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

Planning to Retire

YOUR BENEFITS OPTIONS AT RETIREMENT

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1. Overview

When you retire, your coverage and benefit options under the Benefits Plan of the Presbyterian Church (U.S.A.) 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 you plan to retire. Members may defer initiating retirement benefits beyond their normal retirement age and receive an increase in benefits payments. Once you begin your pension benefit, you cannot change the payment option you select, and you cannot stop your pension benefit except in certain 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 eligibility requirements. The Board offers medical continuation coverage for eligible retirees until they reach age 65 and the Humana Group Medicare Advantage PPO plan after age 65. These programs are explained later in this booklet.

In addition, some plans 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 dental or vision coverage.

As a retired member, you cannot contribute to the Retirement Savings Plan of the Presbyterian Church (U.S.A.); under certain circumstances, your employer may contribute on your behalf for a limited time.

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).

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)
- change your beneficiary designations

To change your beneficiary designations for your Retirement Savings Plan account, log on to NetBenefits (fidelity.com/atwork) or contact Fidelity Investments directly 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-PRESPLAN (800-773-7752).

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 DEFINED BENEFIT PENSION PLAN

The Defined Benefit 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.

Full-time attendance at seminary counts toward vesting in the Defined Benefit Pension Plan for ministers of the Word and Sacrament (ministers); 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
- termination of the Defined Benefit 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% of the greater of:

- your *pension participation basis*, which is the greater of your effective salary (up to the IRS annual compensation limit) or 25% of the median effective salary
- the median effective 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.

Effective salary is any compensation received during a plan year (Jan. 1 through Dec. 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.

Experience apportionments

Experience apportionments are discretionary increases in pension credits or benefits. From time to time, at its sole discretion, 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 maintaining the solvency of the plan, protecting retirees from inflation, and ensuring generational equity.

An experience apportionment is calculated as a percentage of your existing pension credits or benefit. It increases the Defined Benefit Pension Plan benefit of each member, whether active, terminated vested, 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. You can get an estimate of your future Social Security payments from your online Social Security Statement. To view your statement, go to ssa.gov and log in to your *my* Social Security account.

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

Yesar 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

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.**

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 to enroll in most retiree medical plans, including the Humana Group Medicare Advantage PPO plan available through the Board of Pensions. You must enroll in Medicare Part B at least three months before you retire, provided you are age 65 or older when you retire.

Medicare Part C helps cover everything medically necessary that Parts A and B cover, including hospital and medical services. Medicare Part C plans, also known as Medicare Advantage plans, are only available through private insurance companies. You still have Medicare if you have Medicare Part C coverage.

Medicare Part D, prescription drug coverage, helps pay for medications your provider prescribes. It is available as a stand-alone plan or included in a Medicare Advantage Plan.

The Humana Group Medicare Advantage PPO plan offered to retired Benefits Plan members and described later in this booklet is a Medicare Part C plan and includes Medicare Part D prescription drug coverage.

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 qualified 403(b)(9) defined contribution church 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 booklet.

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 73. The age at which you commence your pension benefit determines whether you are eligible for normal retirement, early retirement, or post- normal retirement pension benefits.

Normal retirement

Normal 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. Current 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.

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 or you can call the Board for assistance.

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	Increase 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 for a PC(USA) or affiliate employer, you must begin receiving your pension by April 1 following the year you turn 73 (75 if you turn 74 after 2032) or you will incur a penalty tax under current IRS rules.

Active member refers to a member, other than a retired member or a member receiving disability benefits from the Death and Disability Plan, 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 Ministers Bridge Coverage during a period of temporary unemployment or other approved leave.

Terminated vested member refers to a member with vested pension credits who is not currently enrolled for coverage in the Benefits Plan or receiving disability benefits under the Death and Disability Plan, and who is not a retired member.

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.

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.

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 Defined Benefit Pension Plan, the normal form of payment provides a full, monthly benefit to you in retirement for life and a monthly benefit of 50% 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 their life in an amount equal to half of the annual pension credits accrued as of the date of your death.

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.

Other joint and survivor options

If you have been legally married for at least one year before starting your pension benefit, other joint and survivor options are available that allow you to leave a larger monthly benefit for your spouse than they would receive under the normal form of payment. If you elect one of these other options, the monthly benefit payable to you during your lifetime is permanently reduced or adjusted in exchange for a greater monthly benefit payable upon your death.

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.

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.

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.	Surviving spouse only, if married 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 you or your spouse dies, the survivor of the couple receives monthly payments of 75% of the monthly amount you received when you both were alive.	Surviving spouse only, if married 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 & 66 ⅔% 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 you or your spouse dies, the survivor of the couple receives monthly payments of 66⅔% of the monthly amount you received when you both were alive.	Surviving spouse only, if married 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 you or your spouse dies, the survivor of the couple receives monthly payments of 100% of the monthly amount you received when you both were alive.	Surviving spouse only, if married for at least one year before your retirement.

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 notify the Board through Benefits Connect or you may complete, sign, and return 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

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, you may do so online through Benefits Connect or by completing and submitting the Tax Withholding Election form available on pensions.org.

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 minister, or an eligible commissioned pastor, 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 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.

All ministers 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 ministers and eligible commissioned pastors, the 1099R will designate the amount paid as taxable amount not determinable so that the minister may exclude all or part of their 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 PC(USA) employment, including employment with a congregation, mid council, agency, and/or an affiliate employer, 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 minister or other employee. This exception makes it possible for a retired member to return to employed service and continue receiving pension benefits.

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.

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 the following conditions are met.

The new employment is classified as:

- temporary and with an employer other than the one you retired from
- in a non-installed position of fewer than 20 hours per week
- in an employment class that is not enrolled in the Defined Benefit Pension Plan by the employer

If your new employment meets these conditions, 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 Defined Benefit 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% of your effective salary.

You and your employer must report the start of post-retirement service to the Board, within 30 days of employment. The start of post-retirement service for ministers must be validated by the presbytery, so you or your church treasurer will need to ask the presbytery to notify the Board in writing of this validation.

For additional information about post-retirement service, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711).

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.

You should call the Board to discuss how returning to work affects your benefits options.

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

Information about medical coverage as an active employee while eligible for Medicare is discussed later in this booklet.

YOUR RETIREMENT SAVINGS PLAN

The Retirement Savings Plan, a 403(b)(9) plan, complements the Defined Benefit 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 employment, or die

Any pretax contributions you make are tax-deferred; any distributions you make from those contributions are subject to income tax. 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 beneficiaries 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 your funds
- withdraw a portion of your funds
- 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 or affiliate 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 73. If you return to active service with an eligible church or affiliate employer following your retirement and are actively working at age 73 or older, you are not required to take minimum distributions**; however, once you begin taking them, the minimum distribution requirement applies each year.

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

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 73, the minimum distribution requirement is deferred until you retire or are no longer actively employed.

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 # 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% 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% federal income tax may be withheld at distribution.
- Rollover of your account balance to another 403(b) plan, a 401(k) plan, certain pension plans, or a traditional or Roth IRA: If you request a direct rollover to another qualified plan or a traditional IRA, federal income tax is not withheld. If you request a direct rollover of any pretax RSP funds or employer contributions to a Roth IRA, you may enter into a voluntary tax withholding agreement with Fidelity. A rollover may jeopardize the housing allowance tax treatment; call Fidelity for details before requesting a rollover.
- Systematic Withdrawal Plan: You may direct Fidelity to send you a set dollar amount every month. This continues until you direct Fidelity otherwise or your account has a zero balance. The 20% federal income tax may be withheld. Call Fidelity to speak with a customer service associate for more details.
- Distributions designated as housing allowance: Ministers and eligible commissioned pastors can withdraw employer contributions and any earnings to purchase a home, if used for housing allowance. This withdrawal may be tax free.

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-PRESPLAN (800-773-7752) (TTY: 711) to request copies.

Rollover to another 403(b) or IRA

A rollover distribution is a request to transfer funds from your Retirement Savings Plan account to another qualified plan, such as a 403(b), 401(k), or an IRA. You also may roll over your plan account to a Roth IRA.

A rollover is only allowed if you:

- terminate eligible service employment
- retire (after age 55)
- become disabled
- separate from eligible service, or die

Your rollover distribution of pretax contributions will be tax free if it is made directly from the Retirement Savings Plan to a pretax account within the plan receiving your rollover. Rollovers of Roth funds into the Roth portion of a qualified plan are also not subject to federal income tax.

Applicable to Ministers

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

Any nonqualified rollover distribution of pretax contributions will be subject to a 20% federal income tax withholding and, in some cases, state income tax. Rollovers of full or partial account balances are permitted. A rollover may jeopardize the housing allowance tax treatment; call Fidelity before requesting a rollover.

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 the Congregational Pastors Package or Transitional Pastor's Participation, you will be provided with no-cost medical coverage for one month (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.

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; 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 which can continue until the earlier of 18 months or 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 Humana Group Medicare Advantage PPO plan if you are:

- age 65 or older
- enrolled 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.

Medical Continuation Coverage

If you meet the eligibility requirements, you may continue your medical coverage by enrolling in medical continuation coverage. The monthly cost for this coverage is different from any cost you were required to pay while actively working; however, except for the deductible and medical out-of-pocket maximum amounts under the PPO option, the benefits provided are identical to coverage available to active members or the spouses or eligible children of active members.

To enroll in medical continuation coverage, complete the Medical Continuation Enrollment or Waiver form. The Board must receive your form within 60 days of your last day of service.

Humana Group Medicare Advantage PPO plan

The Board of Pensions offers medical coverage to retired members through the Humana Group Medicare Advantage PPO plan. The plan is a Medicare Part C plan that:

- covers medically necessary items and services from a large national network of hospitals and physicians, as well as any doctor, specialist, or hospital who accepts Medicare and agrees to bill Humana
- requires you to have Medicare Parts A and B
- includes Medicare Part D prescription drug coverage to help pay for medications your provider prescribes and extras like dental, vision, and hearing aid benefits and a variety of wellness, clinical, and fitness programs

For more information, visit pensions.org/humana.

If you are eligible and wish to enroll, complete the Humana Group Medicare Advantage PPO Enrollment form included with your enrollment kit. Or you may choose to waive coverage and join a different Medicare plan. If coverage is waived, you may enroll in the plan in the future only at the time of one of these qualifying events: the death of the member and/or spouse; the involuntary loss of medical coverage; retirement; termination of other employment; or any enrollment period established by the Board.

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*.

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

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 Humana Group Medicare Advantage PPO 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 helps cover everything medically necessary that Parts A and B cover, including hospital and medical services. Medicare Part C plans, also known as Medicare Advantage plans, are only available through private insurance companies. You still have Medicare if you have Medicare Part C coverage.

The Humana Group Medicare Advantage PPO plan offered to retired members is a Part C (Medicare Advantage) plan.

Part D, prescription drug coverage, helps pay for medications your provider prescribes. It is available as a stand-alone plan or included in a Medicare Advantage Plan.

The Humana Group Medicare Advantage PPO plan offered to retired Benefits Plan members is a Medicare Part C plan and includes Medicare Part D prescription drug coverage.

Cost of coverage

You may enroll in medical continuation coverage if you are under age 65 or the Humana Group Medicare Advantage PPO plan if you are Medicare-eligible; that is, you must enroll and make monthly payments for coverage for you, your spouse, and eligible children.

Rates

For 2025, there is no monthly subscription rate for the Humana Group Medicare Advantage PPO plan. For medical continuation, your monthly cost is based on the number of persons enrolled. For example, if you and your spouse are both under age 65 and enroll in medical continuation coverage, your monthly cost would be the Member + Spouse rate. If you are over age 65 and your spouse is under 65, your monthly cost for the Humana Group Medicare Advantage PPO plan would be $0 and the monthly cost for your spouse would be the Member Only medical continuation rate.

Making payment

Any required monthly charge for coverage is deducted from your pension check. If your monthly pension benefit does not cover the monthly 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 (if required) with the enrollment 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 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 the required 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 nonpayment 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; however, if you are under age 65 and cancel your medical continuation coverage, you cannot reinstate it.

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

5. Your Death Benefits in Retirement

If you die after you commence your pension benefit, your survivors may be eligible for a lump-sum death benefit.

LUMP-SUM DEATH BENEFIT

The lump-sum death benefit is a one-time payment of $12,500. You are eligible for this benefit if:

- You retire or leave active employment with a PC(USA) or affiliate employer after turning age 55, and
- You are enrolled in the Death and Disability Plan at the time you retire or your employment ends.

Payment

Your lump-sum death benefit is paid to your eligible survivors in the following order:

- your spouse (of at least one year)
- your unmarried dependent children under age 26 and eligible disabled children ages 26 and older
- your dependent parents
- your unmarried dependent siblings under age 26 and eligible disabled siblings ages 26 and older

If there are no eligible survivors, as described above, the lump-sum death benefit is paid to your estate.

Timing

If you were married at least one year at the time of your death, the Board will pay the lump-sum death benefit to your surviving spouse within one week of receiving notification, by either phone or letter, of your death. This is intended to help with funeral expenses.

If there is no surviving spouse, other eligible survivors must complete and submit to the Board a Death Benefits 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 your eligible survivors or to your estate.

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.

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 children typically may continue until age 26. Once coverage terminates, benefits are no longer payable.

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

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.

Log in to Benefits Connect to view your beneficiary designation(s) for any supplemental death benefits.

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 your:

- surviving spouse
- surviving children in equal shares
- 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 an inherited IRA (including an inherited 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.

> **To obtain the forms necessary to report a life event, 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 #57887).**

BIRTH OR ADOPTION OF A CHILD

When you expand your family through birth or adoption, notify the Board through Benefits Connect or by completing, signing, and submitting a Life Event Change form.

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

You may also wish to update your beneficiary designations for the supplemental death benefit and the Retirement Savings Plan, as applicable, as well as complete form W-4P, which can be found on irs.gov to change your federal tax withholding election. Depending on where you live, you may wish to complete a State Tax Withholding Election form, available from pensions.org.

MARRIAGE

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

If you predecease your new spouse, they are eligible to receive a monthly survivor's pension benefit for the rest of their 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 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 or remarry, you may wish to update your beneficiary designations for 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.

DIVORCE OR DISSOLUTION

If you divorce or dissolve your marriage or qualified domestic partnership after retiring, your former spouse and eligible children may continue medical coverage by paying any required 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.

Note: An individual enrolled in the plan as a qualified domestic partner during the period from Jan. 1, 2013, through Dec. 31, 2016, based on a state-licensed civil union or state licensed domestic partnership, is considered a spouse under the Benefits Plan and qualifies for spousal benefits for the duration of that relationship.

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 qualified 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 *The Benefits Plan and Divorce*, 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 survivor should call the Board and report the date of death to a service representative promptly. If you were married and your spouse notifies the Board, this will trigger release of the lump-sum death benefit to your spouse if they are 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 Benefits Claim form and related forms to ensure receipt of any survivor's pension benefit due them. If a survivor other than your spouse is notifying the Board of your death, they must complete the Death Benefits Claim form and provide a copy of the death certificate before the lump-sum death benefit can be paid.

If your spouse was enrolled in medical continuation coverage at the time of your death, they are eligible to continue to subscribe for medical coverage for their lifetime. If not yet eligible for Medicare, your surviving spouse may enroll in medical continuation coverage until they become eligible for Medicare. Your surviving spouse may then enroll in the Humana Group Medicare Advantage PPO plan if they are participating in Medicare Parts A and B. Also, your covered children may continue coverage upon your death by paying the monthly rates for as long as they remain eligible under the plan.

IN THE EVENT OF YOUR DEATH

Your survivors should call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711), Monday through Friday 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

As the agency of the Presbyterian Church (U.S.A.) that administers benefits, the Board of Pensions is keenly aware of unmet financial needs — particularly during retirement. The Assistance Program embodies our connectional Church at its best through need-based grants that provide eligible members and their families with financial assistance.

Eligibility varies by grant. Visit pensions.org/assistance for details.

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.

RECEIVING ASSISTANCE

The following need-based grants are available for retired members, ministers, and surviving spouses who qualify:

All Members (including retirees and surviving spouses)

- Adoption Assistance
- Emergency Assistance
- Transition-to-College Assistance

Retirees

- Housing Supplements
- Income Supplements
- Retiree Medical Grants

The Board encourages retired Benefits Plan members to review eligibility requirements and apply. Additional grant opportunities are available for active ministers and employees of PC(USA)-affiliated employers. Visit pensions.org/assistance for details. If you are eligible to receive assistance and have questions, call us at 800-PRESPLAN (800-773-7752) (TTY: 711).

ELIGIBILITY

Eligibility requirements vary by type of assistance. Generally, the programs listed here are available to retired members of the Benefits Plan of the Presbyterian Church (U.S.A.) and surviving spouses. This includes retired members, both ministers and employees, who serve the Church and retired members who work for an organization affiliated with the PC(USA), such as senior housing and care facilities, colleges and universities, and camps and conference centers.

SUPPORTING THE ASSISTANCE PROGRAM

The Assistance Program offers an important financial safety net for Presbyterian ministers, PC(USA) employees, 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. To make a gift by mail, complete the Assistance Program Gift and Donation Form, available at pensions.org, and mail it with your check made payable to The Board of Pensions of the Presbyterian Church (U.S.A.) to:

The Board of Pensions of the Presbyterian Church (U.S.A.)
Assistance Funds, Room 3024
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/give.

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-PRESPLAN (800-773-7752) (TTY: 711).

8. Appendices

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% of your former gross income to maintain your current lifestyle in retirement; use 90% to 100% 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)
- contributions to savings and investments

Expenses that may increase include:

- housing, for ministers living in a manse
- healthcare and prescriptions
- health insurance
- 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 Expenses	Estimated Annual Expenses in Retirement	Expenses	Current Annual Expenses	Estimated Annual Expenses in Retirement
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 Preretirement	
Start saving for retirement, if you haven't already, or increase your savings. Enroll in the Retirement Savings 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. 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 Preretirement	
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.	
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 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 Preretirement	
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 Preretirement	
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-PRESPLAN (800-773-7752) (TTY: 711)
pensions.org

Fidelity Investments
800-343-0860
fidelity.com/atwork

Internal Revenue Service
800-829-1040
irs.gov

Medicare
800-633-4227 (800-MEDICARE)
medicare.gov

Social Security Administration
800-772-1213
ssa.gov

Publications

The Board produces communications about its benefits and assistance program.

Visit pensions.org or call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) for more information.

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

2000 Market Street | Philadelphia, PA 19103-3298 | Tel: 800-PRESPLAN (800-773-7752) (TTY: 711) | Fax: 215-587-6215 | pensions.org

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