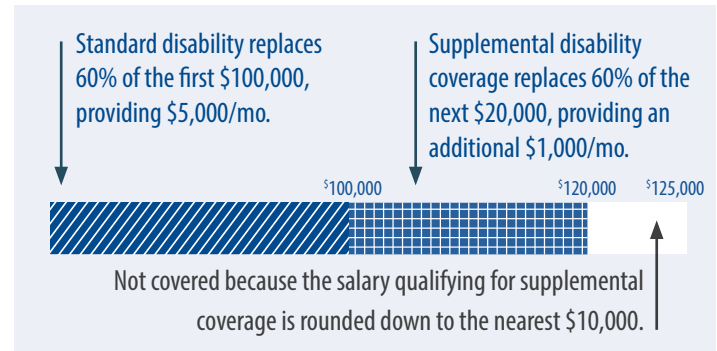
When a member purchases this coverage, their salary is rounded down to the nearest \$10,000 to determine the maximum amount for which they are eligible to enroll. Since disability coverage under the plan protects the first \$100,000 of a member's salary, they must have an effective salary of at least \$110,000 to purchase supplemental protection.

- The same disability definitions, requirements, and administrative procedures apply to the supplemental coverage as apply to the disability coverage offered through the Benefits Plan.
- Members who have opted out of Social Security cannot use this optional benefit to protect their full salary.
- This supplemental plan has no disability-benefit increase feature or inflation adjustment.
- This supplemental plan does not provide for the accrual of pension credits on the portion of a member's salary in excess of \$100,000.
- If a member returns to work part time, and the sum of their benefits and part-time income exceeds 80 percent of their protected effective salary, supplemental disability benefits from this plan will be proportionately reduced.

Coverage

Supplemental coverage is available in increments of \$10,000 of protected income. Eligible members may protect all of their salary in excess of \$100,000 (up to the maximum) or part of it.

EXAMPLE FOR AN EFFECTIVE SALARY OF \$125,000



Low cost of the coverage

OPTIONAL SUPPLEMENTAL DISABILITY BENEFITS

Age	Monthly cost for each \$10,000 increment
30-34	\$1.36
35-39	\$1.91
40-44	\$3.06
45-49	\$4.92
50-54	\$8.08
55-59	\$11.38
60-64	\$8.35
65-69	\$7.96
70-74	\$8.34
75-79	\$8.47

The monthly cost for the coverage is based on a member's age as of January 1 of each year.

Frequently asked questions

Who pays for the added coverage?

This coverage is optional. The member or his or her church/ employer pays for the coverage.

Is this benefit taxable?

If the employer pays the premium on behalf of the member, the benefit is taxable. If the member pays the premium

- with pretax dollars, the benefit is taxable.
- with after-tax dollars, the benefit is not taxable.

In addition, ministers of the Word and Sacrament can modify the taxability of the benefit by using the housing allowance.

Do pre-existing conditions apply?

A pre-existing condition is one that existed in the 12 months before the effective date of coverage under this plan. If a member enrolled when first eligible and that pre-existing condition causes him or her to become disabled during the first year of coverage, he or she will not be eligible for the benefits of this plan. Any contributions made for the coverage will be returned.

When may a member enroll?

- A member may enroll upon receiving a salary increase that makes him or her initially eligible for coverage (for example, a raise increases salary to \$110,000 or more).
- A member may enroll or increase his or her coverage upon receiving a salary increase that makes him or her eligible for an increased level of coverage.

What if a member doesn't enroll when first eligible?

Members who want to apply later must undergo medical underwriting at their own expense. If coverage is approved, it will be provided with no pre-existing condition exclusion.

Can a member opt to protect some salary now and more later?

Yes, but members will be subject to medical underwriting when they purchase additional protection. Once a member purchases the maximum available supplemental protection, pre-existing condition limitations and medical underwriting are waived when purchasing future increments, as long as the member purchases the maximum available amount of protection each time.

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.

