

Defined Benefit Pension Plan

The Defined Benefit Pension Plan, a qualified church 401(a) defined benefit retirement plan, 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 congregational ministers' median, but no more than \$330,000, the 2023 IRS maximum.*

Your pension can also grow through periodic experience apportionments. Experience apportionments are discretionary, permanent increases in pension credits or benefits that are granted, when possible, at the sole discretion of the Board's Board of Directors. You do not contribute to the Defined Benefit 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.

* Up from \$305,000 in 2022; the 2024 maximum will be released by the IRS in late 2023 and posted on pensions.org/members.

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 Defined Benefit 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 Defined Benefit 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) (TTY: 711) 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. 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.



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When benefits begin

The Defined Benefit 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 benefit is higher for two reasons: It reflects increased credits that continue to accrue while you work, and an additional factor is applied to your pension credits when you receive your benefit after age 65 (up to age 70).

The Defined Benefit 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 Defined Benefit Pension Plan participation. You do not contribute.

LEARN MORE

For more information about the Defined Benefit Pension Plan, visit pensions.org/members. If you have questions, call the Board at 800-773-7752 (800-PRESPLAN) (TTY: 711).



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/members.



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.

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) (TTY: 711) for a copy of the plan document.



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

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