

A Guide to Benefits Under the Clergy Pension Plan

Rules in effect as of January 1, 2013 with 2014 Addendum



Letter from the CEO and President

Dear Friends,

Whether retirement is a distant dream, a next step or a pleasant reality, the Church Pension Fund is here to help you achieve financial security throughout your ministry and in retirement.

Reaching that goal requires both planning and partnership. We can help you plan. When we work actively together, the Church Pension Fund can be your informed and caring partner, because we know the complex ins and outs of your benefits package, and we have your best interests at heart.

As this Guide makes clear, the Clergy Pension Plan is much more than a retirement plan. It offers financial protection for you and your family in the event of disability or death at any stage in your ministry. During the past several years, we have significantly enhanced these benefits and added flexibility to your options.

We hope you will find this overview of the Clergy Pension Plan rules and benefits useful. As questions arise, please contact us or visit our offices. We are here to help.

Sincerely,



Mary Kate Wold
CEO and President
The Church Pension Fund

The Church Pension Fund

- The Church Pension Fund (CPF) administers The Church Pension Fund Clergy Pension Plan (the Clergy Pension Plan) for the Episcopal Church.
- CPF provides pensions and related benefits for Episcopal clergy, their eligible surviving spouses or other named beneficiaries, and eligible dependent children.
- As mandated by the Constitution and Canons of the Episcopal Church, CPF collects payments (called assessments) from qualified employers of eligible clergy to provide these benefits.

This Guide, which reflects the rules in effect for the Clergy Pension Plan as of January 1, 2013, is provided as a handy reference and is only a summary of the Clergy Pension Plan and the way it applies to most clergy. Individual situations may differ from those described in this Guide. To discuss specific circumstances, call Client Engagement at (866) 802-6333, Monday – Friday from 8:30AM – 8:00PM ET (excluding holidays), or email Client Engagement at benefits@cpfg.org.

For readability

Several shorthand terms are used throughout this Guide. The terms “employer,” “church” and “parish” represent all qualified employers that participate in the Clergy Pension Plan. The terms “active” and “active participant” generally refer to clergy for whom assessments have been paid for six out of the preceding 12 months. The terms “inactive” and “inactive participant” generally refer to clergy for whom assessments have not been paid for six months or more. (Please see the explanation of “active or deemed active ministry” in the Glossary of Terms for special exceptions to these general rules.)

2014 Addendum to A Guide to Benefits Under the Clergy Pension Plan (the Guide)

The Guide summarizes the full package of benefits provided to participants in The Church Pension Fund Clergy Pension Plan (the Clergy Pension Plan) and the rules governing those benefits. This addendum summarizes the changes made since the Guide was last published in July 2013 and is a part of the Guide.

Lump Sum Death Benefit (page 14)

A clarification was made that the lump sum death benefit of \$5,000 is payable upon the death of a “deemed active” participant, in addition to being payable upon the death of an active participant or a participant who has earned at least 25 years of Credited Service.

Assessments (page 15)

In general, assessments will not be accepted after a participant's benefit commencement date or death, whichever occurs first. This same rule also applies for special situations (page 6).

Short-Term Disability Benefit (page 11)

Effective January 1, 2014, the short-term disability benefit will only be payable if CPF is notified of an eligible cleric's disability within 180 days following the date of the onset of the disability.

Maternity Leave (page 11)

Effective January 1, 2014, this benefit will only be payable if CPF is notified within 180 days following an eligible cleric's giving birth.

Please note that this addendum is provided to you for informational purposes only and should not be viewed as investment, tax or other advice. In the event of a conflict between the information contained in this addendum and the official plan documents, the official plan documents will govern. The Church Pension Fund and its affiliates retain the right to amend, terminate or modify the terms of any benefit plans described in this addendum at any time, without notice and for any reason.

Table of Contents

About this Guide	1
Who needs this Guide?	1
What will this Guide do?	1
The Clergy Pension Plan is a defined benefit plan	1
While members of the clergy are working	4
What can a cleric expect to receive from the Clergy Pension Plan at retirement?	4
What is vesting?	4
What is Credited Service?	4
What is Highest Average Compensation?	4
What is Total Assessable Compensation?	5
When are assessments mandatory?	6
Special situations:	6
Newly ordained and job hunting	6
Between jobs in the Church	7
Change in ecclesiastical status	7
Extension of Ministry	7
Graduate study	8
Family and medical leave	8
Overseas missionaries	8
Military service	9
Service in other parts of the Anglican Communion	9
Two-clergy families	9
How does the Clergy Pension Plan protect clergy and their families while they are working and having assessments paid?	9
Disability retirement	9
Short-term disability benefit	11
Maternity leave	11
Death while in active service	12
Pre-retirement survivor's benefit	12
Pre-retirement survivor's benefit beneficiary	12
Resettlement benefit	13
Surviving child's benefit	13
Surviving disabled child's benefit	14
Lump sum death benefit	14
Life insurance	14
What must the cleric do while working to ensure his or her benefits?	14
What must the Church employer do to make sure the cleric will receive full benefit coverage?	15

What happens if assessments aren't paid on time?	15
What happens to the cleric's retirement benefits if the cleric divorces or marries before retirement?	16
What about other sources of retirement income?	17
Checklist for working clergy	17
Getting ready to retire	18
When does the retirement process begin?	18
When can a cleric retire?	18
Can a cleric work in the Episcopal Church after retirement?	19
What happens if the cleric returns to active ministry and either exceeds the compensation limit or does not meet the other "working while pensioned" ("work after retirement") criteria?	20
What about work outside the Episcopal Church after retirement?	21
How much will the cleric receive each year?	21
How will the cleric receive his or her monthly benefit?	22
What other benefits will be received from CPF at retirement?	23
Who is an eligible spouse?	26
What will a surviving spouse or other named beneficiary receive when a retired cleric dies?	27
What about clergy who are not married?	27
What does it mean for a benefit to be payable for a period certain?	28
What about clergy with minor dependent children?	28
Are pension benefits taxable?	29
Checklist for an upcoming retirement	29
Retiring with security	31
What happens to a cleric's pension benefits if he or she continues to work in the Church for pay after retirement?	31
What can a cleric expect in addition to a monthly pension benefit payment?	31
How does marriage or divorce after retirement affect a cleric's benefits?	31
What will a surviving spouse or other named beneficiary receive when a retired cleric dies?	32
Checklist for retirees	32
The claims and appeals process	32
Appendices	35
Significant dates affecting the benefits provided by the Clergy Pension Plan	35
Constitution and Canons of the Episcopal Church (2009) Pertaining to the Church Pension Fund	36
Glossary of Terms	38
Contact Information	40

About this Guide

- This Guide is a summary of the benefits and rules governing the Clergy Pension Plan, which covers all bishops, priests and deacons who are canonically resident in a domestic diocese of the Episcopal Church.
- Tailored companion pension plans are in place for the clergy of Iglesia Anglicana de México and the Episcopal Church of Liberia. Other members of the clergy who are canonically resident in a non-domestic diocese of the Episcopal Church participate in a separate International Clergy Pension Plan. Please contact Pension Services for specific information if you are a participant in one of these plans.

Who needs this Guide?

- All compensated bishops, priests and deacons that are canonically resident in a domestic diocese of the Episcopal Church, have been in the past or plan to be in the future. This Guide also should be utilized by benefit administrators who currently have clergy members enrolled in the Clergy Pension Plan.

What will this Guide do?

- Help clergy understand their benefits.
- Clarify what clergy need to do to ensure eligibility for the full package of benefits provided by the Clergy Pension Plan.
- Encourage clergy to call Pension Services to establish a working relationship with CPF that begins at ordination and continues through retirement.

The Clergy Pension Plan is a defined benefit plan.

In a defined benefit plan, an employer commits to funding a plan that will result in the employee receiving a benefit that is based on a formula for life beginning at his or her retirement. The Clergy Pension Plan may also provide ongoing benefits for a surviving beneficiary. Since the benefit is based on a formula, the cleric's and his or her beneficiary's benefit (if a beneficiary is designated) is not based on investment market performance.

- The Church employer contributes an amount equal to a percentage of the cleric's Total Assessable Compensation, commonly called an assessment, to CPF on a quarterly or monthly basis, as designated by the employer.
- The total value of CPF's assets secures the payment of retirement benefits. Benefits may increase through discretionary cost-of-living adjustments.
- Benefits are determined by a formula based on:
 - ~ Credited Service earned through the regular and timely payment of assessments and
 - ~ the cleric's compensation history

- Participation**
- All bishops, priests and deacons who are canonically resident in a domestic diocese of the Episcopal Church and who are not participating in the International Clergy Pension Plan must participate in the Clergy Pension Plan if the cleric receives \$200 or more per month in compensation for three or more consecutive months from the same employer. (Clergy who are age 67 or older at ordination are exempted from this requirement and are not eligible to participate in the Clergy Pension Plan because they will not meet the five-year vesting requirement before the mandatory retirement age of 72.)
 - Clergy are eligible to participate in the Clergy Pension Plan as soon as ordination to the diaconate occurs.
 - Clergy can begin participating in the Clergy Pension Plan up to one year before obtaining their first paid position by paying assessments personally. Otherwise, participation becomes effective from the date the first Church employer begins paying assessments on the cleric's behalf.
 - From the date payments are first received on the cleric's behalf, the cleric and his or her family enjoy the full protection of the Clergy Pension Plan as Credited Service accumulates. If both the cleric and his or her spouse are ordained, each participates in the Clergy Pension Plan independently.
- Portability**
- Wherever a cleric is working within the Episcopal Church, pension and other benefits accrue to the cleric and Credited Service continues to build based on years of service, as long as the required assessments are paid.
 - Clergy are free to accept a call to any Church position without losing Credited Service. This feature gives a cleric greater flexibility to move within the Episcopal Church while continuing to build a pension base.
- Protection**
- The Clergy Pension Plan provides both life insurance and disability benefit coverage from the time assessment payments begin all the way through retirement, as long as assessments are paid. This coverage includes:
 - ~ Both short-term and long-term disability benefits
 - ~ A lump sum death benefit
 - ~ Survivor's benefits for an eligible spouse, dependent children or named beneficiaries
 - Eligible members of the clergy who are active or retired are covered by a CPF-provided life insurance benefit.
 - Protection is in place for the cleric and his or her family in the event the cleric is disabled or dies before retirement.
 - ~ Whether the death occurs before or after retirement, the Clergy Pension Plan provides an automatic benefit to an eligible surviving spouse at no cost to the cleric (unless the cleric waives such benefit), as well as the opportunity to elect an enhancement to this benefit at the time of retirement.

- ~ For clergy who are not married, the Clergy Pension Plan provides an automatic benefit to a named beneficiary if death occurs before retirement. The Clergy Pension Plan also provides the opportunity for a cleric to name an adult beneficiary at retirement who will receive benefits after the cleric dies.
- ~ *It is imperative that members of the clergy notify Pension Services whenever there is a change in family status and update their beneficiary information, including the beneficiary's address and telephone number, as necessary. If a cleric has named his or her spouse as a beneficiary, such spouse will, in most cases, remain the cleric's beneficiary even if they subsequently divorce.*
- ~ *It is imperative that all beneficiary designations be kept up-to-date. In the absence of a valid beneficiary designation, certain benefits such as the life insurance benefit and the lump sum death benefit carry with them "default beneficiary" provisions that may not be in keeping with the cleric's wishes. In the case of the pre-retirement survivor's benefit, this benefit will not be paid if a cleric fails to name a beneficiary and dies without a spouse or children.*
- Since the Clergy Pension Plan is a defined benefit plan, there are no individual accounts like you would find in a defined contribution plan. Therefore, the Clergy Pension Plan does not provide loans or lump sum payouts.

While members of the clergy are working

Even if retirement is years away, it is important for members of the clergy to understand the basic provisions of the Clergy Pension Plan

The following information provides an introduction to the comprehensive benefits provided by the Clergy Pension Plan. Clergy are encouraged to call CPF's Client Engagement Team at (866) 802-6333 or to email CPF at benefits@cpg.org for specific information.

What can a cleric expect to receive from the Clergy Pension Plan at retirement?

A monthly retirement benefit that reflects:

- total Credited Service,
- the Highest Average Compensation (HAC), as defined by the Clergy Pension Plan, and
- the benefit factor that is used to calculate the final retirement amount.

What is vesting?

- Vesting is the point at which benefits have been earned and secured for future payment.
- A cleric must accumulate five years of Credited Service in the Clergy Pension Plan to be vested in his or her retirement benefits.

What is Credited Service?

- Credited Service is the period of years and months for which full assessments have been paid. A cleric will not earn Credited Service for periods for which assessments are not fully paid. Please see pages 14 – 15 for more information.
- The longer the cleric serves in paid positions with an Episcopal employer (assuming all assessments are paid), the more Credited Service the cleric will earn, and the greater the cleric's retirement benefits will be.
- Credited Service may be reduced (i.e., the cleric may not earn 12 months of Credited Service during a given 12-month period) when the cleric's salary is lower than the Clergy Pension Plan's hypothetical minimum compensation.
 - ~ In such cases, the cleric may continue to earn full-time Credited Service by personally paying CPF a portion of the needed assessment.
 - ~ In such cases, the cleric's assessment amount will be based on the difference between the cleric's Total Assessable Compensation in the cleric's current position and the hypothetical minimum compensation.

What is Highest Average Compensation?

Highest Average Compensation (HAC) is generally the average of the highest-paid seven out of eight consecutive 12-month periods during a cleric's ministry. Once established, a cleric's HAC cannot decrease.

What is Total Assessable Compensation?

For pension purposes, Total Assessable Compensation generally consists of cash salary, Social Security tax reimbursements, utilities and housing. Total Assessable Compensation may also include other items that are taxable under the Internal Revenue Code, as determined by the Plan Administrator. Total Assessable Compensation is the sum of all of the following components and is the basis on which pension assessments are calculated:

- Cash salary is the stipend paid, including bonuses, fees, one-time cash payments, tuition paid for dependents, any salary reduction arrangements or employer contributions used to fund an annuity, tax-sheltered annuity or other 403(b) plan, or other tax-deferred benefit, and amounts excluded from income used to pay for a benefit from a cafeteria plan or for a qualified transportation fringe benefit, and also may include all or a portion of severance pay.
- Social Security tax reimbursements provided by the employer to offset the cleric's self-employment (SECA) taxes. The reimbursement may be a fixed dollar amount or a percentage of the cleric's cash salary.
- Utilities allowances received to cover the cost of utility bills such as fuel, gas and electricity, and/or the amount the employer pays for utilities on a cleric's behalf.
- Housing is the allowance received for this purpose. Since CPF uses housing to calculate the Total Assessable Compensation on which assessments are based, it is important for us to know whether or not housing is provided and, if so, how it is provided.
 - ~ If housing is provided rent-free (but neither a cash housing allowance nor a housing equity allowance is provided), the housing allowance is calculated at 30% of the sum of the cash salary, utilities and Social Security reimbursements.
 - ~ If both housing and meals are provided cost-free (but neither a cash housing allowance nor a housing equity allowance is provided), the housing allowance is calculated at 40% of the sum of the cash salary, Social Security reimbursements and utilities.
 - ~ If a cash housing allowance or a housing equity allowance is provided (but neither housing nor housing and meals are provided rent-free), the assessable housing allowance is the actual dollar amount received.
 - ~ If housing or housing and meals are provided rent-free and an **additional cash housing allowance** is provided, for pension purposes, the value of the assessable housing is calculated to be (1) 30% (when only housing is provided) or 40% (if both housing and meals are provided) of the sum of the cash salary, Social Security reimbursements and utilities **or** (2) the actual dollar amount of the cash housing allowance received, **whichever is greater**.
 - ~ If housing or housing and meals are provided rent-free and an **additional housing equity allowance** is provided, for pension purposes, the value of the assessable housing is calculated to be (1) 30% (when only housing is provided) or 40% (if both housing and meals are provided) of the sum of the cash salary, Social Security

reimbursements and utilities **and** (2) the actual dollar amount of the housing equity allowance received.

- ~ If cash compensation is received from more than one Church employer but only one provides housing, compensation from all of the qualified employers is assessed for a proportionate share of the housing.
- ~ Please note that a Church employer may provide a housing equity allowance in the form of employer contributions to an annuity, tax-sheltered annuity or other 403(b) plan. If these types of employer contributions are reported as part of cash compensation, it is very important that they are not also reported as housing equity allowance.

Under no circumstances may employers pay assessments on an amount in excess of the cleric's Total Assessable Compensation as determined in accordance with the Clergy Pension Plan rules summarized above. CPF reserves the right to request documentation to support the Total Assessable Compensation reported to us at any time.

When are assessments mandatory?

- If a cleric works for one Episcopal employer for at least three consecutive months and earns at least \$200 a month, the employer is required to pay assessments under the Constitution and Canons of the Episcopal Church (Title I, Canon 8, Section 3 (2009)). (If a cleric performs temporary assignment or supply duties for less than three months or earns less than \$200 per month, the employer and/or the cleric have the option of paying assessments during the period of the temporary assignment.)
- Employers who are employing supply or interim clergy are **not** exempted from this rule.

Special situations:

There are special situations in which the Clergy Pension Plan will waive assessments for a specified period, or permit the cleric to pay assessments directly to the Clergy Pension Plan. Unless a cleric will earn at least five years of Credited Service in the Clergy Pension Plan prior to retirement, there may be little advantage to electing this option.

- During the time when assessments are either waived or the cleric is personally paying assessments, the cleric is eligible for the following benefits:
 - ~ the disability retirement benefit
 - ~ the life insurance benefit
 - ~ the lump sum death benefit and
 - ~ the survivor's benefit
- The above coverage continues for up to six months after the cleric ceases paying assessments.

These special situations include:

Newly ordained and job hunting

- If a cleric has been ordained but a compensated position in the Church has not been secured, the cleric may opt to earn up to one year of Credited Service by personally paying assessments.

- Assessments are calculated based on the Clergy Pension Plan's hypothetical minimum compensation.

Between jobs in the Church

- If a cleric is between cures and is not receiving compensation for Church or Church-related work, the cleric may continue to earn full Credited Service by personally paying assessments for up to one year.
- Assessments are calculated based on the cleric's last full-time Total Assessable Compensation (excluding compensation deemed to be earned during graduate study) or Highest Average Compensation, whichever is lower.

Change in ecclesiastical status

- If a cleric is suspended, the cleric may pay assessments during the period of suspension or for a maximum of one year, whichever is less.
 - ~ Assessments are calculated based on the cleric's last full-time Total Assessable Compensation (excluding compensation deemed to be earned during graduate study) or Highest Average Compensation, whichever is lower.
- If a cleric is deposed or removed, he or she may no longer actively participate in the Clergy Pension Plan. However, any vested retirement benefits that have been earned by the cleric up to the date of deposition or removal will be available to the cleric when he or she retires.

Extension of Ministry

- If a cleric in good standing exercises his or her ministry in an organization that is not affiliated with the Episcopal Church, the cleric may continue to participate in the Clergy Pension Plan provided the following criteria are met:
 - ~ The Extension of Ministry is approved by the cleric's canonical bishop (or, in the bishop's absence, the Ecclesiastical Authority),
 - ~ The Ecclesiastical Authority of the diocese where the work is to take place represents in writing to CPF that he or she is aware of and is in agreement with the cleric's service in the diocese, and
 - ~ The Plan Administrator approves the Extension of Ministry.
- Educational or social work with a pastoral aspect, chaplaincy and other religious duties that advance the mission of the Episcopal Church and that do not violate the Constitutions and Canons of the Church are generally considered an Extension of Ministry.
- Strictly secular work is not included.
- In order to earn full Credited Service, the cleric, the employer or the two together must pay assessments on the cleric's Total Assessable Compensation, provided that the compensation equals or exceeds the Clergy Pension Plan's hypothetical minimum compensation. The cleric also has the ability to earn partial Credited Service if his or her compensation falls below the hypothetical minimum compensation.
- If assessments are not paid, the cleric's active status is suspended. All accrued benefits earned to date will remain intact. However, those benefits that are dependent on the current payments of assessments, such as:

- ~ the life insurance benefit
- ~ the lump sum death benefit and
- ~ projected Credited Service for the disability retirement benefit and/or the survivor's benefit may be lost.

- An Extension of Ministry will be approved for periods no longer than two years.
- The cleric and his or her canonical bishop (or, in the bishop's absence, the Ecclesiastical Authority) must request renewal of the approved Extension of Ministry at least 60 days prior to the second anniversary or the last affirmation of the approval by the Plan Administrator. There is no limit on the total number of renewals that may be granted to a cleric.

Graduate study

- If a cleric is attending graduate school in a course of study to strengthen his or her ministry, the cleric's assessments may be waived. In such cases, the cleric may earn up to three years of Credited Service based on the hypothetical minimum compensation, as defined by the Clergy Pension Plan, provided that:
 - ~ the cleric is in good standing
 - ~ the cleric's canonical bishop (or, in the bishop's absence, the Ecclesiastical Authority) recommends waiver of assessments
 - ~ the cleric has earned at least three years of Credited Service in the Clergy Pension Plan prior to the beginning of his or her graduate study
 - ~ the Plan Administrator approves the waiver and
 - ~ between the time the cleric ends his or her studies and the time the cleric retires, the cleric earns additional years of Credited Service equal to the number of years and months for which assessments were waived
- Clergy for whom a period of graduate study has been approved generally will be considered Active Participants during their period of graduate study for purposes of the disability retirement benefit, the pre-retirement survivor's benefit and the lump sum death benefit.

Family and medical leave

- If a cleric takes an unpaid leave of absence to care for a newly born or newly adopted child or to care for an immediate family member who has a serious health condition (as defined in the Family and Medical Leave Act), the cleric can earn up to 12 weeks of full-time Credited Service by personally paying assessments during the leave based on either the cleric's Total Assessable Compensation prior to the leave or the Clergy Pension Plan's hypothetical minimum compensation.
- Leave to care for a newly born or newly adopted child must occur within one year of the child's birth or adoption.
- Leave to care for a member of the cleric's immediate family must be supported by a statement from the family member's physician regarding the nature of the family member's illness and the need for such care.

Overseas missionaries

- In its Guidelines for the Support of Overseas Missionaries, the Executive

Council has affirmed, “For clergy appointees, premiums [assessments] will be paid to the Church Pension Fund on the basis of the prior year’s national median clergy compensation. This base is subject to annual review and change in accord with median compensation figures provided by the Church Pension Fund.”

Military service

- CPF has special agreements with the Office of the Bishop Suffragan for Federal Ministries covering members of the clergy who serve as chaplains in active military service. Details regarding these agreements can be obtained by calling Pension Services.
- The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides important benefits for all Reserve and National Guard members who are called to active military duty. This act not only requires employers to maintain pension coverage during the period of military deployment, but also requires employers to guarantee equivalent employment following release from federal service. If an employer provides the support contemplated by the law, the Office of the Bishop Suffragan for Federal Ministries and CPF can offer assistance in meeting a portion of the law’s requirements under the “Special Mobilization Support Plan.” In accordance with USERRA, the Clergy Pension Plan requires that pension assessments for clergy called to active service in the military be paid in full during the period of active duty.

Service in other parts of the Anglican Communion

- If part of a cleric’s service to the Church takes place in another part of the Anglican Communion, the cleric may still be vested in the Clergy Pension Plan if he or she has earned a total of five years of combined Credited Service, at least two years of which must be earned based on participation in the Clergy Pension Plan. However, the retirement benefits provided by the Clergy Pension Plan will be based solely on the compensation and Credited Service earned as an active participant in the Clergy Pension Plan.

Two-clergy families

- If both spouses are ordained, each is building his or her own record of Credited Service and compensation with the Clergy Pension Plan.
- Each spouse will receive a pension benefit at retirement

How does the Clergy Pension Plan protect clergy and their families while they are working and having assessments paid?

Unlike most corporate retirement plans, the Clergy Pension Plan provides a comprehensive package of benefits to protect clergy and their families during their working years in the Church, as well as in retirement.

Disability retirement

If a cleric becomes seriously disabled before retiring or reaching age 65, the cleric may be eligible to receive a disability retirement benefit. To qualify, the cleric’s physician must certify that the disability is total and continuing, the cleric’s canonical bishop (or, in the bishop’s absence, the Ecclesiastical Authority) must also certify that the cleric is unable to work and CPF’s Medical Board (as constituted under the Clergy Pension Plan) must concur. If a cleric is considering resigning

from a position for health reasons, the cleric should file an application for disability retirement to determine whether he or she qualifies for this benefit. A cleric may wish to consult with CPF's Education and Wellness department for more information.

Disability retirement is for total disability only. The cleric cannot be compensated for any work (inside or outside the Church) and receive disability retirement benefits. However, after a cleric has received disability retirement benefits for one year, the cleric, with the approval of the cleric's physician, the cleric's canonical bishop (or, in the bishop's absence, the Ecclesiastical Authority) and the CPF Medical Board, may begin to work part-time and receive a reduced disability retirement benefit.

The total disability retirement benefit generally will consist of all or some of the following, depending on the cleric's eligibility:

- **Basic Disability Benefit:** If the cleric is an active participant in the Clergy Pension Plan at the time of the onset of the disability, the basic disability benefit is determined by the formula for normal retirement, based on the cleric's Highest Average Compensation and Credited Service projected to age 65. If the cleric is not an active participant in the Clergy Pension Plan at the time of disability, the basic disability benefit is based on the cleric's Highest Average Compensation and Credited Service earned up to the date the cleric stopped being an active participant in the Clergy Pension Plan.
- **Disability Enhancement:** In addition to the basic disability benefit as described immediately above, an active participant may be eligible to receive a disability enhancement. If the cleric qualifies, the basic disability benefit plus the enhancement generally will equal 70% of the cleric's Total Assessable Compensation prior to the onset of disability. *The disability enhancement will be paid to the cleric each month through the month during which the cleric reaches age 65, at which time the disability enhancement will cease. The disability enhancement also will cease if the cleric's basic disability benefit is canceled prior to the cleric reaching age 65, e.g., if the CPF Medical Board determines that the cleric is no longer totally disabled.*

If the cleric's compensation either decreases by 20% or more or increases by 20% or more and such change is not related to a change in employment, then the compensation used to calculate the disability enhancement will be adjusted. Please contact Pension Services for more information.

- **Cost-of-Living Increases:** Both the basic disability benefit and the disability enhancement will be subject to any discretionary cost-of-living adjustments that may be approved by the CPF Board of Trustees during the period of disability.
- **Bridge Benefit:** If the cleric is receiving a basic disability benefit from the Clergy Pension Plan, the cleric will also receive a monthly "bridge benefit" to help cover the cost of medical expenses. This monthly benefit equals \$17.50 times the number of years of earned and projected Credited Service to age 65. *The bridge benefit is only paid until the cleric reaches age 65 or, if earlier, when the cleric becomes Medicare-eligible.*

- If a cleric is receiving a disability retirement benefit at the time he or she reaches age 65, the cleric's disability retirement benefit will be reclassified as a normal retirement benefit. At that time, the cleric will be allowed to make spousal or surviving beneficiary elections in accordance with the then applicable rules of the Clergy Pension Plan.
- **Allsup:** The process of applying for Social Security disability benefits can be daunting and confusing. To assist with this process, CPF has contracted with Allsup, an organization that has experience navigating the Social Security disability process once a cleric has been approved by the CPF's Medical Board to receive a disability retirement benefit, Allsup is available at no cost. Access to Allsup is also available to assist the spouse and dependent children of these clergy.

Short-term disability benefit

There are situations in which a disability retirement under the Clergy Pension Plan may not be appropriate because the disability is not long-term in nature. In those cases, CPF provides an income replacement benefit to assist an employer with expenses incurred in the event of an active participant's short-term disability. The benefit commences after the cleric has been absent from work for 30 consecutive days due to disability and continues for up to one year of disability or, if earlier, until the cleric begins to receive a disability retirement benefit from the Clergy Pension Plan. The benefit is limited to 70% of the cleric's Total Assessable Compensation or \$1,000 per week, whichever is less. However, if the cleric resumes his or her normal duties on a part-time basis during this period, the short-term disability benefit will be prorated based on the cleric's part-time work schedule as compared to the cleric's pre-disability work schedule. *In order to receive this assistance, the employer must notify CPF within a reasonable period of time following the cleric's onset of the disability and must sign an agreement to continue the cleric's employment during the short-term disability period at the cleric's pre-disability compensation, including benefits and assessments to CPF.* A cleric who is paying his or her own assessments under the Clergy Pension Plan may be eligible to receive the short-term disability benefit.

Maternity leave

CPF also provides an income replacement benefit to assist an employer with expenses incurred when an active participant is on maternity leave after giving birth. The benefit commences immediately upon the birth of a cleric's child, with no waiting period, and continues for up to 12 weeks. The benefit is limited to 70% of the cleric's Total Assessable Compensation or \$1,000 per week, whichever is less. *In order to receive this assistance, the employer must notify CPF within a reasonable period of time following the cleric's giving birth and must sign an agreement to continue the cleric's employment during the maternity leave at the cleric's pre-leave compensation, including benefits and assessments to CPF.*

If you have questions about disability benefits, please call CPF's Education and Wellness department at (800) 223-6602.

Death while in active service

Pre-retirement survivor's benefit

- In general, if an active or deemed active cleric dies prior to retirement, the eligible surviving spouse or other named beneficiary(ies) will receive a survivor's benefit for life. (An inactive cleric must be vested at the time of death in order for a survivor's benefit to be payable.)
- If the cleric was an active or deemed active participant in the Clergy Pension Plan and was eligible for a retirement benefit at the time of death, the surviving spouse or named beneficiary(ies) will receive a pre-retirement survivor's benefit equal to the greater of:
 - ~ 50% of the pension benefit the cleric would have received based on the cleric's projected Credited Service to age 65 and the cleric's Highest Average Compensation at the time of death or
 - ~ the pension benefit the cleric would have received based on the cleric's actual Credited Service and the cleric's Highest Average Compensation at the time of death, assuming that the cleric had elected the 100% joint and survivor annuity option, provided that the benefit may be subject to reduction if the cleric had not completed at least 30 years of Credited Service at the time of death.
- If the cleric was an active participant in the Clergy Pension Plan and was not eligible for a retirement benefit at the time of death, the surviving spouse or named beneficiary(ies) will receive a benefit equal to 50% of the retirement benefit the cleric would have received at age 65 based on the cleric's projected Credited Service to age 65 and the cleric's Highest Average Compensation at the time of death.
- If the cleric dies after being vested but before he or she was eligible for a retirement benefit and was not an active participant in the Clergy Pension Plan at the time of death, the cleric's surviving spouse or named beneficiary(ies) will receive a benefit equal to 50% of the pension benefit the cleric would have received at normal retirement based on the cleric's actual Credited Service and Highest Average Compensation at the time of death.
- If the cleric dies after he or she becomes eligible for a retirement benefit and was not an active participant in the Clergy Pension Plan at the time of death, the cleric's surviving spouse or named beneficiary(ies) will receive a benefit equal to 100% of the pension benefit the cleric would have received at normal retirement based on the cleric's actual Credited Service and Highest Average Compensation at the time of death.
- A surviving spouse can only receive one pre-retirement survivor's benefit under the Clergy Pension Plan. If the surviving spouse becomes eligible to receive another pre-retirement survivor's benefit, such spouse will receive only the greater of the two benefits.

Pre-retirement survivor's benefit beneficiary

If a cleric who has named his or her spouse as the beneficiary of his or her pre-retirement survivor's benefit divorces prior to retirement, the cleric's former spouse will continue to be designated as the named beneficiary, unless the cleric elects in writing to designate a new beneficiary. If, however, the cleric remarries prior to the cleric's

retirement and reports the remarriage to CPF prior to his or her death, the former spouse will no longer be considered the named beneficiary. If the cleric does not report the remarriage to CPF prior to his or her death, the **former** spouse will receive the pre-retirement survivor's benefit.

The following rules apply if the cleric chooses to name someone other than his or her spouse as the beneficiary of his or her pre-retirement survivor's benefit:

- ~ Up to three beneficiaries who are not the cleric's children can be named.
- ~ If all of the named beneficiaries are the cleric's children, there is no limit on the number of beneficiaries.
- If the named beneficiary is not the cleric's spouse and is under the age of 22 at the time of the cleric's death, the beneficiary will receive the pre-retirement survivor's benefit only until he or she reaches age 22 or for a period of five years, whichever period is longer.
- If the named beneficiary is a trust or an estate, the pre-retirement survivor's benefit will be equal to five times the annual benefit payment and will be paid in a single lump sum. If, however, the beneficiary is a special needs trust established for the benefit of a disabled child, the benefit will be paid to the special needs trust for the life of the beneficiary of the trust.
- If no beneficiary is named and the cleric has neither a spouse nor children at the time of death, no pre-retirement survivor's benefit will be paid.

Resettlement benefit

- The cleric's spouse or the cleric's named beneficiary(ies) of the pre-retirement survivor's benefit may be eligible to receive a resettlement benefit equal to 12 times the monthly retirement benefit the cleric would have received, subject to a maximum of \$20,000. At a minimum, the resettlement benefit will be \$100 for each year of the cleric's Credited Service projected to age 65, up to a maximum of 20 years.

Surviving child's benefit

- If a cleric dies while his or her children are under age 25, each eligible surviving dependent unmarried child under age 25 may receive a benefit, subject to a maximum as provided in the Clergy Pension Plan. The amount of the benefit will be determined in accordance with the then current rules of the Clergy Pension Plan and may be reduced in certain circumstances, including if the cleric has less than 15 years of Credited Service or if the cleric is already receiving a retirement benefit and retired before age 65 with less than 30 years of Credited Service. The benefit amount may be adjusted from time to time by discretionary cost-of-living adjustments as approved by the CPF Board of Trustees.
- If the eligible child is an orphan with no living parent, the benefit is doubled based on the service of one parent only.
- This benefit ends when the child marries, becomes independent or attains age 25, whichever occurs first.

Surviving disabled child's benefit

- A surviving dependent child who is permanently disabled, either physically or mentally, will be paid the surviving child's benefit for life as long as the child was disabled before age 25, provided that the disability has been attested to by the child's physician and the CPF Medical Board has concurred with the physician's findings.
- If a cleric's child becomes disabled, it is vital that the cleric notify CPF's Education and Wellness department as soon as possible.

Lump sum death benefit

- If a cleric dies while an active participant in the Clergy Pension Plan or after earning 25 years of Credited Service and, in either case, has not yet commenced receiving a retirement benefit, the cleric's named beneficiary will be provided a lump sum death benefit of \$5,000. If the cleric dies prior to age 65 while on disability retirement, his or her named beneficiary also will be provided a lump sum death benefit of \$5,000.
- If a cleric names his or her spouse as the beneficiary of the lump sum death benefit and they subsequently divorce, the cleric's former spouse will continue to be designated as the named beneficiary (even if the cleric later remarries). The cleric must designate a new beneficiary in writing in order to change his or her named beneficiary.
- If no beneficiary is named, the lump sum death benefit will be paid to the cleric's spouse or, if the cleric is not married, to the cleric's estate.
- Eligible retired members of the clergy are covered under a separate retiree life insurance benefit. (See page 23.)

Life insurance

- If a cleric dies while an active participant in the Clergy Pension Plan, or if a cleric has earned at least 25 years of Credited Service at the time of his or her death and has not yet commenced the payment of a retirement benefit, the cleric's named beneficiary will be provided a life insurance benefit equal to four times the cleric's Total Assessable Compensation, subject to a minimum of \$5,000 and a maximum of \$100,000.
- If no beneficiary is named, the life insurance benefit will be paid in accordance with the default beneficiary provisions contained in the governing plan or policy.

What must the cleric do while working to ensure his or her benefits?

- To maintain full benefits, it is the cleric's responsibility to make sure CPF receives:
 - ~ timely and accurate assessment payments
 - ~ accurate and up-to-date personal information regarding
 - compensation
 - a change in assignment
 - a major life event (marriage, divorce, birth of a child, disability, etc.)
 - a change in beneficiary

Monitoring assessments

- A cleric's Church employer is required to make regular assessment payments on the cleric's behalf. If payments are not made, the cleric risks losing benefits for which he or she might otherwise be eligible through the Clergy Pension Plan.
- Reviewing the cleric's Annual Certificate is critical. The Annual Certificate reflects all the compensation on which the Church employer has paid assessments during the previous year, as well as the Credited Service earned for that year.
- Reviewing the cleric's Personal Information Summary, sent annually, is equally important because it reflects the personal information CPF has on file as well as current compensation and projected retirement benefits.

Please note: If assessments are not paid within two years following the year in which they are due, or if compensation records are not corrected within that same time period and assessments are due on that corrected compensation, the assessments will not be accepted by CPF unless interest is paid. For a limited time only (through December 31, 2013), CPF will waive the payment of interest on late assessments.

What must the Church employer do to make sure the cleric will receive full benefit coverage?

- The Church employer must pay the assessments accurately and on time. These payments are mandated by the Constitution and Canons of the Episcopal Church, Title I, Canon 8, Section 3 (2009) (see page 36).
- The current required assessment is 18% of the Total Assessable Compensation as defined by the Clergy Pension Plan. Assessments are billed in advance on a quarterly or monthly basis and are payable upon receipt.

What happens if assessments aren't paid on time?

- If assessments are unpaid for more than six months, the cleric risks losing full benefits including:
 - ~ projected Credited Service, which affects
 - survivor benefits for the cleric's spouse or named beneficiary if a death occurs before retirement
 - disability benefits
 - ~ benefits for eligible dependent children
 - ~ the lump sum death benefit (unless the cleric has earned more than 25 years of Credited Service)
 - ~ the life insurance benefit (unless the cleric has earned more than 25 years of Credited Service)
 - ~ the resettlement benefit
- If assessments are past due, the Church employer should contact Pension Services directly to handle payments because interest may be due.
- Assessments will not be accepted after a participant's benefit commencement date.

What happens to the cleric's retirement benefits if the cleric divorces or marries before retirement?

Divorce before retirement

- A divorced spouse's share of the retirement benefit is usually determined by the divorce decree. If the divorce decree provides that the former spouse is entitled to a share of the cleric's retirement benefit, the cleric and his or her former spouse must execute and file with the appropriate court a Qualified Domestic Relations Order (QDRO), which also must be approved by CPF. The divorce decree generally will not act as the QDRO. Once a QDRO is in place, the cleric will not have to pay taxes on any amounts paid from the Clergy Pension Plan to the former spouse pursuant to the terms of the QDRO. If a cleric is in or about to enter the divorce process, the cleric should call Client Engagement at (866) 802-6333 for information well before the court date. CPF has a model QDRO available for use by clergy. Using this model form can greatly speed approval of the QDRO by CPF, saving the cleric both time and legal fees. Unless directed to do so by a QDRO, CPF will not pay a portion of the cleric's retirement benefit to a former spouse while the cleric is living.
- A cleric may elect to provide a survivor's benefit to a former spouse in the event the cleric predeceases the former spouse. One method of doing so is through the election of the Former Spouse Option. This election must be made prior to the cleric's benefit commencement date. This option is available only if the cleric has earned at least 10 years of Credited Service during the marriage. This option can be revoked prior to the cleric's retirement with the consent of the former spouse and is automatically revoked if the former spouse dies prior to the cleric's retirement. For more information about this process, call Client Engagement at (866) 802-6333.

Marriage within three years of retirement

- If a cleric is recently married and is thinking of retiring, the cleric's retirement date could affect the spouse's benefits in the event the cleric predeceases the spouse. Generally, the cleric must have been married for at least three years and have earned at least three years of Credited Service after the marriage in order for the surviving spouse to receive full benefits upon the death of the retired cleric. This will also impact the spouse's eligibility for any post-retirement health benefits that may be provided by CPF.
- If a cleric with a same gender spouse is recently married and is thinking of retiring on or before June 30, 2014, there is a limited transition period during which the same gender spouse may be eligible to receive full benefits upon the death of the retired cleric (and any post-retirement health benefits that may be provided by CPF) even if the cleric did not earn at least three years of Credited Service after marriage. Certain conditions apply.
- Specific information regarding the effect on a surviving spouse's benefits of a marriage within three years of retirement can be obtained by contacting Pension Services.

Please note: There are specific rules that govern benefits for surviving spouses of clergy who either divorce or marry after retirement. (For more details, see page 31.)

What about other sources of retirement income?

- The retirement benefits provided through the Clergy Pension Plan are a critical part of a cleric's overall plan for financial security in retirement. However, a balanced financial plan should also include income from Social Security (assuming the cleric has not elected to opt out of Social Security), as well as individual resources such as personal savings, life insurance and pensions earned in other professions. The cleric may also choose to continue working in accordance with the Clergy Pension Plan's rules governing employment after retirement ("working while pensioned").
- Since the retirement benefits are based both on Credited Service and compensation history, if a cleric begins participating in the Clergy Pension Plan later in life, the cleric may need to supplement his or her pension income with an additional personal retirement account, such as an account in the CPF-sponsored Retirement Savings Plan or other tax-sheltered retirement savings account.
- Regardless of age, all clergy are encouraged to develop a comprehensive retirement plan, which includes the benefits that will be provided by the Clergy Pension Plan.

Checklist for working clergy

- Make sure assessments are paid in full and on time (if they are not paid on time, interest may be charged).
- Review the Annual Certificate, generally mailed in the first quarter of each year.
- Review the Personal Information Summary, generally mailed in the third quarter of each year.
- Contact us:
 - ~ if there is an address change
 - ~ if there is a change in work assignment
 - ~ if corrections need to be made to the Clergy Pension Plan's compensation records
 - ~ if ministry is exercised outside the Episcopal Church
 - ~ if there is a break in Church work
 - ~ if there is a marriage or divorce
 - ~ if there is a death of a spouse
 - ~ if a dependent child under age 25 is or becomes disabled
 - ~ if children are born or adopted
 - ~ if graduate school is a possibility
 - ~ if military chaplaincy is a possibility
 - ~ if missionary work is a possibility

If there are questions about any of the topics covered above, please call Client Engagement at (866) 802-6333.

Getting ready to retire

If a cleric's retirement is five years away or less, it's time to start planning in detail. CPF provides many choices in retirement. CPF can help clergy understand their options as they make decisions that will affect the rest of their lives.

When does the retirement process begin?

- The process begins when a cleric starts considering the timing of his or her retirement.
- At a minimum, CPF suggests contacting Pension Services at least three months prior to a planned retirement date. Pension Services representatives can explain all of the available retirement options so that the cleric can take full advantage of his or her retirement benefits.
- The cleric should arrange a meeting with his or her bishop (or, in the bishop's absence, the Ecclesiastical Authority) to discuss his or her retirement plans and projected retirement date. Clergy in good standing must obtain the signature of the cleric's bishop (or, in the bishop's absence, the Ecclesiastical Authority) on the cleric's application for retirement. The bishop's or the Ecclesiastical Authority's signature does not necessarily have to be submitted at the same time as the retirement application with the cleric's own signature but, in any event, must be submitted prior to the cleric's projected retirement date in order for Pension Services to process the retirement for such date. *No retroactive retirements will be permitted under any circumstances.*

When can a cleric retire?

Please note that a cleric must accumulate five years of Credited Service in the Clergy Pension Plan in order to be eligible for any of the retirement benefits provided by the Clergy Pension Plan. Clergy who accumulate less than five years of Credited Service are not eligible for benefits under the Plan.

Normal retirement

- At or after age 65 with at least five years of Credited Service
- The benefit is calculated using a formula based on Credited Service and Highest Average Compensation (HAC).

Early retirement with fewer than 30 years of Credited Service

- On or after age 60 with at least five years of Credited Service
- The benefit amount is reduced by two-tenths of one percent for each month the early retirement date is short of age 65. (The maximum reduction is 12%.)

Early retirement with at least 30 years of Credited Service

- On or after age 55
- The benefit is based on the cleric's actual years of Credited Service with no reduction for early retirement.

- The benefit is supplemented by a “bridge benefit” to assist the cleric with the cost of health benefits prior to reaching Medicare-eligible age. The bridge benefit is reduced when the cleric is first eligible for Social Security (age 62) and ends when the cleric reaches age 65. The bridge benefit is only payable to the cleric (not to his or her spouse or surviving spouse) and is discontinued if the cleric dies before age 65.

Retirement at age 72

- Retirement at age 72 is a requirement under the Constitution and Canons of the Episcopal Church, Title III, Canon 9, Section 7 (2009).
- Notwithstanding this, if a cleric is not earning Credited Service under the Clergy Pension Plan and is not yet retired, Pension Services is required to commence the payment of the cleric’s retirement benefit on April 1 of the year following the year in which the cleric attains age 70½. Depending on the cleric’s marital status at the time the retirement benefit is required to commence, Pension Services will compute the amount of the retirement benefit using the normal form of payment rules that apply to either legally married or unmarried participants, unless the cleric makes an election as to the form of payment prior to the required commencement date.
- CPF encourages a cleric who is not currently earning Credited Service in the Clergy Pension Plan to contact Pension Services at least three months after his or her 70th birthday to commence the retirement process thus helping to ensure that the cleric’s wishes are honored during this process.
- If a cleric is working in the Church after age 72, the employer will not be billed for pension assessments, and the cleric will not earn additional years of Credited Service.

Can a cleric work in the Episcopal Church after retirement?

- Yes, provided that the following criteria are met:
 - ~ The cash remuneration will not exceed 50% of the national median compensation for all clergy, and
 - ~ The cleric will not be working for the same Church institution from which he or she retired.
- If the cleric receives cash remuneration in excess of the limit or returns to work for the same Church institution (regardless of whether the cleric’s cash remuneration exceeds the limit), **the cleric must receive permission from the Plan Administrator to do so or his or her retirement benefit will be suspended.**
- To receive permission, the cleric must be at least 65 years of age and have at least 25 years of Credited Service.
- Prior to the commencement of work, the Ecclesiastical Authority of the diocese where the work will occur must submit an application to CPF certifying:
 - ~ that there is extraordinary pastoral or institutional need for the cleric to serve in the requested position, or for the cleric to serve in the same location as just prior to receipt of his or her retirement benefit, and explaining the reasons for this conclusion;

- ~ if the cleric will serve in the same location as just prior to receipt of his or her retirement benefit, that the cleric will serve in a completely different position, with very limited scope and remuneration;
 - ~ full consideration has been given, and all reasonable efforts were made, to fill the position with a non-retired cleric, but the applicant has been determined to be the most qualified candidate;
 - ~ all reasonable efforts will continue to be made to find a non-retired cleric to serve in the requested position when the exception expires in one year (or earlier); and
 - ~ the Ecclesiastical Authority has authority to remove the cleric from the position at any time, and the congregation understands this authority.
- Exceptions will only be granted for **one** year. Prior to the expiration of the one-year period, the Ecclesiastical Authority may submit another application to request that the exception period be extended by another year. **The total exception period may not exceed two years.**
 - Clergy may work outside the Episcopal Church with no restriction on the place of employment or the amount of compensation.
 - Clergy age 72 or older have no restrictions on the amount of compensation they may earn from work in the Episcopal Church because they are not eligible to accrue any additional Credited Service under the Clergy Pension Plan after age 72 (the mandatory retirement age under the Clergy Pension Plan).

What happens if the cleric returns to active ministry and either exceeds the compensation limit or does not meet the other “working while pensioned” (“work after retirement”) criteria?

Prior to attaining age 72, a retired cleric has the ability to return to active ministry. In this case, the cleric’s retirement benefit will be suspended, and the cleric’s employer will be required to pay assessments on the cleric’s Total Assessable Compensation. The cleric will accrue additional Credited Service under the Clergy Pension Plan, and his or her Highest Average Compensation may be favorably impacted. A retired cleric age 72 or older cannot accrue additional Credited Service under the Clergy Pension Plan for any reason.

- Any retirement benefits determined to have been paid after the cleric returned to active, compensated ministry may be required to be repaid to CPF in full or deducted from future pension payments, in CPF’s sole discretion.
- When active ministry again ceases, a new retirement benefit is calculated.
 - ~ It will be the combination of the original retirement benefit (in the form originally chosen and reflecting any discretionary cost-of-living increases that may have been granted on that pension benefit) plus any additional pension benefits earned during the cleric’s return to active ministry.
 - ~ The cleric may elect a separate optional form of benefit for the newly earned pension benefits.

What about work outside the Episcopal Church after retirement?

- This will not impact pension benefits from the Clergy Pension Plan.

How much will the cleric receive each year?

- **Normal retirement**

- ~ At or after age 65
- ~ Pension payments are based on:
 - Highest Average Compensation and
 - Credited Service

Highest Average Compensation (HAC) is generally the average of the highest-paid seven out of eight consecutive 12-month periods in the cleric's ministry.

Credited Service (CS) is the period of years and months for which full assessments have been paid on the cleric's Total Assessable Compensation.

The annual retirement benefit for a cleric who is age 65 or older with five or more years of Credited Service and whose Highest Average Compensation is greater than \$10,000 is computed as follows:

Step 1: $HAC \times 1.6\% \times CS$

Step 2: $\$10,000 \times 1.15\% \times CS$

Step 1 + Step 2 = Total Annual Normal Retirement Benefit

The annual retirement benefit for a cleric who is age 65 or older with five or more years of Credited Service and whose Highest Average Compensation is equal to or less than \$10,000 is computed as follows:

$HAC \times 2.75\% \times CS = \text{Total Annual Normal Retirement Benefit}$

- **Early retirement with at least 30 years of Credited Service**

- ~ On or after age 55, pension benefits are based on
 - the same formula as that used for a normal retirement
 - no reduction for early retirement
- ~ The cleric will also receive a monthly "bridge benefit":
 - Before age 62, the monthly bridge benefit is \$17.50 per year of Credited Service.
 - Between ages 62 and 65, the monthly bridge benefit is \$8.75 per year of Credited Service.
 - At age 65, the monthly bridge benefit ends completely.
 - This bridge benefit is intended to assist with the cost of healthcare coverage until the cleric is eligible for Medicare at age 65.

- **Early retirement with fewer than 30 years of Credited Service**

- ~ On or after age 60 with at least five years of Credited Service, pension benefits are computed using
 - the same formula as for a normal retirement
 - the pension benefit is reduced by two-tenths of one percent for each month the early retirement date is short of age 65. (The maximum reduction is 12%.)

The annual retirement benefit for a member of the clergy who is between ages 60 and 65 with between 5 and 30 years of Credited Service and whose Highest Average Compensation is greater than \$10,000 is computed as follows:

Step 1: $HAC \times 1.6\% \times CS$

Step 2: $\$10,000 \times 1.15\% \times CS$

Step 3: $.002 \times (\text{number of months between the cleric's age at retirement and age 65}) \times (\text{Step 1} + \text{Step 2})$

Step 1 + Step 2 - Step 3 = Reduced Annual Retirement Benefit

- **It's important to look at the cleric's whole retirement picture as part of the retirement planning process. CPF can help, so please call Pension Services for an estimate of a cleric's retirement benefits or for more information.**
- **Minimum pension**
 - ~ Regardless of the result of the benefit calculation using the Clergy Pension Plan's formula, the Clergy Pension Plan provides a minimum pension benefit based on Credited Service.
 - ~ If a cleric serves the Episcopal Church in low-paying positions for many years and retires with assessments fully paid, he or she will receive at least the minimum retirement benefit in proportion to his or her years of Credited Service.
 - ~ The greater the cleric's Credited Service, the higher the minimum retirement benefit.
 - ~ The minimum retirement benefit differs for those retiring from inactive status with less than 20 years of Credited Service.
 - ~ The minimum retirement benefit may also be available to an eligible surviving spouse.
 - ~ Minimum retirement benefits are available only to clergy who serve at least 80% of their compensated ministry in the domestic dioceses of the Episcopal Church and who are not participating in one of the companion plans administered by CPF. A separate plan covers clergy who have earned substantially all of their Credited Service in the non-domestic dioceses of the Episcopal Church.
 - ~ Pension Services will automatically determine if a cleric is eligible to receive a minimum retirement benefit at the time a retirement estimate is prepared, and will inform the cleric (or the surviving spouse) if this is the case.

How will the cleric receive his or her monthly benefit?

- CPF strongly recommends that all retirement benefit payments be sent directly to the cleric's bank by electronic transfer. Using this method allows CPF to transmit retirement benefit payments directly to the cleric's bank account, thereby helping to ensure that they arrive safely and are deposited on time.
- To take advantage of this means of payment, a new or current retiree needs to complete a simple form, which is available from Pension

Services. Once the banking relationship is established, there is no need for further maintenance while the retiree is still living, unless the banking information changes.

What other benefits will be received from CPF at retirement?

Resettlement benefit

- The Clergy Pension Plan provides a resettlement benefit to help clergy relocate when they retire.
- To qualify, a cleric must have earned at least 18 months of Credited Service in the 24 months immediately prior to retirement, or must retire from “deemed active” status (and had earned at least 18 months of Credited Service in the 24 months prior to becoming deemed active).
- The benefit equals 12 times the cleric’s monthly retirement benefit or \$20,000, whichever is less. At a minimum, this benefit is \$100 for each year of Credited Service, up to a maximum of 20 years.
- The benefit will be paid in a lump sum either at the time of retirement or, at the cleric’s option, may be rolled over to the cleric’s Retirement Savings Plan account, other eligible retirement plan or individual retirement account. If paid at retirement, the resettlement benefit will be included in the cleric’s taxable income in the year received. As with many of the benefits provided by the Clergy Pension Plan, this benefit may be eligible for the housing allowance exclusion under the Internal Revenue Code.

The Christmas benefit

- Each December, the Clergy Pension Plan provides all retired clergy with an additional benefit equal to \$25 times their years of Credited Service, up to a maximum of \$1,000.
- If the cleric is deceased, eligible surviving spouses or other beneficiaries receive a Christmas benefit equal to \$20 times the cleric’s years of Credited Service, up to a maximum of \$800.
- Surviving dependent children generally receive an amount equal to their monthly benefit.

Cost-of-living increases

- CPF is not required to increase the benefits provided by the Clergy Pension Plan on an annual basis.
- However, to help ensure that the purchasing power of these benefits remains constant or grows over time, increases have been granted in the past. Although there is no guarantee that they will be granted in the future, these increases are partly determined by inflation and have a cumulative impact on a retirement benefit.
- The CPF Board of Trustees has adopted a policy that a discretionary cost-of-living increase will not be granted to retirees participating in any defined benefit plan administered by CPF including the Clergy Pension Plan, unless the funding ratio of the plan is equal to or in excess of 1.00. A ratio of 1.00 means that the plan is, in the opinion of CPF’s consulting actuaries, fully funded.

Life insurance

- This benefit is generally provided to all clergy who retire directly from active service or who have earned at least 25 years of Credited Service prior to retirement.
- This benefit is equal to four times the cleric's Highest Average Compensation, with a maximum benefit of \$50,000 and a minimum benefit of \$10,000.
- A cleric may continue his or her life insurance coverage at the amount provided while the cleric was an active member of the clergy (up to a maximum of \$100,000) by converting the difference between the active and the retired cleric's life insurance coverage to a personally-owned life insurance policy issued by the Church Life Insurance Corporation.
 - ~ Additional information concerning conversion options are sent directly to the cleric by the Church Life Insurance Corporation within 90 days of the cleric's retirement.
 - ~ This election must be made within 45 days of the date of the conversion notice.

Post-retirement health benefits

- To participate in Medicare, an individual must currently be at least age 65 and eligible for Social Security benefits.
- If an individual is enrolled in Medicare Part A and Part B and retired, CPF provides financial assistance for the purchase of post-retirement health benefits (the Medicare Supplement subsidy) for eligible clergy and their eligible spouses (or eligible surviving spouses) age 65 and over.
 - ~ In general, the cleric must have earned at least 10 years of Credited Service in order to be eligible for the Medicare Supplement subsidy.
 - ~ For the cleric's spouse (or eligible surviving spouse) to be eligible for the Medicare Supplement subsidy, the cleric must be eligible for the Medicare Supplement subsidy, must have earned at least three years of Credited Service during the marriage and must have been married to the spouse on the date of the cleric's retirement or death, whichever occurs first.
 - ~ The amount of the Medicare Supplement subsidy is based on the cleric's years of Credited Service at retirement.
 - ~ If a cleric with a same gender spouse is recently married and is considering retiring on or before June 30, 2014, there is a limited transition period during which the same gender spouse may be eligible for the Medicare Supplement subsidy even if the cleric did not earn at least three years of Credited Service during the marriage. Certain conditions apply.
- ~ Please contact CPF's Client Engagement Center at (866) 802-6333 for more information.
- This assistance must be used to purchase a Medicare supplement plan and/or a dental plan through the Episcopal Church Medical Trust.

- The Episcopal Church Medical Trust's Medicare supplement plans incorporate coverage for hospitals, physicians, outpatient services and vision services.
- As of the date of this writing, there are six Medicare supplement plans and three dental plans from which to choose.
 - ~ Three of the Medicare supplement plans include prescription drug coverage, and three offer no benefits for prescription drugs. The latter three Medicare supplement plans are specifically tailored for those who are enrolled in Medicare Part D.
 - ~ All of the Medicare supplement plans currently provide additional benefits, including hearing aids and travel protection services, at no additional cost.
 - ~ All eligible retirees, eligible spouses and eligible surviving spouses enrolled in Medicare can choose among the various Medicare supplement plans available.
 - ~ All of the Medicare supplement plans and dental plans incorporate deductibles and copayments as is common today, but at different cost and coverage levels.

Please note: CPF plans to continue to provide the Medicare Supplement subsidy. However, given the rising cost of medical care coupled with the uncertainty regarding the structure of Medicare in the future, this should not be viewed as a guarantee of the Medicare Supplement subsidy in perpetuity.

Survivor's benefit

- The Clergy Pension Plan offers at no cost to the cleric an automatic survivor benefit for the cleric's eligible surviving spouse equal to 50% of the cleric's pension benefit at the time of the cleric's death. The survivor's benefit is payable for the spouse's lifetime. In order to receive the full automatic 50% survivor's benefit, the cleric and spouse must have been married for at least three years while the cleric earned Credited Service.
- The cleric may elect to enhance the surviving spouse's benefit by increasing it to 60%, 75%, 85% or 100% of the cleric's pension benefit.
 - ~ The cost for increasing the spouse's benefit is achieved through a reduction of the cleric's benefit.
- Alternatively, with spousal consent, the cleric can decrease the spouse's benefit to 25% of the cleric's pension benefit, and the cleric will receive an increase in his or her own benefit.
 - ~ Note that with spousal consent, the cleric can elect to receive his or her benefit in the form of a 10- or 15-year certain and life option, which, depending on when the cleric dies, may or may not result in a survivor's benefit being left to the cleric's named beneficiary (which may be the cleric's spouse) and may or may not result in an increase in the cleric's retirement benefit. Please refer to page 28 of this Guide for additional information.

~ In addition, the cleric can choose, with spousal consent, not to provide any survivor's benefit whatsoever. Please refer to the description of the "zero option" below.

- The surviving spouse's benefit options are elected at the time of retirement and are irrevocable. This means that if the cleric and the spouse subsequently divorce, the former spouse will still be entitled to the survivor's benefit. Likewise, if the spouse dies before the cleric, the cleric **cannot** name a new beneficiary, and no survivor's benefit will be payable following the cleric's death, unless the cleric re-marries and elects a marriage after retirement benefit for his or her new spouse. (See page 27.)
- The benefit payable under each spousal option is determined using actuarial tables and is dependent on the cleric's age and the age of his or her spouse.
- Pension Services can provide details, including the cost of the various benefit options, upon request.
- If a cleric is receiving a disability benefit, the spousal benefit options generally become available to the cleric at age 65.

"Zero option" and actuarial adjustment. This option:

- provides even greater flexibility for those who are married at the time of retirement and
- provides equitable benefits for those who are not married when they retire.
- Actuarially increases the cleric's pension benefit if the cleric chooses to provide no benefit to a surviving spouse or other named beneficiary.

This option may be advantageous for clergy with sufficient life insurance or other assets to provide for their surviving spouses, for those whose spouses have adequate retirement benefits of their own or for those who believe their spouses are more likely to die first by reason of age or infirmity. The cleric's spouse must consent to the election of the "zero option."

Who is an eligible spouse?

- An "eligible spouse" is defined for this purpose as the person to whom the cleric was legally married both at the time the cleric stopped earning Credited Service and at the time of retirement, provided that the cleric earned a minimum of three years of Credited Service during the marriage. For purposes of the Clergy Pension Plan, whether a cleric and his or her eligible spouse are "legally married" will be determined under the laws of the State governing the creation of the civil state of marriage.

Special Provision

- ~ The CPF Board of Trustees amended the rules governing retirement benefits for eligible spouses of eligible participants in the Clergy Pension Plan to provide parity of benefits for legally married same gender spouses effective July 1, 2011. The Clergy Pension Plan does not recognize a civil union as a legal marriage.
- ~ If a cleric with a same gender spouse is considering retiring on or before June 30, 2014, there is a limited transition period during which the same gender spouse will still be considered an "eligible spouse" even if the cleric did not earn at least three years of Credited Service during marriage. Certain conditions apply.

- In all cases (for both opposite and same gender spouses), CPF requires a cleric to provide a copy of the marriage certificate to determine eligibility for benefits. If a cleric cannot provide the marriage certificate, the cleric's marriage must be evidenced by a written court order.
- Please contact CPF's Client Engagement Center at (866) 802-6333 for general information or for specific questions.
- Please note that a spouse's eligibility for benefits varies considerably depending on such factors as marital status, options chosen at the time of retirement, date of marriage, date of death, divorce, status of paid assessments and other individual circumstances.

What will a surviving spouse or other named beneficiary receive when a retired cleric dies?

When a retired cleric dies, his or her eligible spouse or other named beneficiary will begin receiving survivor's benefits in the percentage designated at retirement. If the cleric elected the "zero option," all payments will cease when the cleric dies. If the cleric's eligible spouse or other named beneficiary dies before the cleric, no survivor's benefits will be payable under the Clergy Pension Plan, and the cleric **cannot** name a new beneficiary as a "replacement" beneficiary.

Marriage after retirement

If a cleric marries after he or she retires, the cleric's new spouse is not a beneficiary of the Clergy Pension Plan. However, a cleric may purchase a survivor's benefit for his or her new spouse by permanently reducing the cleric's lifetime benefits to reflect the actuarial cost of the survivor's benefit. **This election is irrevocable and must be made within 180 days of the cleric's marriage. If the cleric's new spouse dies before the cleric, no survivor's benefit will be payable as a result of the marriage after retirement election, and the cleric's lifetime benefits will not be restored to their previous level.**

What about clergy who are not married?

- Because there is no automatic 50% survivor's benefit payable, the actuarial value of the 50% benefit is used to enhance the cleric's benefit.
- A single cleric may choose either to receive the increased benefit or to reduce it and establish a survivor's benefit for a named beneficiary who is at least age 22 as of the cleric's retirement date. The survivor's benefit can be as little as 25% or as much as 100% of the single cleric's adjusted benefit.
 - ~ Note that an unmarried cleric can elect to receive his or her benefit in the form of a 10- or 15-year certain and life option, which, depending on when the cleric dies, may or may not result in a survivor's benefit being left to the cleric's named beneficiary. There is no restriction on the named beneficiary's age for this option. Please refer to the explanation provided on the next page for additional information regarding the 10- or 15-year certain and life option.
- The benefit payable under each option is determined based on the cleric's age and the age of his or her named beneficiary.

- Pension Services can provide information, including the cost of the various benefit options, upon request.
- The selection of any one of these options is irrevocable. Once retirement benefits have commenced, neither the named beneficiary nor the option percentage can be changed. If the named beneficiary dies before the cleric, no survivor's benefit will be payable under the Clergy Pension Plan, and the cleric cannot name a new beneficiary as a "replacement" beneficiary.

What does it mean for a benefit to be payable for a period certain?

- A cleric may elect to receive a 10- or 15-year certain payment.
 - ~ Under either of these options, retirement benefits will be paid for a period certain (i.e., 10 or 15 years) or to the cleric for life. If the cleric dies prior to the end of the applicable period certain (i.e., 10 or 15 years), the cleric's named beneficiary will receive benefits for the remainder of the applicable period. If the cleric's named beneficiary dies prior to the end of the applicable period certain, the balance of any remaining payments will be paid to the estate of whoever was the last to survive.
 - ~ If the cleric wants to be sure that retirement benefits are paid for a "guaranteed" period (i.e., 10 or 15 years), then one of these options may be advantageous. Note that if the cleric is still living by the end of the applicable period certain, no benefits will be payable to the cleric's named beneficiary.
 - ~ If the cleric elects one of these options, his or her basic annual retirement benefit will be actuarially adjusted to take into account the "certain" period.
- As with other benefit payment options, once the benefit payment has commenced, neither the named beneficiary nor the period certain can be changed. If the named beneficiary dies before the cleric and before the end of the "certain" period, the cleric cannot name a new beneficiary as a "replacement" beneficiary.

What about clergy with minor dependent children?

- The Clergy Pension Plan also provides benefits for surviving minor dependent children of retired clergy.
- These benefits are the same as those provided for minor dependent children of clergy who die while in active ministry. (For more details, see page 13.)
- The Clergy Pension Plan also provides lifetime benefits for dependent disabled children of deceased retired clergy, provided that the child was disabled prior to age 25, the disability has been attested to by the child's physician and the CPF Medical Board has concurred with the physician's findings. (For more details, see page 14.)

- Are pension benefits taxable?**
- The CPF Board of Trustees designates the full amount of each benefit paid to retired and disabled clergy, including the Christmas benefit, the resettlement benefit and the “bridge benefit” (if applicable), as eligible for the Internal Revenue Code Section 107 housing allowance exclusion.
 - The cleric may exclude from taxable income the portion of these benefits that is used for housing expenses. However, the amount of the housing allowance a cleric may exclude on his or her federal income tax return cannot exceed the lowest of the following:
 - ~ the total amount the cleric actually spends during the year for items that directly relate to renting or providing a home or
 - ~ the fair rental value of the cleric’s home (including garage, furniture and appliances) plus the cost of utilities or
 - ~ the retirement benefits received
 - The resettlement benefit, paid upon retirement, is considered to be part of a cleric’s retirement benefits for federal income tax purposes. As such, it is also included in the amount designated as a housing allowance. Therefore, the limits set forth above pertain both to the monthly pension benefit and to the resettlement benefit in the year received.
 - **The housing allowance exclusion is only available to ordained clergy and ends upon the cleric’s death. It is not available to surviving spouses or dependents.**

Please note: CPF annually publishes a Tax Guide for Episcopal Ministers and Churches that contains useful information for clergy. The Tax Guide for Episcopal Ministers and Churches is available online at www.cpg.org. We encourage clergy to share the guide with their tax preparer.

Checklist for an upcoming retirement

- Call Pension Services at (800) 223-6602 at least three months before the date on which you plan to retire.
- Review the estimate of your retirement benefits.
- Complete and sign and have your canonical bishop (or, in the bishop’s absence, the Ecclesiastical Authority) sign the retirement application. No retirement benefits will commence any earlier than the first day of the month following receipt of the written retirement application by CPF, except for certain limited exceptions applicable only to a disability retirement.
- Choose a benefit level for your surviving spouse or other beneficiary (and obtain spousal consent, if required). Remember, the loss of the housing allowance exclusion after your death may affect the taxable amount of the survivor’s benefit that is payable to your surviving spouse or other beneficiary.

- Make sure that assessments are fully paid prior to your retirement. No assessments will be accepted by CPF after your benefit commencement date. In addition, adjustments to your compensation record cannot be made after the benefit commencement date.
- If eligible, consider electing the Medicare supplement option for you and your eligible spouse.
- Contact the Social Security Administration at (800) 772-1213 and request an estimate of benefits, or visit the Social Security Administration's website at **www.ssa.gov**.
- Call Pension Services to discuss options if there is a change in marital status.
- Attend a Planning For Tomorrow conference; while there, arrange for a private consultation with a CPF representative.
 - ~ To obtain the dates and locations of upcoming conferences, access CPF's website, **www.cpg.org/active-clergy/retirement/planning-for-retirement/conferences/planning-for-tomorrow/** and click on "Calendar of clergy conferences."

Retiring with security

What happens to a cleric's pension benefits if he or she continues to work in the Church for pay after retirement?

A cleric may continue to receive his or her pension benefits, but only if:

- the cleric obtains the approval of the bishop (or, in the bishop's absence, the Ecclesiastical Authority) in the diocese where he or she will be working prior to commencing work,
- the cleric works in a church other than the one from which he or she retired, and
- the cleric receives, in any 12-month period, no more than 50% of the median compensation of all active clergy working in the domestic dioceses of the Episcopal Church.

Please see page 19 for more information.

What can a cleric expect in addition to a monthly pension benefit payment?

The Christmas benefit

- Each December, retired clergy receive an additional benefit payment based on the cleric's years of Credited Service. (For more details, see page 23.)

Discretionary cost-of-living increases

- Periodically, CPF may, but is not required to, increase the monthly pension benefit to keep up with increases in the cost-of-living.
- When benefit increases are approved, they generally take effect in January.
- The CPF Board of Trustees has adopted a policy that a discretionary cost-of-living increase will not be granted to retirees participating in any defined benefit plan administered by CPF including the Clergy Pension Plan, unless the funding ratio of the plan is equal to or in excess of 1.00. A ratio of 1.00 means that the plan is, in the opinion of CPF's consulting actuaries, fully funded.

How does marriage or divorce after retirement affect a cleric's benefits?

Marriage after retirement

- If a cleric marries after he or she retires, the cleric's new spouse is not a beneficiary of the Clergy Pension Plan. However, a cleric may purchase a survivor's benefit for his or her new spouse by permanently reducing the cleric's lifetime benefits to reflect the actuarial cost of the survivor's benefit. **This election must be made within 180 days of the cleric's marriage and, once made, is irrevocable.** If the cleric's new spouse dies before the cleric, no survivor's benefit will be payable as a result of the marriage after retirement election, and the cleric's lifetime benefits will not be restored to their previous level.

Divorce after retirement

- If a cleric divorces after retirement, the person who was designated as the cleric's beneficiary (if any) at the time of retirement remains entitled to the survivor's benefit elected at retirement. This cannot be changed, even pursuant to a Qualified Domestic Relations Order (QDRO). A cleric may, however, use a Qualified Domestic Relations Order to provide a share of his or her lifetime retirement benefits to his or her former spouse.

What will a surviving spouse or other named beneficiary receive when a retired cleric dies?

When a retired cleric dies, his or her eligible spouse or other named beneficiary will begin receiving a survivor's benefit in the percentage designated at retirement. If the cleric elected the "zero option," all payments will cease when the cleric dies.

Life insurance

- If a cleric is eligible when he or she retires, the cleric will be covered by a life insurance benefit equal to four times the cleric's Highest Average Compensation, with a maximum value of \$50,000 and a minimum value of \$10,000. The cleric may name anyone he or she wishes as the beneficiary of this insurance, and the cleric may change the beneficiary designation at any time. Please note that if a cleric has designated his or her spouse as the life insurance beneficiary, and they subsequently divorce, the former spouse will continue to be the life insurance beneficiary, unless the cleric designates a new beneficiary.

Checklist for retirees

- Contact Pension Services for details about the Medicare Supplement subsidy available at age 65 for eligible clergy and eligible spouses.
- Notify us if there is an address change or a change in banking relationship. If you fail to keep this information current, you may lose your benefit.
- Notify us if a cleric marries or divorces, or if a spouse or named beneficiary predeceases the cleric.
- Make sure the cleric's spouse or beneficiary knows how to contact Pension Services if the cleric predeceases the spouse or beneficiary.
- Contact the Social Security Administration at (800) 772-1213, or **www.ssa.gov**, for details about the benefits provided by Social Security.
- Make sure all beneficiary information is up-to-date.

The claims and appeals process

Claim for Benefits (Other than Disability Related Benefits) Initial Benefit Claim

If a participant, beneficiary or any other person (a "claimant") believes that he or she has been denied benefits that he or she is due under the Clergy Pension Plan or any other plan described in this Guide (a "CPF Plan"), the claimant may file a claim with CPF (see the address on the following page). The claim:

- must be in writing
- may be submitted either by the claimant or by his or her authorized representative and

- must provide detailed reasons (including any supporting evidence) regarding why the claimant believes CPF's initial decision was incorrect

The claim will be subject to a full and fair review. The claimant generally will receive a written response to his or her claim within 60 days after the claim is received by CPF. If CPF needs additional time (up to 60 days) to review the claim, the claimant will be notified of the reason(s) for the delay and the anticipated response date, which may not exceed a total of 120 days from the date CPF receives the claim.

If CPF denies the claim, in whole or in part, CPF's written response to the claimant will include:

- the specific reason(s) for the denial
- specific reference to the plan provision(s) on which the denial is based and
- a description of the plan's appeal procedures and the time limits applicable to such procedures

Where to file an initial benefit claim:

The Senior Vice President-Pension Services Department

The Church Pension Fund
19 East 34th Street
New York, NY 10016

Appeal Procedure

Within 60 days following the date the claimant receives CPF's denial letter, the claimant (or his or her authorized representative) may submit a written appeal letter to CPF (see the address below). (CPF may, in its sole discretion, extend the 60-day period to file an appeal.) The appeal letter should give a detailed explanation of why the claimant believes the claim should not have been denied and include any other documents or supporting information that may have a bearing on the claim. The claimant will be afforded a full and fair review of the claim that does not give deference to the initial determination.

The claimant generally will receive a written response to his or her appeal within 90 days after the appeal is received by CPF. If CPF needs additional time (up to 90 days) to review the claim, the claimant will be notified of the reason(s) for the delay and the anticipated response date, which may not exceed a total of 180 days from the date CPF receives the appeal.

If, upon appeal, the denial of the claim is upheld, CPF's written response will again give the specific reason(s) for the denial and the plan provision(s) on which the denial is based.

Where to file an appeal:

The Benefit Appeals Committee

c/o The Office of the General Counsel
The Church Pension Fund
19 East 34th Street
New York, NY 10016

Claim for Benefits Related to Disability

Initial Disability Benefit Claim

If a claim relates to the participant's eligibility for disability benefits under a CPF Plan, the same procedures outlined above will apply, except that:

- the claim must be submitted to CPF's Medical Board within 180 days after receipt of the denial of a disability application by CPF's Medical Board (see the address below) (CPF may, in its sole discretion, extend the 180-day period to file a claim);
- CPF's Medical Board generally will respond in writing to the claim within 90 days after its receipt of the claim, but may take up to an additional 90 days to review the claim (for a total of 180 days); and
- in rendering its decision, CPF's Medical Board may, in its sole discretion, consult with an independent medical review board selected by CPF from time to time.

Please note that, in the event CPF's Medical Board consults with an independent medical review board in making its decision, CPF's Medical Board's determination will be final, and no further appeal under the CPF Plan will be permitted.

Disability Appeal Procedure

To the extent that CPF's Medical Board does **not** consult with an independent medical review board as part of its review of the claim, the claimant may submit a written appeal letter to CPF's Medical Board requesting an independent evaluation, within 180 days after the claimant's receipt of the denial letter. (CPF may, in its sole discretion, extend the 180-day period to file an appeal.) The same appeal procedures outlined above will apply, except that:

- the appeal will be forwarded to an independent medical review board of CPF's choosing; and
- CPF's Medical Board generally will send a final determination in writing based on that review board's recommendation within 90 days of its receipt of the appeal but may take up to an additional 90 days to review the appeal (for a total of 180 days).

Where to file a disability claim and appeal:

The Medical Board of The Church Pension Fund
Clergy Disability Review Program
19 East 34th Street
New York, NY 10016

After CPF's Final Determination

A claimant may not file a civil suit until he or she has exhausted the CPF Plan's administrative review process outlined above. If a claimant is not satisfied with CPF's final determination, the claimant may file a civil suit within 180 days after receiving CPF's final determination. As a participant or beneficiary in a CPF Plan, the claimant has consented to the venue and jurisdiction of the courts of the State of New York. Therefore, any civil action must be filed in the State of New York.

Appendices

Significant Dates Affecting the Benefits Provided by the Clergy Pension Plan

Ordination

Assessment payments must be made as soon as a newly ordained member of the clergy begins working.

- Clergy earn Credited Service when assessments are paid.
- Clergy can personally pay assessments and earn Credited Service based on the Clergy Pension Plan's hypothetical minimum compensation for up to one year following ordination while they are seeking employment.
- Doing so qualifies clergy for the life insurance, disability and other benefits provided by the Clergy Pension Plan during this period.

5 Years of Credited Service

The cleric is fully vested in the Clergy Pension Plan.

10 Years of Credited Service

Clergy are eligible to receive the post-retirement health benefit once they and/or their eligible spouses reach age 65 and are enrolled in Medicare Part A and Part B. (See page 24.)

20 Years of Credited Service

Currently, the cost of the Comprehensive Plan option of the post-retirement health benefit is fully paid by the Clergy Pension Plan.

Note: CPF plans to continue to provide the Medicare Supplement subsidy. However, given the rising cost of medical care coupled with the uncertainty regarding the structure of Medicare in the future, this should not be viewed as a guarantee of the Medicare Supplement subsidy in perpetuity.

25 Years of Credited Service

The post-retirement life insurance benefit is guaranteed regardless of whether the cleric is an active or inactive participant in the Clergy Pension Plan when he or she retires.

30 Years of Credited Service

Clergy are eligible for the "30/55" retirement benefit. The retirement benefit is based on the cleric's Credited Service and Highest Average Compensation, with no reduction for early retirement.

Constitution and Canons of the Episcopal Church (2009) Pertaining to the Church Pension Fund

Title I, Canon 8 of the Church Pension Fund

Sec. 1 — The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church, substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity and for the surviving spouses and minor children of deceased Clergy. The Church Pension Fund is also authorized to establish and administer the lay employee pension system and denominational health plan of the Church, substantially in accordance with the principles adopted by the General Convention of 2009 in Resolution 2009-A177, with the view to providing pensions, health care and related benefits for the eligible Clergy and eligible lay employees of this Church, as well as their eligible beneficiaries and dependents.

Sec. 3 — For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions and other ecclesiastical organizations or bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. For the purpose of administering the lay employee pension system and denominational health plan, The Church Pension Fund shall be entitled to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the lay employee pension system, assessments and/or contributions based upon the salaries and other compensation paid to eligible lay employees by such Parishes, Missions and other ecclesiastical organizations or bodies, determine the eligibility of all Clergy and lay employees to participate in the denominational health plan through a formal benefits enrollment process, and The Church Pension Fund shall be entitled to levy upon and collect contributions for health care and related benefits under the denominational health plan from all Parishes, Missions and other ecclesiastical organizations or bodies subject to the authority of this Church with respect to their Clergy and lay employees.

**Title III, Canon 9 of the
Life and Work of Priests**

Sec. 4(a) — A Priest desiring to become canonically resident within a Diocese shall present to the Ecclesiastical Authority of the Diocese of current canonical residence, which testimonial shall be given by the Ecclesiastical Authority to the applicant, and a duplicate thereof may be sent to the Ecclesiastical Authority of the Diocese to which transfer is proposed. The testimonial shall be accompanied by a statement of the record of payments to The Church Pension Fund by or on behalf of the Priest concerned and may include a portfolio of training, continuing education and exercise of ministries. The testimonial shall be in the following form:

I hereby certify that A.B., who has signified to me the desire to be transferred to the Ecclesiastical Authority of _____, is a Priest of _____ in good standing, and has not, so far as I know or believe, been justly liable of evil report, for error in religion or for viciousness of life, for the last three years.

Date _____ Signed _____

Sec. 7 — On reaching the age of 72 years, a Priest shall resign from all positions of [sic], in this Church and the resignation shall be accepted. Thereafter, the Priest may accept any position in this Church, including, with the permission of the Ecclesiastical Authority, the position or positions from which resignation pursuant to this Section has occurred; *Provided*,

(a) tenure in the position shall be for a term of not more than 72 months, which term may be renewed from time to time,

(b) service in the position shall have the express approval of the Bishop of the Diocese in which the service is to be performed, acting in consultation with the Ecclesiastical Authority of the Diocese in which the Priest is canonically resident.

(c) Anything in this Canon to the contrary notwithstanding, a Priest who has served in a non-stipendiary capacity in a position before resignation may, at the Bishop's request, serve in the same position for a term not to exceed 12 months thereafter, and this term may be renewed.

Glossary of Terms

Active or deemed active ministry

For pension purposes, a cleric is considered active if he or she earned Credited Service working as a bishop, priest or deacon for at least six of the preceding 12 months or if the cleric entered the ordained ministry within the last 12 months, earned Credited Service for at least one of the last seven months, and, in either case, the cleric's employer is paying assessments to CPF on his or her behalf. If a cleric becomes inactive, he or she will not be considered active again until the cleric has earned 12 additional months of Credited Service.

A cleric is deemed active if he or she is not currently in active ministry and qualifies for a normal or early retirement benefit but has elected to postpone receipt of the benefit. For example, if the cleric is retirement-eligible and qualifies for a retirement benefit, is no longer in active ministry and has elected to postpone the commencement of his or her retirement benefit, the cleric is deemed active.

CPF

The Church Pension Fund, a New York State corporation.

Credited Service (CS)

The period of years and months for which full assessments have been paid on behalf of a cleric to the Clergy Pension Plan. Credited Service also includes any period for which full assessments are deemed to have been paid, such as an approved period of graduate study, or Credited Service that is projected to age 65, such as for disability retirement for eligible clergy.

Dependent children

Unmarried children in a cleric's immediate family who are under age 25 and not living independently. Older children who were disabled before age 25 may also be classified as dependent, as approved by the CPF Medical Board. If a cleric adopts more than two children after attaining age 50 but prior to attaining age 55, only the two oldest otherwise-eligible children will be considered dependent children for purposes of any benefit available under the Clergy Pension Plan. Children adopted by a cleric who was age 55 or older at the time of adoption are not eligible for any benefits under the Clergy Pension Plan. Dependent children must be reported to CPF.

Eligible spouse

The person to whom a cleric is legally married pursuant to the laws of the State governing the creation of the civil state of marriage. Effective July 1, 2011, this definition also includes legally married same gender spouses. In general, spouses who have been married to clergy during their years of compensated ministry and whose clergy spouses have earned three or more years of Credited Service in the Clergy Pension Plan during the marriage may be eligible for survivor's benefits. However, eligibility for the benefits varies considerably depending on such factors as marital status and options chosen at the time of retirement, date of marriage, date of death, divorce, status of paid assessments and other individual circumstances. A civil union does not constitute a marriage under the Clergy Pension Plan.

Fully covered	Assessments paid in full, with no balance outstanding longer than six months, and at least six months of Credited Service earned in the last 12 months.
Good standing	Not prohibited from exercising ministry within the Episcopal Church due to deposition, removal or suspension, in accordance with the Constitution and Canons of the Episcopal Church.
Highest Average Compensation (HAC)	Generally, the average of the highest-paid seven out of eight consecutive 12-month periods during which a member of the clergy participated in the Clergy Pension Plan.
Hypothetical minimum compensation	An amount established by the Clergy Pension Plan for use in calculating assessments and pensions in special situations such as graduate study, family and medical leave and part-time work.
Part-time	Work is deemed to be part-time if the cleric earns less than the hypothetical minimum compensation. When assessments are paid, Credited Service is earned in proportion to the cleric's actual compensation as compared to the hypothetical minimum compensation.
Reduced disability	Reduced benefits paid after one year of full disability retirement benefits, when limited work for compensation is performed for any employer, church or secular, while the disability continues, and compensation is reported to CPF's Medical Board, but no assessments are paid. The maximum earnings from any employer permitted under the reduced disability provisions are 80% of a cleric's Highest Average Compensation as of the date of the disability retirement, adjusted for inflation.
Total Assessable Compensation	The sum of the cleric's cash salary (including stipends, bonuses, fees, one-time cash payments, tuition paid for dependents, any salary reduction arrangements or employer contributions used to fund an annuity, tax-sheltered annuity or other 403(b) plan, or other tax-deferred benefit, and also may include all or a portion of severance pay), Social Security offset payments, payment for utilities, cash housing allowance (or calculated value of church-supplied housing), housing equity allowance and other income taxable under the Internal Revenue Code, as determined by the Plan Administrator. (See page 5 for more information.)
Vested	The point at which benefits have been earned and secured for future payment. To be vested in the Clergy Pension Plan, a cleric must have earned at least five years of Credited Service.

Contact Us

Company or Department	Contact Information	Service
Client Engagement	(866) 802-6333 M-F 8:30AM – 8:00PM ET <i>benefits@cpg.org</i>	General pension questions The Clergy Pension Plan The Clergy Post-Retirement Medical Assistance Plan The Retirement Savings Plan (RSVP)
The Church Pension Fund	(800) 223-6602 <i>www.cpg.org</i>	General information
The Episcopal Church Medical Trust	(866) 273-4545 <i>mtmedsupp@cpg.org</i>	Post-retirement healthcare benefits questions, including enrollment
Church Life Insurance Corporation	(866) 802-6333 <i>churchlife@cpg.org</i>	Group and Individual Life Insurance, Supplemental Disability Insurance, IRAs, Annuities and RSVP rollovers
Education and Wellness	(800) 223-6602	Pre-retirement questions and personal pre-retirement meetings, disability questions and working while pensioned questions
Prudential Life Insurance Company	(800) 732-0416	Long-term care insurance
Written correspondence	The Church Pension Fund Attn: Pension Services 19 East 34th Street New York, NY 10016	

This Guide is provided for informational purposes and should not be viewed as investment, tax or other advice. This Guide reflects the rules in effect for the Clergy Pension Plan as of January 1, 2013. In the event of a conflict between this Guide and the official plan documents, the terms of the official plan documents will govern. CPF and its affiliates reserve the right to amend, terminate, or modify the terms of the Clergy Pension Plan or any other plan described in this Guide at any time, without notice and for any reason.

The Clergy Pension Plan is a qualified plan under Section 401(a) of the Internal Revenue Code, but as a church plan, it is not subject to ERISA. An independent audit of the plan's financial condition is disclosed in the Church Pension Group Annual Report, which is located on our website at www.cpg.org.

The Church Life Insurance Corporation, 19 East 34th Street, New York, New York 10016 ("Church Life"), provides the life insurance benefit for both active and retired members of the clergy. Life insurance policies contain exclusions, limitations and restrictions for keeping them in force. For complete details of coverage, including exclusions, limitations and restrictions, the actual policy or certificate should be consulted. If the descriptions of the Church Life products in this document conflict with the terms of the actual life insurance policy, then the terms of the actual life insurance policy shall govern.



**CHURCH
PENSION FUND**

19 East 34th Street
New York, NY 10016
(800) 223-6602
www.cpg.org