

About this Guide

- The following Guide to Clergy Benefits (Guide) is designed to help you understand the provisions of The Church Pension Fund Clergy Pension Plan (Clergy Pension Plan) and other benefit plans available as of January 1, 2018. Please keep in mind that this is intended to be a summary document only, and it should not be viewed as investment, tax, or other advice. To request a guide describing plan provisions in effect prior to January 1, 2018, please contact our *Client Services* group.
- You will note that certain terms are capitalized throughout this Guide, which means they are proper names or are defined in our *Glossary of Terms*. Other more commonly used terms, such as eligible spouse or eligible child, also appear in our Glossary of Terms because they have a very specific definition under the Clergy Pension Plan and/or other benefit plans.
- This Guide uses “you” and “your” when referencing an Episcopal cleric who is eligible to participate in the Clergy Pension Plan and the other benefit plans described throughout. Although the primary audience of this Guide is Episcopal clergy, your eligible spouse, child(ren), and other eligible beneficiaries may also use it as a reference.
- This Guide describes the benefits available to eligible Episcopal clergy who work their entire career in a domestic diocese of the Episcopal Church. Episcopal clergy who serve in both domestic and non-domestic dioceses should contact our *Client Services* group for information about their benefits as different rules apply.
- The official plan documents will govern the Clergy Pension Plan and all the benefits provided by The Church Pension Fund (CPF). In the event of a conflict between this Guide and the official plan documents, the terms of the official plan documents will apply.
- Individual situations may differ from those described in this Guide. If you would like to discuss your specific circumstances, please contact our *Client Services* group.

Clergy Pension Plan

About the Clergy Pension Plan

The Clergy Pension Plan is provided to: eligible Episcopal clergy serving in a domestic diocese of the Episcopal Church; their eligible surviving spouses or other named beneficiaries; and their eligible children. The plan is designed to offer a dependable source of income replacement in retirement.

This is a defined benefit pension plan, which provides a benefit based on a predefined formula that takes into account your years of service with the Episcopal Church and compensation history. Benefits are funded by employer contributions called *Assessments* (although there are certain limited circumstances when you may contribute yourself).

If you participate in the Clergy Pension Plan, you, your eligible spouse, eligible children, or other eligible designated beneficiaries may also receive benefits provided by CPF under the following related plans:

- Post-Retirement Medical Assistance Plan (Medicare Subsidy Plan)
- Short-Term Disability Plan
- Long-Term Disability Plan
- Life Insurance Plan
- Child Benefit Plan

Episcopal clergy serving in a non-domestic diocese of the Church

participate in a different pension plan called the International Clergy Pension Plan.

If you are a cleric serving in the Diocese of Puerto Rico, you participate in the International Clergy Pension Plan for tax reasons. However, the benefits that you receive are identical to the benefits described in this Guide, and you can use this Guide as your reference.

If you are a cleric serving in another non-domestic diocese of the Episcopal Church, please contact our *Client Services* group for details about your benefits under the International Clergy Pension Plan and your other benefits.

Sources of Retirement Income

Your pension can help you build a secure future. When planning for retirement, it is important that you look at all of the sources that may be available to you, including:

- Social Security;
- Personal resources, such as individual savings and investments;
- Other retirement benefits you or your spouse may have earned in other professions; and/or
- Income you receive if you choose to continue working in accordance with the Clergy Pension Plan's *Working While Pensioned* rules.

Need Help Planning?

To find out how we can help you take control of your financial future, please contact our *life and retirement specialists*.

Clergy Pension Plan At-a-Glance

CPF is pleased to offer a comprehensive pension plan for eligible clergy of the Episcopal Church. This Guide offers highlights of the Clergy Pension Plan and related benefit plans. It provides details about the Clergy Pension Plan and other benefits provided by CPF to eligible clergy and their families.

Participation

If you are an ordained Episcopal cleric, you automatically participate in the Clergy Pension Plan if you are compensated, regularly employed, expected to work five or more consecutive months for the same Episcopal employer, and your employer pays *Assessments* to CPF. If your position is expected to last for less than five months, and you have a letter of agreement directing the payment of Assessments by your employer for the services that you will provide, you have the option to participate in the Clergy Pension Plan.

Learn more about when participation begins and eligibility for benefits [here](#).

How Benefits Are Calculated

Your pension benefits are calculated using a formula that takes into account various factors, including:

	What is it?	Why is it important?
Credited Service	The period of years and months that your employer has paid full <i>Assessments</i> on your Total Assessable Compensation and, if applicable, for which you have personally paid Assessments.	Credited Service is used to <i>calculate</i> your pension amount.
Highest Average Compensation	If you earn Credited Service on or after January 1, 2018, your Highest Average Compensation is the average of the seven highest-paid, non-overlapping, 12-month periods during which you earned Credited Service over your entire career.	Highest Average Compensation is used to <i>calculate</i> your pension amount.
Total Assessable Compensation	The basis for the amount your employer pays in Assessments. Specifically, your employer must pay 18% of your Total Assessable Compensation, which is the sum of the following annualized amounts: <ul style="list-style-type: none">• Base salary (excluding housing) and scheduled taxable cash payments; plus• Cash housing allowance and/or utilities; plus• Employer contributions to a qualified and/or non-qualified plan; plus• One-time payments (applies to month when paid); plus	Both Highest Average Compensation and Credited Service are dependent on your Total Assessable Compensation. For each month that your employer pays the full Assessment due, you will earn one month of Credited Service, and your Total Assessable Compensation for that month may be counted toward your Highest Average Compensation.

** Any form of severance (including pay continuation following a termination of employment) should be excluded in all cases. In addition, employer-paid tuition for dependents is not assessable unless it is taxable.*

What is it?

Why is it important?

**Total Assessable Compensation
(continued)**

- The value of *employer-provided housing*, which equals 30% of the sum of the four bullets above. (However, if the sum of the four bullets above is less than the *Hypothetical Minimum Compensation*, the value of employer-provided housing equals 30% of the Hypothetical Minimum Compensation.)

Note that if the only type of compensation that your employer provides is housing, then your Total Assessable Compensation equals 30% of the Hypothetical Minimum Compensation.

Please note:

- Your Total Assessable Compensation is taken into consideration when determining your Highest Average Compensation only if and when Assessments are paid in full.
- If you personally pay for *Assessments*, the compensation level on which you pay personal Assessments in full also will be taken into consideration when determining your Highest Average Compensation.
- CPF reserves the right to request documentation, such as a Form W-2 or a letter of agreement, at any time to support the amount of an individual's Total Assessable Compensation that is reported to us.

Vesting

Vesting means you are entitled to receive a pension benefit from the Clergy Pension Plan upon your retirement. You become vested when you earn five years of Credited Service or turn age 65 or older while an *Active* participant.

If you participated in The Episcopal Church Lay Employees' Retirement Plan or the Staff Retirement Plan of The Church Pension Fund and Affiliates, your vesting service under those plans will count under the Clergy Pension Plan. You must provide a written request to CPF, along with any required supporting documentation, in order to receive vesting credit.

When You Can Begin Receiving Benefits

You can begin receiving your vested pension benefit at the following point in time:

Early Retirement	At or after age 55
Normal Retirement	At or after age 65
Mandatory Church Retirement Age	At age 72*

* Any form of severance (including pay continuation following a termination of employment) should be excluded in all cases. In addition, employer-paid tuition for dependents is not assessable unless it is taxable.

Participation and Eligibility

Types of Participation

There are two types of participation in the Clergy Pension Plan: mandatory and optional.

Mandatory Participation

If (1) you are a deacon, priest, or bishop who is canonically resident in any diocese of the Episcopal Church, (2) your employer is subject to the authority of the Church (or is associated with the Church and has elected to participate in the Clergy Pension Plan), and (3) your employer is located in a domestic diocese of the Church, you **must** participate in the Clergy Pension Plan if you are:

- Expected to be regularly employed (as explained below) for five or more consecutive months by the same employer; and
- Compensated by your employer.

You will be treated as regularly employed if you meet **one** of the following requirements:

- You have a letter of agreement (or other contract of employment) with your employer
- You are duly called to your position by your bishop, vestry, or rector
- Your position has a formal title (for example, rector or priest-in-charge) indicating an ongoing substantial relationship with your employer;
- Your employer issues you a Form W-2 (or equivalent)
- You are scheduled to work at least 20 hours per week

Please note: If you are expected to be employed for less than five consecutive months, but actually work for five or more consecutive months, your participation in the Clergy Pension Plan will be mandatory retroactive to your date of hire. Please see [When Participation Begins](#) for additional details. Please report any changes to your employment status to our [Client Services](#) group.

Optional Participation

There are three types of optional participation:

If You Are Expected to Work Less Than Five Consecutive Months

If you would otherwise meet the criteria for mandatory participation except that you are expected to be employed for less than five consecutive months, you and your employer may choose to participate in the Clergy Pension Plan if you have a letter of agreement (or other contract of employment) that provides for the payment of [Assessments](#) on your behalf by your employer.

Religious Orders

If you are a member of a religious order, you cannot participate in the Clergy Pension Plan unless and until your order elects to participate and has all of its eligible clergy members enrolled in the Clergy Pension Plan. In addition, your order must agree to pay Assessments on behalf of all eligible clergy members. Assessments are based on each member's Total Assessable Compensation. Please see [Cost of Coverage](#) for details on Assessments.

Two-clergy families: If both you and your spouse are ordained, each of you will participate in the Clergy Pension Plan independently and will receive benefits based on your own service to the Church.

Extension of Ministry

If you are employed by a non-Episcopal organization, or any society, organization, or body associated with the Episcopal Church that has not elected to participate in the Clergy Pension Plan, you may choose to participate in the Clergy Pension Plan through an Extension of Ministry. To qualify, you must be exercising active ordained ministry in pastoral, educational, or social work that will advance the mission of the Episcopal Church and that will not violate the Constitution and Canons. Please refer to the Extension of Ministry application available at www.cpg.org for more information.

If CPF approves your Extension of Ministry application, it will be for up to two years. For another extension beyond the two years, you must submit a renewal request to CPF (at the [Client Services](#) address listed in the back of this Guide). This request should be completed at least 60 days prior to the expiration of the approved period. There is no limit on the number of renewals that may be granted.

Keep in mind that full [Assessments](#) must be paid to CPF to earn Credited Service under the Clergy Pension Plan for your Extension of Ministry, and CPF maintains the right to request supporting documentation.

Military Service

CPF has special agreements with the Bishop Suffragan of the Office of Armed Services and Federal Ministries covering Episcopal clergy who:

- Serve as full-time chaplains in the Armed Forces of the United States, the United States Department of Veterans Affairs, or the United States Federal Bureau of Prisons; or
- Serve as Reserve and National Guard members who are called to active military duty and, as a consequence, must leave their employment in the Church in order to serve. In certain cases, continued participation in the Clergy Pension Plan is legally required.

For details about these agreements, please contact our [Client Services](#) group.

When Enrollment Begins (and Ends)

Your enrollment in the Clergy Pension Plan will begin on the first day of the month coinciding with or immediately following your date of hire once your employer pays the first [Assessment](#) payment on your behalf. For example, if your employment begins on March 15, 2018, your enrollment in the Clergy Pension Plan will begin on April 1, 2018, but only after your employer pays the full Assessment due for April.

Your enrollment in the Clergy Pension Plan will end on the last day of the month in which your employment ends. For example, if your last day of work is October 15, 2020, your enrollment in the Clergy Pension Plan will end as of October 31, 2020, and your employer must pay the full Assessment due for October. (Note, however, that your employer may report a compensation change for your last month of employment and prorate your compensation for the days that you actually worked in that last month. CPF will not automatically prorate your compensation (and the related Assessment) for your last month of employment.)

Eligibility for Benefits

Eligibility for the benefits described in this Guide is based on your participant status under the Clergy Pension Plan as follows:

You Will Be...	If...
Active	<ul style="list-style-type: none"> You are <i>regularly employed</i> and <i>enrolled</i> in the Clergy Pension Plan, have earned at least one month of Credited Service, and <i>Assessments</i> are no more than 24 months past due; or Your enrollment in the Clergy Pension Plan has ended because you are no longer employed and no more than six calendar months have passed following your last day of employment (referred to as a six-month grace period); or Your six-month grace period has ended, you have paid <i>personal Assessments</i> for the entirety of the six-month grace period, and none of your personal Assessments are past due; or You have earned 25 or more years of Credited Service; or You are classified as Deemed Active as of December 31, 2017. (In general, to be Deemed Active means that you are not currently earning Credited Service, but you were eligible to retire at the time you stopped earning Credited Service.) Please note: Deemed Active is no longer a status under the Clergy Pension Plan on or after January 1, 2018. <p>In addition, if you are approved for short- or long-term disability benefits, you will be considered Active under the Clergy Pension Plan as long as you are receiving disability benefits.</p>
Inactive	<ul style="list-style-type: none"> Your <i>enrollment</i> in the Clergy Pension Plan has ended because you are no longer employed, your six-month grace period (as described above) has ended, and you have not paid <i>personal Assessments</i> (or your personal Assessments are past due); or You are <i>regularly employed</i> and enrolled in the Clergy Pension Plan, but your employer has not paid <i>Assessments</i> for more than 24 months; or You are not otherwise Active.
Retired	<ul style="list-style-type: none"> You have initiated retirement and started to receive your pension benefits and have not subsequently <i>returned to active ministry</i>. If you previously retired under the Clergy Pension Plan and then later return to active ministry, your pension may be suspended unless you meet the <i>Working While Pensioned</i> criteria or apply for an exception.

If you are deposed or removed: Notwithstanding the rules above, if you are deposed or removed in accordance with the Constitution and Canons, you generally will be considered Inactive as of the first day of the month following your deposition or removal unless you have earned 25 or more years of Credited Service or were classified as Deemed Active as of December 31, 2017.

The chart below shows the benefits you are eligible for based on your participant status under the Clergy Pension Plan. Please note that this is a high-level overview; **other eligibility requirements and conditions apply**. You will find summaries of these benefits in this Guide.

	Benefit	Active	Inactive	Retired
Disability	Short-Term Disability Benefit	Yes	No	No
	Long-Term Disability Benefit	Yes	No	No
Death	Preretirement Survivor Benefit	Yes (benefit may be based on Cred Service projected to age 65)	Yes, if vested (benefit is based on actual Credited Service)	N/A
	Resettlement Benefit Upon Preretirement Death	Yes	No	
	Life Insurance Benefit (Pre- and Post-Retirement)	Yes	No	
	Child Benefit (Pre- and Post-Retirement)	Yes	Yes, if vested	Yes
	Post-Retirement Survivor Benefit	N/A	N/A	Yes, if Active immediately prior to retirement
Retirement	Resettlement Benefit	N/A (unless you receive long-term disability benefits for six months)	N/A	Yes, if Active immediately prior to retirement (and you have not already received it)
	Monthly Pension	N/A	N/A	Yes
	Christmas Benefit	N/A	N/A	Yes
	Discretionary Cost-of-Living Adjustments	N/A	N/A	Yes
	Post-Retirement Health Subsidy (that is, the Medicare Supplement Health Plan Subsidy)	N/A	N/A	Yes, if Credited Service requirement is met

If You Have an Eligible Spouse

Your eligible spouse may receive certain benefits described in this Guide. An eligible spouse is an individual to whom you are legally married (1) both on the date you stop earning Credited Service and on your retirement date or (2) on the date of your death, whichever occurs first. In addition, you must earn at least 12 months of Credited Service while married. Please note that unless all of these requirements are met, your spouse will not be eligible for the spousal benefits described in this Guide.

What happens if I marry later in life?

If you are planning to retire shortly after you get married, or if you married after you had already stopped earning Credited Service under the Clergy Pension Plan, your spouse may not be eligible for benefits. We strongly recommend that you carefully consider whether to retire if you have not earned at least 12 months of Credited Service while married.

Important note: documentation is required. In all cases, whether you have an opposite- or same-gender spouse, CPF requires a copy of your marriage certificate to determine eligibility for spousal benefits. If you cannot provide a marriage certificate, then your marriage must be evidenced by a written court order.

If You Have an Eligible Child or Children

Your eligible child(ren) may receive certain benefits described in this Guide. Eligible children include:

- A legal child who was living on the date that you stopped earning Credited Service or was born or adopted within 12 months thereafter; and
- A stepchild, foster child, or legal ward who was your tax dependent both in the calendar year in which you stopped earning Credited Service (or in the calendar year immediately following the year in which you stopped earning Credited Service) and in the calendar year of your death.

In addition, an eligible child must be under the age of 25 at the time of your death or must be disabled. If disabled, the eligible child must have become disabled prior to reaching the age of 25. (CPF will consider a child to be disabled if he or she is receiving Social Security disability benefits or has been determined to be disabled by CPF's Medical Board, designated as Liberty Mutual.)

Cost of Coverage

Employer Assessments

Your employer funds the Clergy Pension Plan and all other benefits provided by CPF through Assessments. However, there are certain situations when you may *personally pay Assessments*.

The CPF Board of Trustees sets the Assessment rate, which is 18% of your *Total Assessable Compensation*. This means that every month, your employer is required to pay 18% of 1/12 of your projected annual Total Assessable Compensation. If you have multiple employers, each one is billed based on the portion of your Total Assessable Compensation that it pays or provides to you.

A Word About Funding*

The timely payment of Assessments is critical, since they fund the benefits that CPF provides to eligible clergy and their beneficiaries. All Assessments (contributed by employers and clergy) are pooled together and invested by CPF. When you retire, you generally will receive a monthly pension benefit for the rest of your life. After you die, the Clergy Pension Plan may also provide ongoing benefits for your eligible surviving family members. Since pension benefits are based on a formula, the amount of your benefit will not be affected by CPF's investment performance.

Interest

All Assessments are due on the last day of the month for which they are billed. If your employer does not pay the full Assessment when it is due, interest will be applied as follows:

- Prior to January 1, 2019, interest will be charged on Assessments that are overdue by more than two calendar years. The annual rate used to calculate interest is the Clergy Pension Plan's discount rate, which — as of 2017 — is 4.125%.
- Beginning on January 1, 2019, interest will be charged on Assessments that are three months or more overdue. In addition, the annual rate used to calculate interest will increase to 7%, which is consistent with CPF's investment objective. The rate is subject to periodic review.

Please note that CPF will not accept late Assessment payments unless the accrued interest is also paid. Once you retire under the Clergy Pension Plan, however, no Assessments will be accepted.

Important note: We strongly encourage you to monitor whether your employer is paying Assessments in a timely manner. Late Assessment payments may accrue interest, and mean that you **will not**:

- Earn Credited Service unless and until Assessments are paid in full.
- Receive all the benefits for which you and your family may be eligible because your status (*Active/Inactive*) under the Clergy Pension Plan may be impacted.

Personal Assessments

You may choose to personally pay Assessments when you have a break in service. This means you can pay Assessments to maintain your eligibility for benefits if you are:

- Currently between cures; or
- Not receiving compensation from your employer for any reason (for example, an unpaid leave of absence); or
- Suspended or restricted from exercising ministry in the Church.

Personal Assessments may be paid for up to 24 months and must begin on the first day of the month immediately following the last month in which you were employed and/or earned compensation. However, if you are deposed or removed before the end of the 24-month period, personal Assessments must stop by the end of the month in which your deposition or removal occurs.

Personal Assessments equal 18% of the *Hypothetical Minimum Compensation** or your *Highest Average Compensation* (you can decide which one) and are billed monthly. Once you make a choice and have paid the personal Assessment owed, you cannot retroactively change your choice if it would decrease the amount on which you personally paid Assessments. (You may, however, retroactively “buy-up” to the higher amount.)

Personal Assessments are due by the end of the month for which they are billed. If you do not pay the full Assessment when due, *interest* may be applied.

Important to know:

- If you are not currently employed and enrolled in the Clergy Pension Plan and more than six calendar months have passed following your last day of employment (please refer to the definition of *Active*, your status under the Clergy Pension Plan will become *Inactive* if each month's Assessment is not paid in full when due. In other words, in order to remain Active once the six-month grace period following a termination of employment ends, you must pay personal Assessments beginning with the month immediately following your termination of employment through the current month.

*Effective January 1, 2018, the Hypothetical Minimum Compensation used under the Clergy Pension Plan will be \$18,000 per year (or \$1,500 per month) and is subject to periodic review.

- If you experience a break in service and do not personally pay Assessments, you and your family may lose *eligibility for benefits* in the event of your disability or death. This is because personal Assessments generally will not be accepted by CPF **after** you become disabled or following your death. If you have a break in service, you are strongly encouraged to pay personal Assessments when they are due.

Please contact our *Client Services* group to discuss your personal situation.

A Closer Look at Your Pension

The following section will help you understand the key components of the Clergy Pension Plan and how your pension benefits are calculated.

Highest Average Compensation

Highest Average Compensation is the average of the seven highest-paid, non-overlapping, 12-month periods during which you have earned Credited Service over your **entire** career.

To calculate your Highest Average Compensation, the compensation that you have earned for pension purposes (that is, on which Assessments have been paid in full and for which you have earned Credited Service) over your entire career is taken into consideration. Please note:

- 12 consecutive months comprise one 12-month period. (Months in which no compensation is earned are dropped.)
- The seven 12-month periods do not need to be consecutive; however, they cannot overlap.
- If you have less than seven years of compensated employment during which you earned Credited Service, then all of the months in which you earned compensation and Credited Service will be used to determine your “career average.”

The definition of Highest Average Compensation described here is used only if Credited Service is earned under the Clergy Pension Plan on or after January 1, 2018. Please note that prior to January 1, 2018, the Clergy Pension Plan used other definitions to determine your Highest Average Compensation. If you established a Highest Average Compensation on or before December 31, 2017, then it can never be lower than the Highest Average Compensation determined by the definitions in effect prior to January 1, 2018.

How Credited Service Works

Earning Credited Service for Your Pension

As long as your *Total Assessable Compensation* is greater than \$0, you will earn one month of Credited Service under the Clergy Pension Plan for each month that your employer pays the monthly Assessment (including interest, if applicable) in full. If your employer only partially pays (or does not pay) the Assessment due, you will not earn any Credited Service for that month.

If you are employed by multiple employers, you will earn one month of Credited Service if any one of your employers pays its applicable Assessment in full for the month. Please note that you cannot earn more than one month of Credited Service for any particular month.

The longer you serve in compensated positions in the Church, the more Credited Service you will earn and the greater your pension benefit will be, provided all Assessments are paid in full.

Earning Credited Service for the Post-Retirement Health Subsidy

The Credited Service that you earn under the Clergy Pension Plan is also used to determine your eligibility for, and the amount of, the *Medicare Supplement Health Plan Subsidy*. CPF provides this post-retirement health subsidy to eligible retired clergy and their eligible spouses or surviving spouses.

Beginning January 1, 2018, only Credited Service earned based on monthly compensation that is equal to or greater than 1/12 of the *Hypothetical Minimum Compensation* will count toward the Medicare Supplement Health Plan Subsidy. In other words, your monthly *Total Assessable Compensation* must equal at least \$1,500 (based on the 2018 Hypothetical Minimum Compensation of \$18,000 per year) for the Credited Service that you earn under the Clergy Pension Plan to count as Credited Service toward the Medicare Supplement Health Plan Subsidy. One-time payments are credited only for the month in which they are paid.

If your monthly Total Assessable Compensation is less than 1/12 of the Hypothetical Minimum Compensation:

- The Credited Service that you earn will count toward your pension but not the Medicare Supplement Health Plan Subsidy.
- You can personally pay Assessments to a *make-up account* to earn Credited Service toward the Medicare Supplement Health Plan Subsidy.

If you experience a break in service and are personally paying Assessments, you must pay Assessments on at least 1/12 of the Hypothetical Minimum Compensation in order to earn Credited Service toward the Medicare Supplement Health Plan Subsidy.

Please see the *Post-Retirement Health Benefits* section for more information about the Medicare Supplement Health Plan Subsidy.

Make-Up Account for the Medicare Supplement Health Plan Subsidy

If your monthly *Total Assessable Compensation* is **below** 1/12 of the 2018 Hypothetical Minimum Compensation ($\$18,000 / 12 = \$1,500$) and you would like to earn Credited Service toward the Medicare Supplement Health Plan Subsidy, you may open a make-up account to pay Assessments on the difference between \$1,500 and your monthly Total Assessable Compensation. You may personally pay a make-up Assessment (including *interest*, if applicable) for any or all months in which your Total Assessable Compensation is less than \$1,500.

Following is an example of how this works based on the 2018 Hypothetical Minimum Compensation of \$18,000:

- The Rev. John Smith's Total Assessable Compensation for January through December is shown in the chart below.
- If all Assessments are fully paid on time, Father Smith will earn 12 months of Credited Service toward his pension and only nine months of Credited Service toward the Medicare Supplement Health Plan Subsidy because the Assessments paid in January, February, and March are based on monthly Total Assessable Compensation that is below \$1,500. However, if he personally pays Assessments to a make-up account for those three months, he will receive Credited Service toward the Medicare Supplement Health Plan Subsidy.

If you have 20 or more years of Credited Service toward the Medicare Supplement Health Plan Subsidy, it is not necessary to open a make-up account as you will receive the full subsidy. If you marry after retirement and subsequently return to active ministry, however, you may need to open a make-up account in order for your spouse to be eligible for the subsidy.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Total Assessable Compensation	\$1,000	\$1,000	\$1,000	\$1,500	\$1,550	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$20,050*
Credited Service for Pension	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	12 months
Credited Service for Medicare Supplement Health Plan Subsidy	0	0	0	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month	9 months**

Important note: To earn monthly Credited Service toward your pension and the Medicare Supplement Health Plan Subsidy, both you and your employer must fully pay your share of the Assessments due for that month. If you pay Assessments to a make-up account for a particular month, but your employer does not pay, you **will not earn** Credited Service for that month for your pension or the Medicare Supplement Health Plan Subsidy until your employer pays in full.

No guarantee: CPF plans to continue to provide the Medicare Supplement Health Plan 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 Health Plan Subsidy in perpetuity.

Your eligibility for other benefits provided outside of the Clergy Pension Plan (please see [About the Clergy Pension Plan](#) for a complete list of plans) is based on your status ([Active/Inactive](#)) and/or [vesting status](#) under the Clergy Pension Plan rather than the compensation on which your Credited Service is earned. The amount of those other benefits, however, may be affected by your compensation. Please see [Benefits if You Are Disabled Prior to Retirement](#) and [Benefits for Your Survivors](#) for more information.

* Note that Father Smith's annual Total Assessable Compensation is actually above the Hypothetical Minimum Compensation of \$18,000 per year. However, whether his Credited Service counts toward the Medicare Supplement Health Plan Subsidy is based on whether his monthly Total Assessable Compensation is equal to or above 1/12 of the Hypothetical Minimum Compensation.

** If Father Smith would like the Credited Service that he earns for January, February, and March to count toward the Medicare Supplement Health Plan Subsidy, then he can personally pay a make-up Assessment for any of those months. In this example, the monthly make-up Assessment he would have to pay would be 18% of \$500 (\$1,500 - \$1,000), or \$90 per month.

When Your Pension Benefits Begin

If you are *vested* under the Clergy Pension Plan, there are three instances when you can or must retire and start to receive your pension benefits:

Early Retirement	At or after age 55
Normal Retirement	At or after age 65
Mandatory Church Retirement Age	At age 72*

How Your Pension Benefit Is Calculated

At Early Retirement with Less Than 30 Years of Credited Service

If you retire at or after the early retirement age of 55 with less than 30 years of Credited Service, your annual pension benefit is subject to reduction and calculated as follows:

Highest Average Compensation x 1.6% x Credited Service

Plus

Up to the first \$10,000 of Highest Average Compensation
x 1.15% x Credited Service

= Your Total Annual Normal Retirement Benefit

Less

5% x each year (approximately 0.4167% per month) your early
retirement date is short of age 65

**= Your Total Annual Early Retirement Benefit with
Less Than 30 Years of Credited Service**

Special Transition Rule for Grandfathered Participants: If you are age 55 or older as of December 31, 2017, and you retire at or after age 60 and prior to age 65, your pension benefit will be reduced by 0.2% for each month that your early retirement date precedes age 65. If you retire before age 60, however, the reduction of 5% per year (approximately 0.4167% per month) will apply.

At Early Retirement with 30 or More Years of Credited Service

If you retire at or after the early retirement age of 55 with 30 or more years of Credited Service, you will receive the normal retirement benefit (unreduced for early commencement). Your annual pension benefit is calculated as follows:

Highest Average Compensation x 1.6% x Credited Service

Plus

Up to the first \$10,000 of Highest Average Compensation
x 1.15% x Credited Service

**= Your Total Annual Early Retirement Benefit with 30 or
More Years of Credited Service**

* If you are vested and stop working in the Church prior to age 72 and have not yet retired under the Clergy Pension Plan, the Internal Revenue Service requires that you must begin receiving your pension by no later than April 1 of the year following the year in which you turn age 70½ (or, if later, by April 1 of the year following the year in which you stop working in the Church).

In addition, you will receive a monthly bridge benefit until you reach age 65. The monthly bridge benefit is provided to help you with the cost of healthcare and ends when you reach age 65. It is payable only to you (not to your spouse, surviving spouse, or other survivor beneficiary) and is calculated as follows:

$$\$17.50 \times \text{Credited Service}$$

At Normal Retirement

Here is how your annual pension benefit is calculated if you retire at or after the normal retirement age of 65:

$$\text{Highest Average Compensation} \times 1.6\% \times \text{Credited Service}$$

Plus

$$\text{Up to the first } \$10,000 \text{ of Highest Average Compensation} \\ \times 1.15\% \times \text{Credited Service}$$

= Your Total Annual Normal Retirement Benefit

Minimum Pension

As long as you are *vested* and *eligible to retire*, the Clergy Pension Plan provides a minimum pension benefit based on your Credited Service. Your status at retirement (*Active/Inactive*) does not impact the amount of the minimum pension.

If you work a full career in the Church (that is, you have earned 25 years of Credited Service), the minimum pension equals the two-person Federal Poverty Level (for the 48 contiguous states and the District of Columbia) in effect in the year before the year in which you retire.

The minimum pension is prorated up or down if you have earned more or less than 25 years of Credited Service and is subject to the *early retirement reduction*. In addition, the annual amount is capped at your *Highest Average Compensation*. CPF will automatically determine if you are entitled to a minimum pension at the time your retirement package is prepared.

The Clergy Pension Plan also provides a minimum pension benefit for an *eligible spouse*. The minimum spousal pension is set at 80% of your minimum pension, unless you elect an *optional form of payment* at retirement. CPF will automatically determine if your eligible spouse is entitled to a minimum spousal pension.

At Mandatory Church Retirement Age

The Mandatory Church Retirement Age is 72. If this applies to you, your annual pension benefit is calculated using the same formula that is used for *normal retirement*.

If you are actively working in the Church and meet the eligibility requirements to participate in the Clergy Pension Plan, you may continue to earn Credited Service until age 72, assuming Assessments are fully paid. If you are still working in the Church after age 72, you will not earn Credited Service for your work, and employer Assessment payments will end.

IRS Required Beginning Date

If you are vested and stop working in the Church prior to age 72 and have not yet retired under the Clergy Pension Plan, you will be required to begin receiving your pension by no later than April 1 of the year following the year in which you turn age 70½ (or, if later, by April 1 of the year following the year in which you stop working in the Church). This is what the Internal Revenue Service refers to as your required beginning date. Your annual pension benefit is calculated using the same formula that is used for *normal retirement*.

Examples: Clergy Like You

The following scenarios offer examples of clergy who retire at normal or early retirement age. For illustrative purposes, these examples are based only on the formulas described in the section *How Your Pension Benefit Is Calculated*. **They do not take into consideration the normal or optional forms of payment, which could change the amount of the benefit.**

Normal Retirement

The Rev. Mary Smith is vested and ready to retire.

- She is 65 years old (the normal retirement age);
- She has 28 years and six months (28.5 years) of Credited Service; and
- Her Highest Average Compensation equals \$72,000.

Mother Smith will receive a **monthly pension benefit of \$3,009.13**. Here is how her benefit was determined:

Highest Average Compensation x 1.6% x Credited Service	$\$72,000 \times 1.6\% \times 28.5 =$ \$32,832
Plus up to the first \$10,000 of Highest Average Compensation x 1.15% x Credited Service	$10,000 \times 1.15\% \times 28.5 =$ \$3,277.50
Total annual normal retirement benefit	\$36,109.50 (\$32,832 + \$3,277.50)
Monthly pension benefit Mother Smith receives	\$3,009.13 (\$36,109.50 / 12 months)

Early Retirement with Less Than 30 Years of Credited Service

The Rev. John Jones is vested and ready to retire.

- He has just turned 59 years old, which means he is retiring six years early;
- He has 25 years and three months (25.25 years) of Credited Service; and
- His Highest Average Compensation equals \$70,000.

Father Jones will receive a **monthly pension benefit of \$1,819.05**. Here is how his benefit was determined:

Highest Average Compensation x 1.6% x Credited Service	$\$70,000 \times 1.6\% \times 25.25 =$ \$28,280.00
Plus up to the first \$10,000 of Highest Average Compensation x 1.15% x Credited Service	$\$10,000 \times 1.15\% \times 25.25 =$ \$2,903.75
Total annual normal retirement benefit	\$31,183.75 (\$28,280.00 + \$2,903.75)
Early retirement reduction factor	5% x 6 years = 30%
Annual early retirement reduction	\$9,355.13 (\$31,183.75 x 30%)
Total annual early retirement benefit	\$21,828.62 (\$31,183.75 - \$9,355.13)
Monthly pension benefit Father Jones receives	\$1,819.05 (\$21,828.62 / 12 months)

Early Retirement with 30 or More Years of Credited Service

The Rev. Thomas Jordan is vested and ready to retire.

- He is 58½ years old, which means he is retiring 6.5 years early;
- He has 32 years of Credited Service; and
- His Highest Average Compensation equals \$80,000.

Since Father Jordan has more than 30 years of Credited Service, he will receive a **monthly pension benefit of \$3,720** for the rest of his life and, in addition, a **monthly bridge benefit of \$560** until he turns age 65. Here is how his benefit was determined:

Highest Average Compensation x 1.6% x Credited Service	$\$80,000 \times 1.6\% \times 32 = \$40,960$
Plus up to the first \$10,000 of Highest Average Compensation x 1.15% x Credited Service	$\$10,000 \times 1.15\% \times 32 = \$3,680$
Total annual normal retirement benefit (unreduced for early commencement (prior to age 65) because Father Jordan has more than 30 years of Credited Service)	\$44,640 (\$40,960 + \$3,680)
Monthly pension benefit Father Jordan receives	\$3,720 (\$44,640 / 12 months)
	+
Monthly bridge benefit equal to \$17.50 x Credited Service (ends at age 65)	\$560 (until age 65)

Pension Payment Options

Normal Forms of Payment

You automatically receive one of the two forms of payment below unless you choose an *optional form of payment* or your benefit is paid as a *lump sum amount*.

If you are married and have an eligible spouse at retirement:

50% Joint and Survivor Option

You will automatically receive a 50% joint and survivor benefit, which entitles you to a monthly benefit for your lifetime.

After your death, your *eligible spouse* will receive a monthly benefit equal to 50% of your pension at the time of your death. This benefit is payable to your eligible spouse for his or her lifetime. However, if your eligible spouse predeceases you, no survivor benefit will be paid even if you remarry after retirement.

CPF subsidizes the full cost of the 50% survivor benefit, which means that there is no reduction to your own pension to cover the cost of the 50% survivor benefit to your eligible spouse.

Important note: A spouse's eligibility for benefits varies considerably depending on factors such as date of marriage, survivor option chosen at retirement, date of death, date of divorce, status of paid Assessments, and other individual circumstances. Please make sure to report any change in your marital status to our *Client Services* group when the change happens.

If you are single or do not have an eligible spouse at retirement:

Zero Option

You will automatically receive a single life option, called the zero option, which entitles you to an enhanced monthly benefit for the rest of your life. All payments end at your death, and no further pension benefits will be paid.

Because there is no 50% survivor benefit payable following your death (as there would be if you were married to an eligible spouse), CPF will increase your benefit by the actuarial value of a 50% survivor benefit.

The zero option is meant to provide equitable benefits for clergy who are not married to an eligible spouse when they retire.

Optional Forms of Payment

If you do not believe that your *normal form of payment* is best for your personal situation, you may choose an optional form of payment (as described below) at the time you file a retirement application.

- If you are married to an *eligible spouse*, you may choose:
 - ~ The zero option
 - ~ A 15-year certain and life option
 - ~ A 75% or 100% joint and survivor option
- If you are not married to an **eligible spouse**, you may choose:
 - ~ A 15-year certain and life option
 - ~ A 50%, 75%, or 100% joint and survivor option

Benefits under each survivor option are determined using actuarial tables and depend on your age and the age of your eligible spouse or named survivor beneficiary. Our *Client Services* group can provide details, including the costs of the various survivor options, upon request.

Important note: You may not change the form of payment or your beneficiary designation after your retirement date under any circumstances. In addition, if your beneficiary predeceases you after you retire, you cannot name a new beneficiary as a replacement. In this case, no survivor benefit is payable, even if you later remarry.

Please note: If you have an eligible spouse, you must have your spouse's written, notarized consent to choose the zero option or 15-year certain and life option and/or to name someone other than your spouse as your beneficiary.

Zero Option

This is the normal form of payment if you are single or if your spouse is not an eligible spouse. If you are married to an eligible spouse, you may only choose this form of payment with your spouse's written, notarized consent.

With the zero option, you will receive an enhanced monthly pension benefit for your lifetime. However, following your death, no survivor benefit will be paid.

If you are married to an eligible spouse, you may wish to consider this payment option if:

- You have sufficient life insurance or other assets to provide for your eligible spouse; and/or
- Your eligible spouse has adequate retirement benefits of his or her own; and/or
- You believe that your eligible spouse is more likely to predecease you by reason of age or infirmity.

15-Year Certain and Life Option

Under this option, you will receive a monthly pension benefit for your lifetime. If you die after receiving payments for 15 years, there will be no further benefits payable after your death. However, if you die before receiving payments for 15 years, then your eligible spouse or designated beneficiary will receive a monthly benefit for the remainder of the 15-year period. If your eligible spouse or beneficiary dies before the end of the 15-year period, the balance of any remaining payments will be paid to the estate of whoever is the last to survive.

By electing this option, the amount of your monthly pension will be increased or decreased as follows:

- If you are married to an eligible spouse, it will be increased; or
- If you are single, or do not have an eligible spouse, it will be decreased.

You can choose this payment option if you:

- Are single or your spouse is not an eligible spouse and you want to designate another person as your beneficiary; or
- Are married to an eligible spouse and your spouse provides written, notarized consent.

50%, 75%, or 100% Joint and Survivor Option

This payment option provides an actuarially reduced benefit over your lifetime.* Benefits are reduced because they will be paid beyond your lifetime. In the event of your death, your beneficiary will receive a benefit equal to the percentage that you elected for his or her lifetime (that is, 50%, 75%, or 100%).

If your beneficiary dies before you, you may not name a new or replacement beneficiary. In this case, no benefits will be payable after your death, even if you later remarry.

You can choose this payment option if you are:

- Single or do not have an eligible spouse and want to designate any person as your beneficiary; or
- Married to an eligible spouse and want to choose the 75% or 100% joint and survivor option for your spouse instead of the 50% joint and survivor option, which is automatically the normal form of payment. Your spouse's written, notarized consent is not needed if you choose any of these options.

Lump Sum Payment of Small Benefits

If the actuarial equivalent value (that is, present value) of your pension is \$20,000 or less as of the date that you plan to retire, you will not receive your pension in the *normal form of payment* (or an *optional form of payment*). Instead, your pension will be paid to you in a single lump sum payment. This means that you **will not** receive monthly pension payments for your lifetime from the Clergy Pension Plan.

You may take the lump sum payment as a cash distribution or roll it over to an eligible retirement plan or individual retirement account, subject to Internal Revenue Service requirements.

When calculating the present value of your pension, CPF will consider the lifetime value of monthly pension payments, your annual *Christmas benefit*, and the value of the fully subsidized 50% survivor benefit or the zero option, whichever normal form of payment applies to you. *Cost-of-living increases*, which are discretionary, will not be included in the present value calculation.

If you are eligible, you will continue to receive the *resettlement benefit*, *retiree life insurance benefit*, *child benefit*, access to a Medicare Supplement Health Plan and/or dental plan offered through The Episcopal Church Medical Trust, and the *Medicare Supplement Health Plan Subsidy*.

* If you are married to an eligible spouse and choose to receive the normal form of payment (50% joint and survivor option), the monthly pension benefit you receive is not actuarially reduced because CPF subsidizes the full cost of the 50% survivor benefit.

Requesting Your Pension Benefits

In general, you must file an application with CPF about three months before the date you want to retire. However, there are two application filing exceptions noted below. As part of the application process, you may choose your *form of payment* and designate a beneficiary.

Before completing a retirement application, CPF recommends that you arrange a meeting with your canonical bishop (or, in your bishop's absence, the Ecclesiastical Authority) to discuss your retirement plans and anticipated retirement date.

CPF must receive your completed application to retire prior to your anticipated retirement date in order for Client Services to process your retirement for that date. Retroactive retirements are not generally permitted.

Application Filing Exceptions: CPF recommends that you file a retirement application to ensure that you select the *payment option* that meets your needs. The following, however, are two situations when CPF will automatically begin pension payments even if you do not complete a retirement application:

- (1) If you have reached your *required beginning date* under Internal Revenue Service regulations (typically, April 1 of the year following the year in which you attain age 70½); or
- (2) If you reach the Mandatory Church Retirement Age (age 72).

See *When Your Pension Benefits Begin* for more information about these two situations. In either situation, if CPF does not receive a completed retirement application on time, your pension benefit will be based on the *normal form of payment* and your marital status in CPF's records at that time. If you want to choose your form of pension payment and designate a beneficiary, we encourage you to contact our *Client Services* group no later than three months after you turn age 70, if you are no longer working in the Church at the time, or at least three months before you turn age 72, if you are still working in the Church.

Receiving Your Pension Payments

CPF strongly encourages you to have all retirement benefit payments sent directly to your bank by electronic transfer. Using this method allows CPF to transmit retirement benefit payments directly to your bank account, which helps to ensure that they arrive safely and are deposited on time. All you need to do is complete a *Payment Method Authorization Form*. Once the banking relationship is established, there is no need for further maintenance, unless your banking information changes.

Important note: You should obtain the signature of your canonical bishop (or, in his or her absence, the Ecclesiastical Authority of the diocese where you are canonically resident) on your application for retirement. Your bishop's signature does not necessarily have to be submitted at the same time as your own signature on the retirement application (and the option election form, if applicable), but it does need to be submitted before you can commence receipt of your pension. If you are age 72, or have been deposed or removed, your bishop's signature is not required.

Benefits Designated as Housing Allowance

CPF's Board of Trustees designates the full amount of each benefit paid to retired or disabled clergy, including the *Christmas benefit*, the *resettlement benefit*, *disability benefits* and the *bridge benefit* (if applicable), as eligible for the Internal Revenue Code Section 107 housing allowance exclusion. This means that you may be able to exclude the portion of your benefits that is used for housing expenses from your taxable income. However, the amount of the housing allowance that you may exclude on your federal income tax return cannot exceed the lowest of:

- The total amount you actually spend during the year for items that directly relate to renting or providing a home; or
- The fair rental value of your home (including garage, furniture, and appliances) plus the cost of utilities; or
- The retirement or disability benefits received.

The resettlement benefit is considered to be part of your retirement benefits for federal income tax purposes (unless you elect to roll it over to an eligible retirement plan or individual retirement account). As such, it is also included in the amount designated as a housing allowance. As a result, the limits above apply to both the monthly pension benefit and the resettlement benefit in the calendar year in which you receive them.

If you do not plan to take the housing allowance exclusion on the entire amount of retirement benefits that you receive in a calendar year, you may elect to have federal and/or state income taxes withheld. To do so, please contact our *Client Services* group to obtain the proper forms. You may change your withholding at any time by contacting Client Services.

The housing allowance exclusion is only available to ordained clergy and ends in the event of your death. It is not available to your surviving spouse or dependents.

Each year, CPF publishes both a *Tax Guide for Episcopal Ministers* and the *Federal Reporting Requirements for Episcopal Churches* that may contain useful information for you and your employer. We encourage you to share these materials with your individual accountant or tax advisor. You may also call our *Tax Hotline* for assistance.

Mistaken Payments

If you or your survivors receive incorrect payment(s) for any reason, overpayments may be charged against, and underpayments may be added to, any benefits otherwise payable to you or your survivors. Interest may be charged or paid, depending on the circumstances.

Working After Retirement

Working While Pensioned

If you are under age 72, retire under the Clergy Pension Plan, and receive compensation for work in the Episcopal Church, you may continue to receive your pension. However, the following Working While Pensioned rules must be met:

- The compensation that you receive during a 12-month period, including housing (except for temporary housing as explained below), cannot exceed a threshold amount equal to 50% of the U.S. median compensation for full-time clergy. The applicable 2018 threshold is \$38,250.
 - ~ Temporary housing is housing that is expected to be provided for **12 months or less** — whether it is *employer-provided housing* or a cash housing allowance. The value of temporary housing is **excluded** when determining whether your compensation is above the limit. (Housing that is expected to be provided for more than 12 months is included when determining whether your compensation is above the limit. The value should be determined using the *Total Assessable Compensation* housing calculation.)
 - ~ A special transition rule will apply for 2018. If you (1) live in employer-provided housing or (2) receive a cash housing allowance that is used for housing that was not rented or owned by you prior to the commencement of the work, such housing will continue to be excluded when determining whether your compensation is above the limit. As of January 1, 2019, however, you must include the value of the housing as part of your compensation if you remain in the same position, and the housing is expected to continue for more than 12 months (that is, not temporary housing).

- You cannot work for the same employer from which you retired, regardless of the amount of compensation that you will receive.

If you do not meet all of these rules, your pension benefits will be suspended, and you will be considered to have returned to active ministry. You may, however, apply for an exception to the rules so that you may continue to receive your pension while working in the Episcopal Church for pay after retirement. You must meet the following requirements in order to receive an exception:

- Before beginning work, you must obtain the approval of the bishop (or, in the bishop's absence, the Ecclesiastical Authority) of the diocese where you will be working. The bishop (or the Ecclesiastical Authority) must certify that:
 - ~ There is an extraordinary pastoral or institutional need for you to serve in the requested position and explain the reason why;
 - ~ Full consideration has been given, and all reasonable efforts were made, to fill the position with a non-retired cleric, but it has been determined that you are the most qualified candidate;
 - ~ All reasonable efforts will continue to be made to find a non-retired cleric who will be ready to serve in the requested position when your exception ends; and
 - ~ The bishop (or Ecclesiastical Authority) has the authority to remove you from the position at any time, and the congregation understands that authority.
- If you will be working for the same employer from which you retired:
 - ~ You must serve in a capacity with limited scope and compensation; and
 - ~ If you are under age 65, you must demonstrate that you had a bona fide severance from employment prior to your return to work.
- If you are 65 or older, your employer must comply with the *Medicare Secondary Payer* rules.

CPF must approve your exception request. The total exception period(s) cannot exceed two years. You may apply for one exception for two years, or you may apply for multiple exceptions for shorter periods, as long as the total period for exceptions is not more than two years over your lifetime. Exceptions granted prior to January 1, 2018 will not count toward this two-year limit. To request an exception, please contact our *Client Services* group.

There are no restrictions if you return to work outside the Episcopal Church. In addition, if you are age 72, which is the Mandatory Church Retirement Age, or older, there are no restrictions on returning to work in the Episcopal Church because you are not eligible to earn any additional Credited Service under the Clergy Pension Plan.

If You Return to Active Ministry

If you return to active ministry before reaching age 72, your pension will be suspended, and your employer will be required to pay Assessments on your *Total Assessable Compensation*.

Any pension benefits that have been paid after you returned to active ministry, plus interest, must be repaid to the Clergy Pension Plan or deducted from future pension payments, at CPF's sole discretion. If full Assessments are paid, you will earn additional Credited Service, and your total pension benefit may be higher.

When you end your active ministry again (or "re-retire" under the Clergy Pension Plan), a new pension benefit will be calculated, using:

- Your original pension benefit in the form of payment and the same beneficiary originally elected at your initial retirement, plus
- Any discretionary cost-of-living increases that may have been granted on your original pension benefit during your return to active ministry, plus
- Any additional pension benefit based on the Credited Service and compensation earned during your return to active ministry.

You may elect a separate *form of payment* and a different beneficiary for the additional earned pension benefit, subject to any required consent from your eligible spouse, as described above. If your additional pension benefit is \$20,000 or less when you retire again, it will be paid to you in a single *lump sum payment*.

Additional Benefits

Benefits If You Are Disabled Prior To Retirement

CPF offers you two disability plans: short-term and long-term. If you have health issues and, as a result, plan to limit your work schedule or resign from a position, you should file an application for disability in advance to determine whether you qualify for benefits. If you have questions, please contact our *Client Services* group.

Short-Term Disability Benefits

The Short-Term Disability Plan is intended to provide an income replacement benefit to assist employers with expenses incurred if you are unable to work due to a short-term disability. To qualify, you must be an *Active* participant in the Clergy Pension Plan immediately prior to the time you become disabled (as defined below), your physician must certify that you are disabled, and CPF's Medical Board, designated as *Liberty Mutual*, must also concur. CPF may require that any determination of disability be made by an appropriate provider of CPF's choosing and at CPF's expense. CPF may also require treatment by what is determined to be an appropriate provider.

You will be considered disabled if you are unable to perform (or are limited from performing) the material and substantial duties of your own job for more than 14 calendar days due to illness or injury. (This 14-day period is referred to as an elimination period.) Interpersonal conflicts or environmental or other hazards in the workplace will not be a factor considered when determining whether you can perform your own job. You also will be considered disabled if you give birth to a child. (There is no elimination period if your disability is due to childbirth.)

Once approved for short-term disability, your employer will receive the benefits described below, but only if your employer continues to provide you with 100% of your compensation and benefits, including paying Assessments to CPF, that it was providing prior to your disability.

Weekly Benefit

The weekly short-term disability benefit is equal to 70% of your weekly compensation on which Assessments were last paid, as determined immediately prior to your disability, less any formal salary continuation and wages, salary, or other compensation (excluding passive income). The maximum weekly benefit is \$1,000.

Commencement and Duration of Benefit

Short-term disability benefits will begin once the 14-day elimination period, if applicable, has ended. Benefits will be paid for up to 24 weeks or until you are no longer disabled, if earlier.

If your disability is due to childbirth, short-term disability benefits will begin on the date that you give birth and will continue for 12 weeks (or longer, in accordance with the paragraph above, if you continue to be disabled).

Short-term disability benefits will end if:

- The benefit is paid for the maximum period described in the two paragraphs above, as applicable; or
- You are no longer disabled, as defined under the Short-Term Disability Plan; or
- You are able to earn 80% or more of your *Total Assessable Compensation*, as determined immediately prior to your disability; or
- The Short-Term Disability Plan is no longer offered.

Notice Requirement

You must notify CPF of your disability within 60 days of its occurrence in order for short-term disability benefits to begin immediately following the end of the elimination period (or, if applicable, as of the date of childbirth).

If you notify CPF after 60 days, no short-term disability benefits will be payable for any period that is more than two weeks before you provide notice, unless you can demonstrate that it was not reasonably possible to provide notice sooner (for example, you were hospitalized for a serious condition). No benefit is paid if you notify CPF more than 26 weeks after your disability occurred.

Successive Period of Disability

A successive period of disability is a disability that:

- Occurs within 30 days after you return to work or are determined to be no longer disabled, and
- Is related to the prior disability for which short-term disability benefits were previously paid.

If you receive short-term disability benefits due to a successive period of disability, it will be treated as part of the prior period of disability.

When Short-Term Disability Benefits Are Payable to You

Although short-term disability benefits are usually paid to your employer, there are generally four situations when short-term disability benefits may be paid directly to you:

- If, during the period of short-term disability, your employer does not continue to provide you with the same compensation and benefits, including paying Assessments to CPF, that it was providing prior to your disability; or
- If your employment is terminated while you are on short-term disability; or
- If you were not employed when you became disabled; or
- If you were paying your own Assessments on an *Extension of Ministry*.

In addition, if both you and your employer were paying Assessments to CPF immediately prior to your disability, the short-term disability benefits will be split pro rata between you and your employer based on the percentage of the total Assessments paid by each of you.

Credited Service for Short-Term Disability Period

If Assessments are paid while you are on short-term disability, you will earn *Credited Service* toward your pension benefit and, if monthly Assessments are paid on at least 1/12 of the Hypothetical Minimum Compensation, toward the Medicare Supplement Health Plan Subsidy.

If Assessments are not paid in full, you will not earn any Credited Service while you are on short-term disability, although you will continue to be eligible for short-term disability benefits, even if you become *Inactive* while receiving these benefits.

If you were approved for short-term disability prior to January 1, 2018, your short-term disability benefits will continue for up to 52 weeks or until you are no longer disabled, if earlier, and your benefits will be subject to the terms of the plan in effect at the time you were approved. If your short-term disability benefits end on or after January 1, 2018, you will be eligible for *long-term disability benefits* if you continue to be disabled (as defined under the Long-Term Disability Plan).

Long-Term Disability Benefits

If you are disabled for more than 26 weeks, you may be eligible for benefits under the Long-Term Disability Plan. (The 26-week period is the elimination period for a long-term disability.) To qualify, you must have been an *Active* participant in the Clergy Pension Plan immediately prior to the date you were determined to be disabled under the Short-Term Disability Plan, your physician must certify that you are disabled (as defined below), and CPF's Medical Board, designated as *Liberty Mutual*, must concur.

You will be considered disabled if you are unable to perform the material and substantial duties of your own job for up to the first 24 calendar months following approval of benefits under the Long-Term Disability Plan. After this 24-month period, you will be considered disabled if you are unable to perform any occupation by which you are able to earn at least 80% of your Highest Average Compensation, as determined immediately prior to your disability. Interpersonal conflicts or environmental or other hazards in the workplace will not be a factor considered when determining whether you can perform your own job. CPF may require that any determination of disability be made by an appropriate provider of CPF's choosing and at CPF's expense. CPF may also require treatment by what is determined to be an appropriate provider.

Once approved for long-term disability benefits, you will receive the following:

Basic Benefit and Offsets

The monthly long-term disability benefit is equal to 1/12 of 70% of your Highest Average Compensation, as determined immediately prior to your disability.

The long-term disability benefit will be offset by any compensation (excluding passive income); benefits under workers' compensation laws, occupational disease laws, or similar laws; pension benefits from plans sponsored by CPF; and Social Security disability benefits or other government disability or retirement benefits that you earn or receive, but only if the total amount you receive from all sources exceeds 100% of your Highest Average Compensation as adjusted by cost-of-living increases.

Please note that your Highest Average Compensation for *pension purposes* will not be affected by the long-term disability benefit paid to you or the cost-of-living increases that may be applied to determine whether any offsets should be applied to the long-term disability benefit.

Resettlement Benefit

The *resettlement benefit* will be paid after you have received long-term disability benefits for six months, although it may be paid sooner at the discretion of CPF (for example, if you have a terminal illness). The amount of the resettlement benefit will be determined based on your actual Credited Service as of the date of disability plus projected Credited Service up to age 65.

If you receive a resettlement benefit while disabled and later return to active ministry under the Clergy Pension Plan, you will not be eligible to receive another resettlement benefit when you subsequently retire under the Clergy Pension Plan.

Discretionary Cost-of-Living Adjustments

The basic benefit will be subject to any *discretionary cost-of-living adjustments* that may be approved by CPF's Board of Trustees during the period of long-term disability.

Medical Coverage

If you are covered under a medical plan offered through The Episcopal Church Medical Trust at the time you become eligible for a short-term disability benefit, CPF will provide you with medical coverage once you become eligible for long-term disability, at no cost to you, at the same medical coverage level. You will receive fully subsidized coverage for the first 23 months while you are on long-term disability or, if earlier, through the end of the month in which you become eligible for Medicare or long-term disability benefits stop. If the cost to cover your dependents is fully subsidized, coverage for your dependents continues as long as each one meets the eligibility rules under The Episcopal Trust Medical Trust plans.

Please note: The Christmas benefit and bridge benefit are not paid if you are on long-term disability.

If you are not eligible for the fully subsidized medical coverage described above when long-term disability benefits begin, but subsequently experience a significant life event which results in the loss of your medical coverage (for example, loss of your spouse's medical coverage due to a job termination), you may enroll in a medical plan offered through The Episcopal Church Medical Trust within 30 days following that life event. CPF will provide the medical coverage, at no cost to you, for up to the time specified in the paragraph above. For example, if you are covered under your spouse's medical plan when long-term disability benefits begin, and your spouse loses his or her job 12 months later, CPF will subsidize the cost of your medical coverage for the next 11 months, if you enroll in a medical plan offered through The Episcopal Church Medical Trust.

Duration of Long-Term Disability Benefit

In general, you will receive long-term disability benefits for as long as you are disabled or until you elect to take *early retirement* under the Clergy Pension Plan, attain age 65, or die, whichever occurs first. If you do not begin to receive long-term disability benefits until after age 63, however, your benefits will continue to be paid for as long as you are disabled or, if earlier, until they have been paid for 23 months, you elect to retire, or you die. In no event will the benefit continue beyond the Mandatory Church Retirement Age of 72.

Important note: If you are disabled and reach the *required beginning date* for your pension under Internal Revenue Service regulations, you will be required to retire under the Clergy Pension Plan. However, in the case of this type of mandatory retirement, you will continue to receive long-term disability benefits for as long as you continue to be eligible (as described above). The pension benefits that you receive may offset the amount of your long-term disability benefits. See *Basic Benefit and Offsets* for details.

Long-term disability benefits will end:

- If the benefit is paid for the maximum period described above; or
- If you are no longer disabled, as defined under the Long-Term Disability Plan; or
- If you are able to earn 80% or more of your Highest Average Compensation; or
- If the Long-Term Disability Plan is no longer offered; or
- In the event of your death.

Successive Period of Disability

A successive period of disability is a disability that:

- Occurs within 120 days after you return to active ministry or are determined to be no longer disabled; and
- Is related to the prior disability for which long-term disability benefits were previously paid.

If you receive long-term disability benefits due to a successive period of disability, it will be treated as part of the prior period of disability.

Credited Service for Long-Term Disability Period

Once approved for long-term disability, you will receive one month of *Credited Service* (toward both the pension benefit and the Medicare Supplement Health Plan Subsidy) for each month that you receive long-term disability benefits up to age 65 (unless you are subsequently deposited or removed). Assessment payments are not required in order to receive Credited Service.

Disabilities Approved Prior to January 1, 2018

If you were approved for a disability retirement benefit under the Clergy Pension Plan prior to January 1, 2018, your disability retirement benefit will continue to be paid under the terms of the Clergy Pension Plan in effect prior to January 1, 2018. You will not be entitled to a benefit under the Long-Term Disability Plan unless you return to active ministry and subsequently become disabled and meet the eligibility requirements for a long-term disability benefit. Any such subsequent disability will not be considered a successive period of disability.

If you are receiving a disability retirement benefit under the Clergy Pension Plan and have any questions about your benefit, please contact our *Client Services* group.

Be Sure to File for Social Security Benefits!

If you become disabled, you may be eligible for Social Security disability benefits, which could increase your monthly income and help you to qualify for Medicare and the Medicare Supplement Health Plan Subsidy, when applicable. If you, your spouse, and/or dependent children need assistance with this process, please contact Allsup. (Access to Allsup is available through *Liberty Mutual*.) There is no cost to you for this consultation.

Post-Retirement Health Benefits

You must be at least age 65 (unless disabled as determined by Social Security) to participate in Medicare. If you are enrolled in Medicare (Parts A and B) and retired, you and your eligible spouse or eligible surviving spouse (as defined below) may be eligible for financial assistance to purchase post-retirement health benefits from The Episcopal Church Medical Trust. This financial assistance is a separate benefit provided by CPF outside of the Clergy Pension Plan and is referred to as the Medicare Supplement Health Plan Subsidy.

Here is how the subsidy works:

- You must have earned at least a minimum of 10 years of *Credited Service* based on monthly compensation equal to at least 1/12 of the *Hypothetical Minimum Compensation* (beginning on January 1, 2018, \$1,500 per month). (Note that if you earned any Credited Service under the Clergy Pension Plan prior to January 1, 2018, all of it will count as Credited Service toward the subsidy regardless of your compensation at the time.)
- If you are eligible for the Medicare Supplement Health Plan Subsidy, your spouse or surviving spouse is eligible for the Medicare Supplement Health Plan Subsidy as long as you were married when you retired under the Clergy Pension Plan, when you commenced receipt of a long-term disability benefit, or on the date of your death, whichever occurs first. In addition, you must have earned at least 12 months of Credited Service while married. Your spouse must also be enrolled in Medicare (Parts A and B).
 - ~ A different rule applies if you retire, *return to active ministry*, and re-retire with a spouse to whom you were not married on your initial retirement date, or if you divorce your spouse before you retire under the Clergy Pension Plan. For information about this rule, please contact our *Client Services* group.
- If you have earned at least 20 years of Credited Service (based on the compensation threshold referenced above), you will receive the full Medicare Supplement Health Plan Subsidy. If you have earned at least 10 but less than 20 years of Credited Service, the amount of your subsidy will be prorated based on your years of service.
- You may only use your Medicare Supplement Health Plan Subsidy to purchase a Medicare Supplement Health Plan and/or a dental plan offered through The Episcopal Church Medical Trust. If you choose to enroll in a plan that costs more than your subsidy, you must pay for any additional costs.

Here is more information about the plans available through The Episcopal Church Medical Trust:

- There are multiple Medicare Supplement Health Plans, with and without prescription drug coverage, and various dental plans from which to choose. The Medicare Supplement Health Plans that do not offer prescription drug benefits are tailored for those who are enrolled in Medicare Part D.
- All of the Medicare Supplement Health Plans offer coverage for hospitals, physicians, and outpatient and vision services and currently provide additional benefits, including hearing aids and travel protection, at no additional cost.
- All of the Medicare Supplement Health Plans and dental plans have deductibles and copayments similar to other plans on the marketplace today but at different cost and coverage levels.
- Even if you are not eligible for the Medicare Supplement Health Plan Subsidy, once you retire under the Clergy Pension Plan, you and your spouse (or surviving spouse) will have access to the various Medicare Supplement Health Plans and/or dental plans available (by paying the full cost).
- For more information about the plans, please visit our website at www.cpg.org.

Important note: CPF plans to continue to provide the Medicare Supplement Health Plan 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 Health Plan Subsidy in perpetuity.

Medicare Secondary Payer

Medicare Secondary Payer is a term generally used when Medicare is not the primary payer of health claims for individuals who are eligible for active health coverage through their employer. The U.S. government designed Medicare to provide health coverage for retired individuals, not actively employed individuals.

If you are age 65 or older and are eligible for active health coverage through your employer, then Medicare will not be the primary payer for your health claims. Instead, you should receive coverage under your employer's health plan for active employees. This is true regardless of whether or not you have retired under the Clergy Pension Plan.

If you have already retired, however, you need to pay particular attention to the Medicare Secondary Payer rules because they impact your eligibility to receive the Medicare Supplement Health Plan Subsidy. If you continue to work in the Episcopal Church after retirement (whether that work falls under a *Working While Pensioned* exception or not) and are eligible for your employer's active health coverage, you should receive coverage under your employer's active health plan. This means that you will not be eligible for coverage under a Medicare Supplement Health Plan offered by The Episcopal Church Medical Trust. If you were receiving the Medicare Supplement Health Plan Subsidy prior to your return to work, that subsidy will stop for as long as you continue to be eligible for active health coverage.

There is an exception from the Medicare Secondary Payer rules for active employees who are employed by small employers. To learn about the Medicare Secondary Payer Small Employer Exception, please visit our website at www.cpg.org.

For details about Medicare, please visit the Medicare website at www.medicare.gov.

Other Post-Retirement Benefits

In addition to pension payments, eligible retired clergy may receive or have access to the following additional benefits:

- Resettlement Benefit
- Christmas Benefit
- Discretionary Cost-of-Living Adjustments
- Fund for Special Assistance
- Life Insurance Coverage (described in the section *If You Die After You Retire*)

This section provides information about each benefit (other than life insurance coverage), including who is eligible and benefit amounts.

Resettlement Benefit

The Clergy Pension Plan provides a resettlement benefit to help eligible clergy relocate when they retire. Here is how it works:

- You are eligible if you are an *Active* participant in the Clergy Pension Plan immediately prior to retirement.
- The resettlement benefit equals 12 times your monthly pension benefit based on your *normal form of payment*.
- If eligible, you will receive a resettlement benefit ranging from a minimum of \$2,000 to a maximum of \$20,000.
- The resettlement benefit is only payable when you first retire under the Clergy Pension Plan or, if applicable, after you receive long-term disability benefits for six months (or sooner, in certain cases). If you later *return to active ministry*, you will not be eligible to receive the resettlement benefit when you re-retire, even if you did not receive it when you first retired.
- You may receive the resettlement benefit as a lump sum cash payment when you retire or roll it over to an eligible retirement plan or individual retirement account.
- The resettlement benefit is considered taxable income in the year it is received if it is paid directly to you at retirement. However, as with many of the benefits provided by the Clergy Pension Plan, the resettlement benefit may be eligible for the housing allowance exclusion under the Internal Revenue Code. You should talk to your personal accountant or tax advisor to learn more.

Christmas Benefit

Each December during your retirement, the Clergy Pension Plan will provide a Christmas benefit (or 13th check) equal to \$25 times your Credited Service.

In the event of your death, your survivor beneficiary, if you have one, and your *eligible children* will also receive a Christmas benefit each December equal to \$25 times your Credited Service.

Discretionary Cost-of-Living Adjustments

Although not required by plan rules, the CPF Board of Trustees has generally granted a cost-of-living adjustment when inflation has justified it and the financial condition of the Clergy Pension Plan has allowed for it. While we make our own judgments regarding cost-of-living adjustments, it has been our practice to look to the U.S. Bureau of Labor Statistics' Consumer Price Index as a benchmark to guide our thinking on inflation. Many other organizations, such as the Social Security Administration, look to the Consumer Price Index when making decisions about cost-of-living adjustments. We realize the Social Security Administration's cost-of-living adjustment decision is not a perfect proxy for retiree living expenses in every case, but it is the most well-recognized and objective measure available, so we continue to see value in referring to it when making our decision.

Fund for Special Assistance

The Fund for Special Assistance has been created for the relief of specific and extraordinary financial needs. Specifically, it has been created to provide grants ranging from a minimum of \$1,000 to a maximum of \$10,000 per request. Retired clergy, surviving spouses, and dependents who are experiencing a specific financial challenge and are also receiving benefits from the Clergy Pension Plan, Long-Term Disability Plan, or Child Benefit Plan are eligible for grants. There is a maximum lifetime benefit of \$20,000 per eligible individual, and there are other limits on the total annual amount that can be granted under the Fund for Special Assistance. Please visit our website at www.cpg.org for details.

Grants are not intended to pay for education expenses or long-term care expenses addressed by Medicaid or Medicare. The bishop or Ecclesiastical Authority of the diocese where the applicant resides or is canonically resident must submit a form in support of the applicant's request. The diocese must also agree to pay 10% of the grant unless waived by CPF. Each applicant must then complete and submit an application and a financial disclosure statement.

Benefits for Your Survivors

If You Die Before You Retire

Preretirement Survivor Benefit

If you die before you retire, your eligible beneficiary(ies) may receive a monthly preretirement survivor benefit. To be eligible, you must be an *Active* participant in the Clergy Pension Plan (or, if you are not Active, then you must be *vested*) at the time of your death. The amount and duration of the preretirement survivor benefit will vary depending on your status under the Clergy Pension Plan, age at the time of death, and your eligible beneficiaries.

Eligible beneficiaries include:

- Your surviving spouse;
- Your *eligible children*; and
- Any disabled person who is your tax dependent.

You can choose to designate a beneficiary; however, if the person(s) you designate is not considered an eligible beneficiary at the time you file a beneficiary form with CPF and/or at the time of your death, your beneficiary designation will be void. This means that no preretirement survivor benefit will be payable unless you are survived by your spouse or eligible children.

If you name a beneficiary for the preretirement survivor benefit, the following rules will apply:

- The beneficiary must be a person. Please note that if the eligible beneficiary is disabled, a special needs trust may be designated. If you are married, your spouse must provide written, notarized consent if you do not name him or her as the sole primary beneficiary.
- If you marry after filing a beneficiary designation with CPF, your beneficiary designation will become void after CPF is notified about your marriage. In this case, your spouse becomes your beneficiary.
- If you designate more than one eligible beneficiary, the preretirement survivor benefit will be divided equally, and each beneficiary will receive only his or her own share.
- If you do not designate a beneficiary, if your beneficiary dies before you, or if your beneficiary designation is invalid or void, the preretirement survivor benefit will be paid to:
 - ~ Your surviving spouse; or
 - ~ If you were not married, your *eligible children*.

Transition rule during 2018

If you die on or before December 31, 2018, the preretirement survivor benefit will be payable to any person or trust that has been designated as your beneficiary, even if that beneficiary is not in one of the eligible classes listed above. This transition rule only applies if a beneficiary form is on file with CPF prior to January 1, 2018.

Minimum Spousal Pension:

The Clergy Pension Plan provides a *minimum pension* to a cleric's surviving spouse. The minimum spousal pension is set at 80% of what the cleric's minimum pension would have been, based on the cleric's actual Credited Service and, if applicable, projected Credited Service. CPF will automatically determine if a cleric's spouse is entitled to a minimum spousal pension.

If you do not have a spouse, eligible child(ren), or an eligible designated beneficiary at the time of your death, no preretirement survivor benefit will be paid from the Clergy Pension Plan.

Preretirement Survivor Benefit Amount

If you were an *Active* participant and *eligible to retire* under the Clergy Pension Plan at the time of your death, the preretirement survivor benefit generally will be equal to the greater of:

- 50% of the *pension benefit* that you would have received based on your actual Credited Service, projected Credited Service to age 65, and your Highest Average Compensation; or
- 100% of the pension benefit that you would have received based on your actual Credited Service and your Highest Average Compensation, subject to the following reductions:
 - (1) the actuarial reduction that would have applied had you elected the *100% joint and survivor option*; and
 - (2) the *early retirement reduction* that would have applied if you had not earned at least 30 years of Credited Service at the time of death.

This is how the preretirement survivor benefit works under different situations:

If you were an Active participant and were *not* eligible to retire under the Clergy Pension Plan at the time of your death:

The preretirement survivor benefit generally will equal 50% of the pension benefit that you would have received based on your actual Credited Service, projected Credited Service to age 65, and your Highest Average Compensation.

If you were an Inactive participant but were otherwise vested under the Clergy Pension Plan at the time of your death:

The preretirement survivor benefit will equal 50% of the pension benefit that you would have received based on your actual Credited Service and your Highest Average Compensation.

In addition to the preretirement survivor benefit, the following benefits may be payable:

Resettlement Benefit

If you were an Active participant at the time of your death, the *resettlement benefit* will be paid to your eligible beneficiary(ies). If, however, you had already received the resettlement benefit yourself (either because you were disabled or because you retired and then subsequently returned to active ministry), no resettlement benefit will be payable to your eligible beneficiary(ies).

Christmas Benefit

Every December in which the preretirement survivor benefit is payable, a Christmas benefit equal to \$25 times your actual Credited Service and, if applicable, projected Credited Service will be paid. If you have more than one eligible beneficiary who is receiving a preretirement survivor benefit, one Christmas benefit will be divided equally among all of your beneficiaries.

Discretionary Cost-of-Living Adjustments

The monthly preretirement survivor benefit will be subject to any *discretionary cost-of-living adjustments* that may be approved by CPF's Board of Trustees.

Duration of the Preretirement Survivor Benefit

How long the preretirement survivor benefit is payable depends on who your beneficiary is. If your surviving spouse, *eligible child* who is disabled, or any other disabled person who is your tax dependent is your beneficiary, he or she will receive a monthly preretirement survivor benefit for his or her lifetime. If your eligible child who is not disabled is your beneficiary, he or she will receive a monthly benefit only until he or she reaches age 25.

Child Benefit

In addition to the Clergy Pension Plan's preretirement survivor benefit, CPF provides a benefit to the *eligible children* of deceased clergy under the Child Benefit Plan.

If you are an *Active* participant in the Clergy Pension Plan or are *vested* at the time of your death, your eligible children will receive benefits as follows:

Monthly Child Benefit	Each eligible child will receive a flat dollar monthly benefit (\$593.60 as of 2018), subject to the maximum limitation described below. If an eligible child is an orphan, the monthly benefit is doubled.
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Christmas Benefit	Each eligible child will receive his or her own Christmas benefit (an additional 13th check that is separate from the monthly child benefit) every December in which the monthly child benefit is payable to him or her. The Christmas benefit for each eligible child equals \$25 times your actual Credited Service and, if applicable, projected Credited Service.
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Cost-of-Living Adjustments	The monthly child benefit will be subject to <i>discretionary cost-of-living adjustments</i> that may be approved by CPF's Board of Trustees.
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Duration of Benefit	Child benefits are paid until the eligible child reaches age 25, unless the child is disabled, as described below.
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If your child is disabled before age 25, he or she will receive the child benefit for life regardless of how old he or she is at the time of your death. If your child is receiving Social Security disability benefits, then he or she will automatically be considered disabled under the Child Benefit Plan. If your child is not receiving Social Security disability benefits, he or she may still be considered disabled, but only if your child's physician certifies that your child is totally and permanently incapacitated and incapable of self-support. CPF's Medical Board, designated as Liberty Mutual, must concur with the physician's findings.

Important note: It is important that you notify CPF that you have an eligible child (or of an eligible child's disability) as soon as possible to ensure that your child receives the full protection of the Child Benefit Plan in the event of your death. If CPF is notified more than two years after your death, benefits will not be paid retroactive to your death, although they may be payable going forward.

Maximum Limitation	Annual total child benefits (not including the Christmas benefit and future cost-of-living adjustments) payable to all eligible children cannot exceed your Highest Average Compensation. This limitation is determined at the time of your death.
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If total child benefits exceed the maximum allowable amount, the maximum amount will be divided equally among all eligible children, and each child will only receive his or her share for the duration of the benefit, as described above.

Child Benefits That Commenced Before January 1, 2018

If a child benefit commenced before January 1, 2018, the child benefit will continue to be paid under the terms of the Clergy Pension Plan in effect prior to January 1, 2018. For any questions about the terms in effect prior to January 1, 2018, please contact our *Client Services* group.

Life Insurance Benefit

CPF makes a life insurance benefit available under the Life Insurance Plan to eligible participants in the Clergy Pension Plan. If you die while an *Active* participant in the Clergy Pension Plan, your beneficiary(ies) will receive a life insurance benefit equal to six times your *Total Assessable Compensation*, up to a maximum of \$150,000.

You may name anyone you wish as the beneficiary of the life insurance benefit and can change the beneficiary designation at any time. Please note, however, that if you have designated your spouse as the beneficiary of the life insurance benefit and you subsequently divorce or legally separate, your former spouse will continue to be the beneficiary unless you designate a new beneficiary or revoke your designation in writing.

If you do not name a beneficiary, your life insurance benefit will default to the first of the following categories in which there is a survivor (multiple survivors in the same category share equally):

- Your spouse;
- Your children;
- Your parents;
- Your brothers and sisters; and
- Your estate.

For a schedule of benefits, please see the *applicable certificate*.

If You Die After You Retire

Post-Retirement Survivor Benefit

If you die after retirement, the person who was designated as your beneficiary at the time of your retirement will receive a benefit based on the form of payment you elected when you retired. If you elected the zero option or received a lump sum payout of your pension, no benefit will be payable following your death. See *Pension Payment Options* for more information.

Child Benefit

CPF provides a benefit to eligible children of deceased retired clergy under the *Child Benefit Plan*. The benefit is the same as the benefit payable upon an Active participant's death.

Life Insurance Benefit

CPF makes a life insurance benefit available under the Life Insurance Plan to eligible retired clergy.

If you were an *Active* participant in the Clergy Pension Plan immediately prior to your retirement, your beneficiary(ies) will receive a life insurance benefit equal to six times your Highest Average Compensation, up to a maximum of \$50,000.

For information about designating a beneficiary or the default beneficiary provisions that apply under the Life Insurance Plan, see *Life Insurance Benefit*.

Keep Your Beneficiary Designations Updated

To be sure that the preretirement survivor and life insurance benefits are paid to the beneficiaries you intend should something happen to you, it is important to keep your designations up to date, especially if you have a change in your family status (for example, marriage, divorce, dissolution of domestic partnership, birth, adoption, etc.). Please contact our *Client Services* group to request new forms or download them from our website at www.cpg.org. Please also make sure to keep your beneficiaries' contact information up to date.

Life Event Changes

There are certain life events, such as marriage, divorce, dissolution of domestic partnership, disability, birth, or adoption, which can affect your benefits under the Clergy Pension Plan and other benefit plans. It is important that you notify our [Client Services](#) group as soon as possible whenever there is a change in your family status. This will help to ensure your benefits are provided as you intend, especially in the event of your death.

If You...	Then...
...are on maternity leave	<p>The Short-Term Disability Plan provides income replacement benefits to assist employers with expenses incurred while an Active participant is on maternity leave after giving birth.</p> <p>There is no elimination period requirement for childbirth, although the 14-day elimination period, described in the Short-Term Disability Benefits section, does apply prior to the birth of a child (for example, if there is a pregnancy complication).</p>
...are on paternity leave	<p>There are no short-term disability benefits for clergy who are new fathers. If you decide to take unpaid leave in order to help care for your newborn, you may continue to earn Credited Service under the Clergy Pension Plan and maintain your eligibility for benefits by personally paying Assessments. See Cost of Coverage for more information about personal Assessments.</p>
...are between cures	<p>If you are between cures or otherwise experience a break in service, you can personally pay Assessments for up to 24 months in order to maintain your eligibility for benefits and continue to earn Credited Service. See Cost of Coverage for more information about personal Assessments.</p>
...get married within one year before retirement	<p>If you are thinking of retiring and have recently married, your retirement date could affect your spouse's eligibility for benefits, including the fully subsidized 50% survivor benefit and the Medicare Supplement Health Plan Subsidy.</p>

...get married after retirement

If you marry after retirement, your new spouse is not a beneficiary of the Clergy Pension Plan and is therefore not eligible for a survivor benefit. (If you elected a marriage after retirement option before January 1, 2018, however, the spouse whom you designated will receive a survivor benefit following your death.)

You may not change the *form of payment* that you elected at retirement under any circumstances; therefore, whomever you designated as your beneficiary at that time, if you did so, will receive the Clergy Pension Plan's survivor benefit that you elected in the event of your death.

If your beneficiary predeceases you and you marry after retirement, you cannot substitute your new spouse as the beneficiary, even though the person whom you designated at retirement is no longer living. In this case, no survivor benefit is payable following your death.

A spouse whom you marry after retirement is also not eligible for the Medicare Supplement Health Plan Subsidy.

(Different rules apply if you marry after retirement and *return to active ministry*. Contact our *Client Services* group for more information.)

...divorce before retirement

If you divorce before retiring, the court that has jurisdiction over the dissolution of your marriage may require that your pension be divided with your former spouse because it constitutes marital property. The division of your pension may be determined by a divorce decree or marital property settlement agreement. In either case, if your former spouse is entitled to a share of your pension, and you would like CPF to pay that share directly to your former spouse, then you and your former spouse must file a *qualified domestic relations order* with the appropriate court. The qualified domestic relations order also must be approved by CPF. Your divorce decree and/or marital property settlement agreement generally will not act as the qualified domestic relations order because a qualified domestic relations order must meet certain specific requirements before CPF will approve and implement it.

In the event of your divorce, you should also consider whether to update your beneficiary designations for the preretirement survivor benefit and the life insurance benefit, if necessary.

...divorce after retirement

If you divorce after retiring, the person whom you designated as your beneficiary (if any) remains eligible for the survivor benefit elected at retirement. This cannot be changed.

You may enter into a *qualified domestic relations order* in order to divide your pension with your former spouse, as noted above.

In the event of your divorce, you should also consider whether to update your beneficiary designation for the life insurance benefit, if necessary.

Contacts

Client Services	For assistance with the following: <ul style="list-style-type: none">• Pensions• Life insurance• Annuities• Retirement savings• Disability	(866) 802-6333 Monday–Friday, 8:30 am–8:00 pm ET (excluding holidays) benefits@cpg.org The Church Pension Fund 19 East 34th Street New York, NY 10016
Financial and Life Planning	For planning your financial future, including reviewing your retirement needs and goals and understanding your benefit choices	(888) 735-7114 Monday–Friday, 8:30 am–8:00 pm ET (excluding holidays)
Health Plans	For assistance with medical, dental, and vision plans	(800) 480-9967
Liberty Mutual		To report a claim: (877) 225-1740 To check the status of your claim: (800) 210-0268 www.mylibertyconnection.com (first time users must register using Company Code CPG-EE)
Tax Hotline	For general questions concerning clergy taxes	Nancy N. Fritschner, CPA (877) 305-1414 The Rev. Canon Bill Geisler, CPA (ret.) (877) 305-1415