



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

# Guide to Your Retirement Savings Plan

THE BENEFITS PLAN  
OF THE PRESBYTERIAN CHURCH (U.S.A.)

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This is not a full description of benefits and limitations of the plan. If there is any difference between the information presented here and the provisions of the Benefits Plan of the Presbyterian Church (U.S.A.), the plan terms will govern. Visit [pensions.org](http://pensions.org) or call the Board at 800-773-7752 (800-PRESPLAN) for a copy of the plan document.

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The Board of Pensions of the Presbyterian Church (U.S.A.) provides robust benefits and services to PC(USA) churches, agencies, and affiliated employers — educational institutions, camps and conference centers, retirement and senior housing communities, and human services organizations. Learn more at [pensions.org](https://pensions.org).

# The Retirement Savings Plan

As part of the Benefits Plan of the Presbyterian Church (U.S.A.), the Retirement Savings Plan (RSP) is administered by the Board of Pensions in partnership with Fidelity Investments, a leading retirement plan provider. The RSP is a 403(b)(9) defined contribution plan that lets you save for retirement through payroll deductions. The federal government encourages saving for retirement by offering favorable tax treatment to those who participate in a 403(b)(9) plan.

## **DEFINED CONTRIBUTION PLAN**

**A defined contribution plan allows employees to contribute and invest funds over time to save for retirement. Employers, employees, or both may contribute to a defined contribution plan. Future benefits are based on how much money is contributed into the plan and how the plan's investments perform.**

**Contributions are paid into an individual account established for each participant. The contributions are then invested, and the returns on the investment (which may be positive or negative) are credited to the individual's account.**

**A 403(b) plan is one type of defined contribution plan for employees of certain tax-exempt organizations or public schools. The Retirement Savings Plan is a 403(b)(9) plan. The "(9)" indicates that it is a church retirement income account, for church and church-affiliated employees.**

The RSP is called tax-advantaged because there are two ways to contribute: pretax and Roth after-tax. Whichever way you contribute, you may save money in taxes. Your employer may, but is not required to, contribute to your account.

You have the flexibility to choose how to invest your savings from among the RSP investment options designated by the Board and offered through Fidelity.

Your pretax, Roth after-tax, and rollover contributions and related investment earnings are always fully vested. Your employer's contributions, if any, and related investment earnings in your account, are immediately fully vested, unless otherwise specified in your organization's Employer Agreement with the Board of Pensions. Vesting is a term used to describe the portion of your account that you own, which is nonforfeitable.

As an active employee, you may only withdraw funds from your RSP account under limited circumstances; however, once you retire, reach age 59½, become disabled, or end PC(USA) employment, you may withdraw all or part of your vested account balance. If you die, your designated beneficiaries may withdraw all or part of your vested account balance.

## **FIDELITY INVESTMENTS RESOURCES**

**If you participate in the Retirement Savings Plan and have questions about your account, log on to Fidelity NetBenefits® at [fidelity.com/atwork](https://fidelity.com/atwork) or call Fidelity at 800-343-0860 (reference plan # 57887).**

## Eligibility and enrollment

### ELIGIBILITY

You may participate in the RSP if your employer offers the plan to you. If you have questions about your eligibility, call the Board at 800-773-7752 (800-PRESPLAN).

## ENROLLMENT

You may enroll in the RSP at any time by completing two forms:

- the Fidelity Investments Enrollment Form, directing Fidelity how to invest your contributions; and,
- the Retirement Savings Plan Salary Deferral Agreement (ORS-001), authorizing your employer to defer part of your salary to the RSP, instead of receiving it in your paycheck.

These forms are included in the Fidelity Investments Enrollment Guide, which also provides information to help you decide how much to invest and choose appropriate fund options. You can download the forms and the Fidelity Investments Enrollment Guide from [pensions.org](https://pensions.org) or request them by calling the Board at 800-773-7752 (800-PRESPLAN).

Complete both forms and return them to your employer to process. Do not send them to the Board.

Your enrollment will take effect after Fidelity receives and processes your completed enrollment form. Once you enroll in the RSP, Fidelity establishes an account in your name.

### Beneficiary Designation

When you enroll in the RSP, you must designate one or more beneficiaries to receive payment of your RSP account in the event of your death. If you are married and designate a primary beneficiary other than your spouse, the plan requires your spouse's written consent. At any time after enrolling in the RSP, you may designate or change beneficiaries through NetBenefits, or by calling Fidelity at 800-343-0860.

If your beneficiary designation is not valid, the plan will distribute your account in the following order of priority: First, to your surviving spouse, if any; second, to your surviving children, if any, in equal shares; and third, to your estate.

## Contributions

Contributions to your RSP account can come from

- your own pretax and/or Roth (after-tax) salary deferrals;
- your employer (if your employer contributes);
- rollovers from another 403(b), 401(k), or 401(a) plan, or an IRA in some cases; and
- transfers from other eligible 403(b) plans, subject to approval by the Board.

RSP contributions you make and those your employer makes, if any, may not exceed IRS limits. You can find these limits in the RSP overview on [pensions.org](https://pensions.org) or IRS Publication 571 on [irs.gov](https://irs.gov).

## YOUR CONTRIBUTIONS

Amounts you contribute to the RSP are known as "salary deferrals" because the amount is "deferred," or set aside, from your pay.

You choose the percentage of pay you want to contribute per pay period, up to IRS limits, and agree to have your employer deduct those contributions from your pay on a pretax or Roth (after-tax) basis.

- Pretax contributions are deducted before federal and, in most cases, state and local taxes are withheld, lowering the taxes you pay now.
- Roth (after-tax) contributions are subject to taxes now, and if you meet certain requirements, you may receive them tax-free when you withdraw them later. You (or your beneficiaries) won't pay taxes on Roth earnings as long



as you are at least age 59½ (or die or become disabled) and your withdrawal satisfies the five-year Roth holding requirement.

- For ministers of the Word and Sacrament, self-employment taxes for Social Security and Medicare (SECA) are not assessed on contributions to the RSP, up to your eligible contribution limit. This saves you from paying the 15.3% self-employment tax on such contributions.

### Pretax or Roth?

This example shows how you can increase your take-home pay now if you save on a pretax basis. If you save on a Roth after-tax basis, your take-home pay now is lower, in exchange for tax-free withdrawal of savings and earnings (if you meet IRS requirements) later. This may be important if you believe you may be in another tax bracket after you retire.

Sally's story		
Sally earns \$40,000 annually. She participates in the Retirement Savings Plan with a monthly 6% pretax contribution, as well as a 6% after-tax (Roth) contribution.		
	Roth after-tax <sup>†</sup>	Traditional pretax <sup>†</sup>
Sally's monthly contribution into each account	\$200	\$200
Sally's reduction in take-home pay is different	\$200	\$156

<sup>†</sup>This hypothetical example is based solely on an assumed federal income tax rate of 22%. No other payroll deductions are taken into account. Your own results will be based on your individual tax situation.

It is important, especially for clergy, to carefully weigh — with a professional tax adviser — the advantages or disadvantages of investing pretax or Roth after-tax. Ministers of the Word and Sacrament do not pay self-employment taxes for Social Security and Medicare (SECA) on contributions they make to the Retirement Savings Plan on a pretax (traditional) basis, up to the eligible contribution limit. Ministers do, however, pay SECA taxes on Roth (after-tax) contributions, which are made to the Retirement Savings Plan after all appropriate taxes have been deducted (or will be paid). When you take advantage of the opportunity to save on a pretax basis, you do not have to pay the 15.3% self-employment tax on such contributions.

After submitting your initial salary deferral agreement, you may change the amount of future contributions by submitting a new salary deferral agreement to your employer.

### CATCH-UP CONTRIBUTIONS

In some cases, you may make additional contributions to the RSP above your basic salary deferral amount. These are called catch-up contributions. The IRS allows two types of catch-up contributions: long-service and age-based.

#### Long-service catch-up contributions

If you have at least 15 years of service with PC(USA) churches and affiliated employers, you may contribute a long-service catch-up amount beyond the basic IRS contribution limit on elective deferrals. See IRS Contribution Limits for the amount you may contribute.

## Age 50 catch-up contributions

If you will be age 50 years or older by the end of the calendar year, you can also make age-based catch-up contributions beyond the basic IRS contribution limit on elective deferrals. See IRS Contribution Limits for the amount you may contribute.

When both the age 50 catch-up and long-service catch-up limits apply, by law, deferrals are applied first to the long-service limit (up to the lifetime maximum), and then to the age 50 (age-based) catch-up limit.

## YOUR EMPLOYER'S CONTRIBUTIONS

Your employer may, but is not required to, contribute to your RSP account, even if you do not contribute. These contributions may be in the form of a contribution that matches a contribution you make (a “matching contribution”), or, in some cases, you may not be required to contribute to receive your employer’s contribution (a discretionary or non-elective contribution). The RSP also allows your employer to make contributions on your behalf for up to five years after you end PC(USA) employment, including during retirement.

## IRS CONTRIBUTION LIMITS

In exchange for the tax advantages that the IRS offers for participation in plans like the Retirement Savings Plan, there are limits to the amount that you and/or your employer may contribute. These limits are subject to change by the IRS annually.

### Annual elective salary deferral limit

For 2023, the most you can contribute to the RSP, or any other 403(b), 401(k), or other similar qualified plan, is the lesser of

- \$22,500\*, or
- 100 percent of includible compensation for your most recent year of service.

Generally, includible compensation is the amount of taxable wages and benefits you received during your most recent full year of service. Includible compensation does not include housing allowance.

Age-based and long-service catch-up contributions are not included in this maximum contribution limit. See Appendix for examples.

### Annual addition limit (combined contribution limit)

For 2022, the limit on annual additions (combination of your employer’s contributions and your elective deferrals to the RSP, and any other 403(b), 401(k), or other similar qualified plan) is the lesser of:

- \$66,000, or
- 100 percent of includible compensation for your most recent year of service.

Generally, includible compensation is the amount of taxable wages and benefits you received during your most recent full year of service.

### Long-service catch-up contributions

For 2022, the limit on long-service catch-up contributions is the lesser of:

- \$3,000;
- \$15,000, reduced by any long-service catch-up contributions you made in previous years; or

- \$5,000 times the number of years you have worked for your employer, minus the total of any long-service catch-up contributions you made in previous years.

### Age 50 catch-up limit

If you will be age 50 or older at the end of 2022, you can make age-based catch-up contributions of \$7,500 beyond the basic limit on elective salary deferrals.

### If both catch-up provisions apply

While age-based (age 50) catch-up contributions are subject to an annual limit, the long-service-based (15-year) catch-up contributions are subject to a use test, lifetime limit, and an annual limit. When both catch-up opportunities apply, by law, your deferrals beyond the basic IRS contribution limit on elective deferrals for the year are applied first to the long-service limit (up to the lifetime maximum), and then to the age-based (age 50) catch-up limit.

For more information on IRS contribution limits, visit the [Retirement Topics – 403\(b\) Contribution Limits](#) page at [irs.gov](https://www.irs.gov), refer to IRS publication 571, Tax-Sheltered Annuity Plans (403(b) Plans), or call Fidelity at 800-343-0860 to speak with a customer service associate (reference plan # 57887).

### ROLLOVERS AND TRANSFERS INTO THE RSP

You may roll over your account balance from another 403(b), 401(k), 401(a), or a governmental 457(b) plan into the RSP. The Board may also, at its discretion, allow in-service plan-to-plan transfers into the RSP, if the transferring plan provides for the direct transfer of full or partial accounts in cash and provides any required certifications.

For more information on initiating a rollover or transfer from another retirement savings plan to the RSP, call Fidelity at 800-343-0860 (reference plan # 57887). The Board recommends you meet with a professional tax or financial adviser to carefully consider the impact of making a rollover contribution, as it can affect your eligibility for future special tax treatments.

### SOCIAL SECURITY TAXES

If you are a minister of the Word and Sacrament, your pretax contributions to the RSP are not subject to Self-Employment Contributions Act (SECA) taxes. This means that you exclude the amount you contribute to the RSP from earnings reported for Social Security taxes. Keep in mind that this may also reduce benefits you receive in the future from the Social Security Administration.

Roth (after-tax) contributions are subject to SECA taxes.

If you are an employee other than a minister, your RSP contributions are subject to Federal Insurance Contributions Act (FICA) taxes (for Social Security and Medicare).

### SAVER'S CREDIT

The federal Retirement Savings Contributions Credit (Saver's Credit) offers you additional incentive to contribute to the RSP by offering tax credits if your adjusted gross income is below a certain amount.

You may be eligible for the Federal Retirement Savings Tax Credit if you contribute to the RSP.

The credit is available to taxpayers with adjusted gross income (AGI) up to amounts designated by the IRS for single taxpayers and joint filers, as shown in the table below:

To claim the Saver's Credit, for 2022, your adjusted gross income (AGI) cannot be more than:	
\$68,000	If you are married and file a joint tax return
\$51,000	If you file as head of household on your tax return
\$34,000	If you file single, married filing separately, or as a qualifying widow(er)

For more information about the Savers Credit, the current AGI limits, and the credit amount for which you may be eligible, visit the [Retirement Savings Contributions Credit \(Saver's Credit\) page](#) at irs.gov or call Fidelity at 800-343-0860 (reference plan # 57887).

### WORKING BEYOND AGE 65

If you work beyond age 65, you and/or your employer may continue to contribute to your RSP account, and any money in your account continues to share in the investment experience of the funds in which your account is invested. If you are still in active service at age 72, the minimum distribution requirement is deferred until you retire and/or stop working. See Distributions for information on distributions after retirement.

## Vesting

Vesting is a term used to describe when you own your benefit. If you are fully vested in a benefit, it means that you own 100 percent of that benefit, and it is non-forfeitable, even when your employment ends.

In the Retirement Savings Plan, you are always fully vested in *your* pretax, Roth after-tax, and rollover contributions and related investment earnings. You are immediately fully vested in *your employer's* contributions and related earnings in your account, unless otherwise specified in your organization's Employer Agreement with the Board of Pensions. This means that (unless otherwise specified) you always own the funds in your RSP account.

## Investments

The RSP offers a choice of several investment funds for your savings, allowing you the flexibility to invest in funds that support your personal and financial goals. The plan's investment choices include

- 12 funds across investment styles and the risk spectrum (with two socially responsible fund choices and a fossil fuel-free fund); and
- more than a dozen *target date funds* based on the year of planned retirement.

**To change your investment elections for future contributions and get full fund details on the RSP investment options, log on to NetBenefits or call Fidelity at 800-343-0860 (reference plan # 57887).**

### INVESTMENT OPTIONS

When you enroll in the RSP, you need to select one or more investment options for your contributions. The plan currently permits you to choose from the following investment options\*:

- Fidelity® Investments Money Market Government Portfolio — Institutional Class
- Fidelity® U.S. Bond Index Fund
- PC(USA) Socially Responsible Balanced Fund
- PC(USA) Socially Responsible U.S. Equity Fund
- Fidelity® 500 Index Fund
- T. Rowe Price Equity Income Fund
- Fidelity® Growth Company Fund — Class K

- Fidelity® Extended Market Index Fund
- Fidelity® Global ex U.S. Index Fund
- Fidelity® Diversified International Fund — Class K
- Pax Global Environmental Markets Fund — Institutional Class
- Fidelity® Real Estate Investment Portfolio
- Fidelity Freedom® Index Funds

*\*To confirm the current investment options, call Fidelity at 800-343-0860 (reference plan # 57887).*

### **Choosing your investment options (investment allocation)**

You can invest your RSP contributions among any or all of the available investment options in increments of whole percentages. (NOTE: when you direct your Retirement Savings Plan contributions to a Fidelity Freedom Index Fund [also known as a target date fund], you don't need to select any other investments. Simply choose the fund that most closely matches the year you plan to retire.)

When you first enroll in the RSP, use the Fidelity Investments Enrollment form to allocate your contributions. (NOTE: If no allocations are made, your contributions will be directed to the Fidelity Freedom Index Fund that most closely matches the year you would reach age 65). After that, you may change the allocation of your future contributions (in 1 percent increments) as often as you wish by logging on to NetBenefits or calling Fidelity at 800-343-0860 (reference plan # 57887).

Investment results will depend on the funds you choose. Investment options are subject to the risks associated with investing and not guaranteed to preserve your principal or earnings.

Visit NetBenefits for information about the investment objective, strategy, and historical performance of each of the funds. The Board recommends you meet with a tax or financial adviser when determining the best investment strategy for you.

Fidelity automatically reinvests all dividends, capital gains distributions, and other earnings in the fund that generated them.

### **Exchanges between Funds**

You may exchange funds from one investment fund to another one under the RSP. Some Fidelity fund options may contain a short-term trading fee for investments held less than the specified time. These fees are assessed by Fidelity and go directly to the particular fund to offset the trading costs incurred for short-term entry to and exit from the fund. For fund fees, refer to the Fidelity investment fund prospectuses. Log on to NetBenefits and click the Plan Information tab or call Fidelity at 800-343-0860 (reference plan # 57887). There are no trading fees on the PC(USA) Socially Responsible Balanced Fund and the PC(USA) Socially Responsible U.S. Equity Fund.

Although exchanges generally are not limited, the Board reserves the right to limit your exchange privileges if activity is deemed to be excessive and detrimental to the management of the RSP.

### **Daily investment**

On a daily basis, Fidelity invests all incoming contributions, including your contributions, employer contributions, and rollover assets. At the next available market close, your contributions will be invested in the options you have designated. If Fidelity receives a contribution without an investment election, the contribution will be invested in an age- appropriate Fidelity Freedom Fund.

### **MANAGED ACCOUNTS**

The managed accounts feature of the RSP may be appropriate if your financial situation is somewhat complex, or if you seek an investment strategy tailored to your specific situation and risk tolerance. Through Fidelity Personalized

Planning & Advice, a team of Fidelity professionals will work with you to create a portfolio aligned with your unique financial situation and goals. Fidelity's professional managers consider all your accounts, including any pension, annuity, or Social Security benefits you expect to receive in the future, as well as your salary, your feelings about risk, and your overall financial situation. Managed accounts through Personalized Planning & Advice is an optional, fee-based service.

## BROKERAGE WINDOW

The RSP offers a brokerage window — Fidelity BrokerageLink — which allows you to select from thousands of mutual funds beyond the investment options offered through the RSP. You can direct future contributions and/or transfer a portion of your existing RSP account to BrokerageLink. The brokerage window is typically used by individuals who are comfortable making investment decisions and can dedicate more time to managing their investments. It is recommended that you do not attempt to use BrokerageLink to invest in any of the investment options available in the RSP because they may be subject to higher investment management fees and/ or other transaction fees. This is an optional feature; transactional and related fees may apply and are subject to change.

## OTHER FIDELITY RESOURCES

In addition to providing access to the RSP investment fund options, Fidelity offers other resources.

### Educational tools and resources

Through Fidelity's Planning and Guidance Center, you can access comprehensive calculators and interactive tools that can help you create a retirement plan and understand next steps.

### Customer care and advice

Dedicated customer service teams at both the Board of Pensions and Fidelity are specially trained to meet the unique needs of nonprofit organizations and their employees. You can receive one-on-one advice from a Fidelity workplace financial consultant over the phone about your unique circumstances and how to build a stronger financial future.

## In-service withdrawals

The tax advantages of the RSP are intended to encourage you to save for retirement. Long-term savings are most effective when you leave your money in your account to grow through investment performance. Making a withdrawal from the plan will reduce the benefits available to you when you retire.

As a result, there are strict plan and government restrictions and penalties for withdrawals. In limited circumstances your employer contributions and your savings may be available as described in the following paragraphs. In certain situations, you may be permitted to borrow funds from your RSP account (see Borrowing money from your account).

Total withdrawals while you are working are generally not permitted unless you are age 59½ or older, or if you experience "immediate and heavy financial need" (Hardship withdrawals).

### Age 59½ withdrawals

If you are actively employed and at least age 59½, you may withdraw funds from your RSP account without being subject to the 10 percent penalty tax. Distributions of pretax salary deferrals and employer contributions are subject to income tax; distributions of Roth (after-tax) deferrals are not subject to income tax, as long as they satisfy the five-year Roth holding requirement and you are at least age 59½, die, or become disabled. If you receive a distribution of Roth-related funds and do not meet these requirements, the earnings on Roth funds will be subject to income tax and may be subject to the 10 percent penalty tax.

## Hardship withdrawals

The Board is prohibited by law from permitting premature withdrawals unless you can establish an immediate and significant financial need that cannot be met from any other source. Under current regulations, if you experience “immediate and heavy financial need,” you may ask the Board for permission to withdraw funds from the RSP.

Hardship withdrawals of pretax funds may be subject to a 10 percent penalty tax for early withdrawal in addition to normal income taxes. Generally, investment earnings are not available for hardship withdrawals.

Hardship withdrawals are generally permitted for you to

- buy a primary residence;
- cover expenses to prevent your eviction or foreclosure;
- pay for funeral expenses for your deceased parent, spouse, child, dependent, or designated primary beneficiary;
- repair damage to your primary residence (exempt from early withdrawal penalty and mandatory withholding, and taxable over a three-year period);
- recover from economic loss as a result of a disaster declared by the Federal Emergency Management Agency (FEMA), provided your principal residence or principal place of employment at the time of the disaster was located in the area designated by FEMA for individual assistance;
- pay for post-high school education expenses for you, your spouse, children, dependents, or designated primary beneficiary;
- pay for up to \$5,000 of expenses associated with the birth or adoption of a child, within a year of the event; or
- cover unreimbursed healthcare expenses for you, your spouse, dependents, or designated primary beneficiary.

Other hardships will be considered by the Board. In order to satisfy a financial hardship, you may only withdraw your own elective contributions and employer matching contributions. Investment earnings may be available, subject to regulatory and administrative guidelines. Fidelity Investments can advise you of the amount and source of funds available from your account for hardship withdrawal.

## Manse equity withdrawals

If you are a minister of the Word and Sacrament or a commissioned lay pastor, upon approval by the Board, you may withdraw certain employer contributions and earnings to buy a primary residence as a manse equity withdrawal. To apply for such a withdrawal, contact Fidelity directly.

For specific advice based on your personal circumstances, you should consult a qualified tax or financial adviser. To apply for an in-service withdrawal, call Fidelity at 800-343-0860 (reference plan # 57887) to start the process. The Board must review your complete documentation and approve your request before your funds can be distributed.

## Borrowing money from your account

Taking a loan from the RSP means that you are borrowing funds from your account that you will pay back to yourself with interest. Before you take a loan, it’s important to consider all the potential costs and ramifications of doing so, including loan fees and the loss of compound earnings on the outstanding loan amount.

Under the RSP loan provision, you may borrow the lesser of:

- your vested account balance or
- \$50,000

The amount you may borrow is reduced by your highest loan balance, if any, in the past 12 months.

You must repay a loan with interest within five years, although, if you plan to use the loan to buy a primary residence, the repayment period may extend to 15 years.

Only one outstanding loan is permitted at a time.

## When you receive your benefit

You (or your beneficiaries) may receive your vested account balance when you

- retire (at age 55 or older);
- reach age 59½;
- become disabled;
- enter military service;
- end PC(USA) employment; or
- die.

### RETIREMENT

When you retire (at age 55 or older), you may withdraw some or all of your funds from, or leave them in, your RSP account. If you leave your funds in the RSP, your account will continue to be subject to the investment experience of the fund options you have selected in the RSP. Once retired, by law, you must start to take the minimum required distribution no later than April 1 following the calendar year when you turn 72. For more information regarding minimum required distributions, log on to NetBenefits or call Fidelity at 800-343-0860 (reference plan # 57887).

You may not make additional contributions to your account after you retire, unless you return to active service or post-retirement service with an eligible church employer.

### AT AGE 59½

Refer to the In-service withdrawals section for information about withdrawing your RSP account if you are actively employed and at least age 59½.

### DISABILITY

You can request distributions from your RSP account when the Board certifies that you are disabled, according to Benefits Plan rules. If your disability satisfies certain IRS regulations, the IRS may waive the 10 percent early withdrawal penalty tax. Please check with a qualified tax adviser to determine if the penalty tax applies in your situation.

Any funds you leave in your RSP account remain there in your name and continue to share in the investment experience of the RSP fund options you have selected.

You may not make additional contributions to the RSP during the period you are deemed disabled.

### MILITARY

The RSP is subject to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and the Heroes Earnings Assistance and Relief Tax Act (HEART Act). These are federal laws that provide benefit protection for employees who leave active employment for military service.

You may be able to withdraw funds from your RSP account if you enter into active military service. If you perform active-duty services for longer than 30 days, you are treated as having ended employment for RSP distribution purposes. In such a case, you may request a distribution from your RSP account. If you take such a distribution, you cannot make contributions to your RSP account for a period of six months. If your deployment is 180 days or longer, you may take a penalty-free distribution from your own contributions in your RSP account and elect to repay such distribution to a traditional IRA at any time during the two-year period after the end of your active duty tour.



## IF YOU END CHURCH EMPLOYMENT (TERMINATION)

You may withdraw your funds from your vested RSP account balance when you end all eligible church employment. The transfer of employment from one eligible church employer to another is not considered a termination of eligible church employment that would permit a plan distribution. If you receive funds from your RSP account when you end PC(USA) employment, but before age 59½, the funds may be subject to the early withdrawal penalty tax in addition to normal tax liability.

If you end employment and your vested RSP account balance totals less than \$1,000, the Board may automatically distribute such amount to you without your consent. You will be given the opportunity to roll over your vested account balance into another retirement account and avoid taxation.

If you end your employment and elect to receive a distribution of your vested account balance, the non-vested portion of your account will be forfeited upon distribution of the vested portion.

If you leave funds in your RSP account after you leave eligible service, the funds remain in your account and continue to share in the investment experience of the fund options you have selected in the RSP. The non-vested portion of those funds shall be forfeited on the fifth anniversary of termination (unless you are rehired by the same employer during that time).

If you change your address, remember to notify the Board by calling 800-773-7752 (800-PRESPLAN).

## IF YOU DIE

If you have not received your entire vested RSP account balance before you die, your designated beneficiaries receive the balance.

If you do not name a beneficiary or your beneficiary is not living when you die, benefits are distributed in this order to your

- surviving spouse (subject to any state regulations, as applicable);
- surviving children in equal shares;
- estate, if no spouse or children survive you.

As a result of your death, a beneficiary may be allowed to roll over any distribution from the RSP into an inherited IRA (or an inherited Roth IRA). Amounts that you roll over are generally not subject to income taxes. A surviving spouse has additional distribution and rollover options.

## ROLLOVERS

A rollover distribution is a request to transfer funds from your vested RSP account balance to another 403(b), 401(k), certain pension plans, or an IRA. You also may roll over your vested account balance to a Roth IRA. Rollovers are limited by the tax laws.

A rollover is only allowed if you

- retire (after age 55);
- reach age 59½;
- become disabled;
- enter into the military;
- end eligible church employment; or
- die.

The pretax portion of your rollover distribution is tax free if it moves directly from the RSP into a pretax account within your designated 403(b), 401(k), certain pension plans, or IRA. Rollovers of Roth funds into the Roth portion of

your designated 403(b), 401(k), or your Roth IRA are also not subject to federal income tax. A rollover of pretax funds into a designated Roth account within a 403(b), 401(k), or Roth IRA is subject to federal income tax.

If you elect to roll over the pretax portion of your vested account balance to a Roth IRA, your account will be taxable in the year in which it is contributed to the Roth IRA. You may enter into a voluntary tax withholding agreement with Fidelity. You will be responsible for reporting and recognizing applicable taxable income associated with a rollover into a Roth IRA.

To initiate a rollover of your vested RSP account funds to another qualified plan, call Fidelity at 800-343-0860 (reference plan # 57887) to request a Rollover form. Rollovers of full or partial account balances are permitted.

## Tax treatment

Distributions of pretax salary deferrals and employer contributions and earnings associated with those amounts from the RSP are subject to income tax.

Withdrawals taken before age 59½ may be subject to a 10 percent penalty tax, in addition to normal income tax.

Roth salary deferrals and their earnings are not taxable at distribution as long as your withdrawal satisfies the five-year Roth holding requirement and you are age 59½ or older or die or become disabled.

The Board annually designates entire RSP distributions, if used by ministers for housing, as “housing allowances,” subject to a cap at the fair rental value of the housing. Under Section 107 of the Internal Revenue Code, such distributions are not subject to federal income tax and may not be subject to state income tax.

If you are a minister, when you request an RSP distribution from Fidelity, it is important to state that you will use it for housing expenses by a minister and ask that the distribution be designated as housing allowance for income tax purposes.

To request a distribution, call Fidelity at 800-343-0860 (reference plan # 57887). There are no fees for requesting or processing a distribution from your RSP account.

## How you receive your benefit

To initiate a distribution from your RSP account, you (or your beneficiary, if applicable) must call Fidelity at 800-343-0860 (reference plan # 57887).

### SINGLE SUM OR PARTIAL PAYMENT DIRECTLY TO YOU

Generally, if you elect a single-sum payment or partial payment of your vested account balance, a 20 percent federal income tax withholding applies on (1) any pretax funds, and (2) any earnings on Roth funds that do not satisfy the five-year Roth holding requirement and the requirement that you are at least age 59½, deceased, or disabled at the time of distribution.

### SYSTEMATIC WITHDRAWAL PLAN

You may direct Fidelity to send you a set dollar amount every month. This continues until either you direct Fidelity otherwise or your account has a zero balance. The 20 percent federal income tax withholding applies on (1) pretax funds, and (2) any earnings on Roth funds that do not satisfy the five-year Roth holding requirement and the requirement that you are at least age 59½, deceased, or disabled at the time of distribution. Please call Fidelity at 800-343-0860 to speak with a customer service associate (reference plan # 57887) for more details.

## Your Account

The value of your account will be based on the amount of the contributions going into your account, any investment gains or losses (varies by fund), and any withdrawals.

### MANAGING YOUR ACCOUNT

You can change future investment elections, beneficiaries, and mail preferences by logging on to NetBenefits through Benefits Connect or [fidelity.com/atwork](https://fidelity.com/atwork). You can also call Fidelity at 800-343-0860 (reference plan # 57887).

**You may transfer partial or full-fund balances among the investment funds offered under the RSP on any business day by logging on to NetBenefits through Benefits Connect or [fidelity.com/atwork](https://fidelity.com/atwork) or calling Fidelity at 800-343-0860 (reference plan # 57887).**

### QUARTERLY ACCOUNT STATEMENTS

You may access quarterly account statement on NetBenefits® ([fidelity.com/atwork](https://fidelity.com/atwork)) about three weeks after the end of each quarter. The statement shows your account balance from the previous quarter, transactions, investment earnings/ losses, recent contribution history, and the closing value of your account.

You can use the account statement to determine whether your financial choices still reflect your personal financial objectives. Check your statement carefully and report any discrepancies or concerns to Fidelity within 90 days of the statement date. Call Fidelity at 800-343-0860 (reference plan # 57887) to request paper statements, ask questions about your statement, or ask to receive all Fidelity communications electronically.

### FEES AND EXPENSES

Your RSP account may be subject to the following types of fees and expenses:

- asset-based fees
- plan administrative fees and expenses
- individual fees and expenses

#### Asset-Based and Other Investment-Related Fees

Asset-based fees reflect an investment option's total annual operating expenses and include management and other fees. They are often the largest component of retirement plan costs and are paid by all shareholders of the investment option. Typically, asset-based fees are reflected as a percentage of assets invested in the option and often are referred to as an "expense ratio." You can multiply the expense ratio by your balance in the investment option to estimate the annual expenses associated with your holdings.

Asset-based fees are deducted from an investment option's assets, thereby reducing its investment return. Fee levels can vary widely among investment options, depending in part on the type of investment option, its management (including whether it is active or passive), and the risks and complexities of the option's strategy. There is not necessarily a correlation between fees and investment performance, and fees are just one component to consider when determining which investment options are right for you.

Also, please note that you may incur short-term redemption fees, commissions, and similar expenses in connection with transactions associated with the investment options of the RSP.

#### Plan Administrative Fees and Expenses

The annual recordkeeping fee (\$15 per year in 2022) for the RSP is intended to cover certain administrative costs of the RSP for legal, accounting, trustee, recordkeeping, and other administrative expense. The fee is automatically deducted quarterly from your account and reported on your account statement.

## Individual Fees and Expenses

There may be individual fees and expenses charged for a service or transaction that you have requested. The fee(s) will be deducted from your account based on the Fidelity fee schedule at the time of the service. (For example, Fidelity may charge an overnight mailing fee of \$25 if you request expedited service for a distribution.)

For further information on specific fees, please call Fidelity at 800-343-0860 (reference plan # 57887).

## IF YOU CHANGE EMPLOYERS WITHIN THE PC(USA)

If you change your employer or church location and want to continue contributing to your RSP account, and if your new employer agrees, you and your new employer must complete a new Salary Deferral Agreement form. Your previous employer stops sending contributions to Fidelity on your behalf.

If your new congregation or employer is not currently contributing to the RSP for any other employee, the employer must call the Board at 800-773-7752 (800-PRESPLAN), to begin the process. Your employer will be asked to complete an RSP Adoption Agreement as part of the online Employer Agreement on Benefits Connect and will receive an email with log in instructions for Fidelity's Simplified Contribution Platform (SCP), to set up and manage ongoing RSP contributions.

## Appeals Process

If you disagree with a Board decision regarding the administration of your RSP account, you can appeal that decision.

If the Board denies or reduces your benefits in whole, or in part, you receive a written notice. The notice includes

- the specific reasons for the denial or reduction;
- a request for any additional information needed to reconsider;
- an explanation of the appeals procedure.

If you disagree with the decision, you may appeal in writing.

In your written appeal, include your reasons for appealing and any additional information to support the appeal. Submit your appeal to

The Board of Pensions of the Presbyterian Church (U.S.A.)  
Vice President, Income Security  
2000 Market Street  
Philadelphia, PA 19103-3298

Alternatively, you may submit your appeal by email to [memberservices@pensions.org](mailto:memberservices@pensions.org).

Once the Board receives your appeal, it is subject to a two-level review process. At the first level, you receive a written response within 60 days. If the response is delayed, you receive a letter stating the reasons for the delay and when you are to receive a response.

If you are not satisfied with the results of the first-level review, you may, within 60 days of the response, send a written request for a final-level appeal to the Appeals Board Secretary. The decision of the Appeals Board is final and binding.

To request a written copy of the appeal procedure, call the Board at 800-773-7752 (800-PRESPLAN) to speak with a service representative.

## BOARD OF PENSIONS APPEAL REVIEW PROCESS

The final level of appeal is a review by the Board of Pensions Appeals Board. The Appeals Board comprises senior officers of the Board who are not responsible for routine determinations or operations management for the Benefits

Plan. The decision of the Appeals Board is final and binding. The appeal must be filed with the Secretary of the Appeals Board within 60 days of the final decision of the Vice President, Income Security.

The Board reserves the right to accelerate the review process to a higher level of appeal in any situation where the facts and circumstances call for such higher level of review to be expedited.

## Important Information About Your Plan

### APPLICABLE LAW

The Board and the RSP are exempt from most registration, regulation, and reporting requirements of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and state securities laws. RSP participants and beneficiaries are not afforded the protection of those laws. The RSP is a 403(b)(9) church retirement income account plan, and therefore, is not subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

The Fidelity mutual fund options are registered mutual funds. The two PC(USA) socially responsible funds are proprietary funds that are managed for the Board by Geode Capital Management; these two funds have the same daily valuation and liquidity as registered mutual funds. Impax Asset Management is the sub-adviser to the Pax Global Environmental Markets Fund. The RSP shall be construed to be in accordance with Pennsylvania law.

### ADMINISTRATION

The Board administers the RSP and resolves questions about the terms of the RSP, including benefit eligibility, contribution amounts, and limits. Fidelity performs the record-keeping functions, including the receipt and investment of contributions, investment account activity, processing, and distributions, in coordination with the Board.

The RSP shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

No provision of the RSP nor this summary shall be construed to conflict with any provision of the Internal Revenue Code or regulations relating thereto.

### BENEFITS RIGHTS UPON DIVORCE OR DISSOLUTION

Your RSP account is not subject to the claims of creditors except as may be required by law in a Domestic Relations Order (DRO). A DRO is a special order issued by a court of competent jurisdiction in a divorce, child support, or similar proceeding. In this situation, your spouse, former spouse, or dependent may be entitled to a portion or all of your vested account balance based on the court order. You, your beneficiaries, and your attorneys may obtain, without charge, a copy of the DRO procedures entitled *The Benefits Plan and Divorce* by downloading it from [pensions.org](http://pensions.org) or calling the Board at 800-773-7752 (800-PRESPLAN) and speaking to a service representative. The Board will review and determine the acceptability of all DROs that assign benefits from the plan. You may contact the Board for a sample order.

### PLAN AMENDMENT OR TERMINATION

The Board has no legal or contractual obligation to make annual contributions to, or to continue, the RSP. If the RSP should end, your entire account balance becomes fully vested. The Board will facilitate the distribution of vested account balances in single lump-sum payments to each participant in accordance with RSP provisions until all assets have been distributed by Fidelity. Although your employer and the Board expect and intend to continue the RSP indefinitely, they reserve the right to change, suspend, or end the RSP at any time, as circumstances may dictate by action of the Board of Directors of the Board.

## Contact Information

### FIDELITY INVESTMENTS

Fidelity Investments  
P.O. Box 770002  
Cincinnati, OH 45277-0090

#### For employees:

Toll free: 800-343-0860, Monday through Friday, 8:30 a.m. to 8:30 p.m. ET (reference plan # 57887)

Web: [fidelity.com/atwork](https://fidelity.com/atwork) (Fidelity NetBenefits®, a self-service tool)

#### For employers:

Treasurers/Business Administrators Assistance Line

Toll free: 800-917-4369, Monday through Friday, 8:00 a.m. to 6:00 p.m. ET (reference plan # 57887)

### THE BOARD OF PENSIONS

The Board of Pensions of the Presbyterian Church (U.S.A.)  
2000 Market St.  
Philadelphia, PA 19103-3298

Toll free: 800-773-7752 (800-PRESPLAN), Monday through Friday, 8:30 a.m. to 7 p.m. ET

Fax: 215-587-6215

Email: [memberservices@pensions.org](mailto:memberservices@pensions.org)

Web: [pensions.org](https://pensions.org)

# Appendix

## CONTRIBUTION LIMIT EXAMPLES

The following examples demonstrate how the contribution limits designated by the IRS affect the amount you can contribute to your RSP account.

### Example 1

The Reverend Joe Jones, a minister of the Word and Sacrament, has a cash salary of \$10,000 and a \$15,000 housing allowance, for a total compensation of \$25,000. He does not participate in any other 403(b) or defined contribution retirement plans. The maximum amount he can contribute to the RSP is \$10,000.

The Rev. Jones cannot include the housing allowance in determining his maximum contribution amount because it is not considered includable income by the IRS.

### Example 2

The Reverend Jane Smith, also a minister, has less than 15 years of service. She is in exactly the same situation as the Rev. Jones, except that she has a cash salary of \$60,000 and a housing allowance of \$15,000, for a total compensation of \$75,000 (only \$60,000 of that is considered includable compensation for RSP contribution limits). The maximum she can contribute is \$22,500 (2022 limit) unless she is age 50 or older and eligible to make a catch-up contribution. In that case, she may contribute a maximum of \$27,000 for the year (\$22,500 plus \$7,500 maximum catch-up contribution).

### Example 3

In 2022, the Rev. Smith's church makes a non-matching contribution of \$40,000 to her account in the RSP. The Rev. Smith can contribute no more than \$20,000 to the RSP for 2022, because of the IRS limit on total employer and employee contributions for the year (\$61,000 or 100 percent of compensation, whichever is less). Because the Rev. Smith's cash salary of \$60,000 is less than the \$61,000 combined contribution limit, that maximum minus a \$40,000 employer contribution results in a maximum employee contribution of \$20,000.

## SAVERS CREDIT EXAMPLE

Mary Thomas is a Benefits Plan member with a family AGI of \$31,000. She elects to contribute \$2,000 to the RSP. The deferral reduces her AGI to \$29,000, qualifying her for a 50 percent credit. Fifty percent of \$2,000 is \$1,000. Thus, Mrs. Thomas will receive a credit of \$1,000 when she files her taxes.

The Savers Credit can help build retirement savings. In Mrs. Thomas' case, when she contributes \$2,000 to her RSP account, the U.S. government acts as a savings partner by giving back \$1,000.



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

2000 Market Street  
Philadelphia, PA 19103-3298  
800-773-7752 (800-PRESPLAN)

[pensions.org](http://pensions.org)