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

GUIDE TO YOUR
Pension Benefits

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 or call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) for a copy of the plan document.

Defined Benefit Pension Plan benefits

As part of the Benefits Plan of the Presbyterian Church (U.S.A.) (the Benefits Plan), the Defined Benefit Pension Plan is administered by the Board of Pensions and designed to provide you with a dependable source of income after you retire.

> **DEFINED BENEFIT PENSION PLAN**
> **The Defined Benefit Pension Plan is a qualified church 401(a) defined benefit retirement plan, which typically means that benefits are accrued according to a defined formula based on earnings and years of service at retirement.**

Defined Benefit Pension Plan benefits are based on total pension credits accumulated throughout your career. When you are enrolled in the plan, you accrue credits each year based on a percentage of the greater of your effective salary or the median effective salary that year.

The Defined Benefit Pension Plan is a noncontributory plan. This means that the entire cost of the benefit is funded through employer dues and investment earnings in the Balanced Investment Portfolio, which the Board maintains; you do not contribute to the plan.

When investment earnings, actuarial experience, and contingency reserves of the Balanced Investment Portfolio exceed the amount needed to pay promised benefits and plan expenses, the Board may adopt permanent increases in pension benefits or accrued credits. These increases are called experience apportionments.

Community nature and wholeness are themes that guide the Board of Pensions in overseeing plans and programs with a focus on four key areas: spiritual, health, financial, and vocational well-being. The funding of the Defined Benefit Pension Plan and the structure of its benefits demonstrate sharing of community needs and resources, enabling plan members to receive equitable pension benefits during retirement, no matter their circumstances.

OTHER SOURCES OF RETIREMENT INCOME

The Benefits Plan assumes participation in Social Security, which provides you with retirement or disability income based on your Social Security covered earnings each year. The Church strongly supports participation in the Social Security program. Your pension benefits may not be adequate for a secure retirement or disability without Social Security benefits.

You can also add to your retirement income through personal savings and investments by participating in the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP), a tax-advantaged retirement program. For more information about the RSP, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) or visit pensions.org/members.

Eligibility and enrollment

If you are eligible to participate, your employer may enroll you in the Defined Benefit Pension Plan; there is no action required of you.

- If you are regularly scheduled to work at least 20 hours weekly, your employer may enroll you in the Defined Benefit Pension Plan at their discretion. Generally, participation begins when your employer enrolls you, subject to any probationary period your employer requires.
- If you are enrolled in the Covenant Package or the Congregational Pastors Package, you are automatically enrolled in the Defined Benefit Pension Plan.
- If you are an installed pastor, you must be enrolled in the Congregational Pastors Package or Transitional Pastor's Participation, both of which include enrollment in the Defined Benefit Pension Plan. Your enrollment begins as of the first day of the call.

MINISTERS BRIDGE COVERAGE

If you are a minister enrolled in the Congregational Pastors Package, the Covenant Package or Transitional Pastor's Participation as an active employee, you may be eligible to continue Defined Benefit Pension Plan enrollment through Ministers Bridge Coverage for a limited time on a self-pay basis while seeking new eligible service.

COST

The Defined Benefit Pension Plan is a noncontributory plan, which means there is no cost to you for participation (unless you are paying for participation during Ministers Bridge Coverage).

WHEN PARTICIPATION ENDS

Defined Benefit Pension Plan participation ends when you:

- end your eligible service
- retire
- die

Defined Benefit Pension Plan participation will also end if your employer does not pay required dues. The Board will notify you and your employer before coverage ends for nonpayment of dues.

For information on options when employment ends, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711).

The Defined Benefit Pension Plan at a Glance	
Type of Plan	Defined benefit: provides a monthly lifetime retirement benefit for you and your spouse based on your vested credits accrued under the Defined Benefit Pension Plan formula.
Eligibility	If you are enrolled in the Covenant Package or the Congregational Pastors Package, you are automatically enrolled in the Defined Benefit Pension Plan. If you are an installed pastor, your employer must enroll you in the Congregational Pastors Package or Transitional Pastor's Participation, both of which include the Defined Benefit Pension Plan. If you are not enrolled in a benefits package, your employer may enroll you in the Defined Benefit Pension Plan at their discretion.
Contributions	**Your employer funds the entire cost of your participation through dues.**
Vesting	**Defined Benefit Pension credits are 100% nonforfeitable (vested) at the earliest of the following:** • you complete three years of eligible service • you reach age 65 • your employer stops participating in the plan • the plan ends
When benefits begin	• At normal retirement: first of the month following age 65 • At early retirement: any time after reaching age 55 but before age 65; this is a lower benefit than at normal retirement because your pension is paid over a longer period of time • At post-normal retirement: after age 65 through age 70; this is a higher benefit than at normal retirement because your pension is paid over a shorter period of time • If you are vested and you die (before or after retirement) the plan pays a survivor's benefit to your eligible survivors: first of the month following your death
Additional payment options	• Social Security Leveling: If you retire before age 62 you may elect to receive the same level of combined benefits before and after receiving Social Security benefits. • Other joint and survivor benefit options*:* If you are married for at least one year when you retire, you may elect to increase the survivor's pension benefit payable to your spouse if you die first; monthly retirement pension benefits are adjusted to account for the larger survivor's pension. • If you are vested and your employment ends: If you are at least age 55 and the value of your pension credits is $5,000 or less, or your monthly payment is less than $50, your benefit may be paid in a lump sum equivalent to all future benefit payments.

Amount of benefit

Your pension grows as you accumulate annual pension credits over time. Each year you are enrolled as an active member in the plan, you accrue credits equal to the greater of:

- 1.25% of your pension participation basis for that year, or
- 1.25% of the median effective salary (prorated for part-time employees)[1]

> **PENSION PARTICIPATION BASIS**
> **Your pension participation basis is the greater of your effective salary (up to the IRS annual compensation limit under section 401(a)(17) of the Internal Revenue Code) or 25% of the median effective salary. The median is determined annually.**
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> **EFFECTIVE SALARY**
> **Effective salary is any compensation paid during a plan year to you by an employer; it is used to determine pension credits you accrue, death and disability benefits, medical deductible and cost-sharing requirements, and dues paid by your employer.**
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> **Effective salary includes sums paid for housing allowance (including utilities and furnishings) and deferred compensation (funded or unfunded) provided to you by your employer during a plan year. Other employer-provided group benefits and employer-matching contributions to the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP) are not included in effective salary.**

The amount of your monthly pension benefit will depend on your total accrued pension credits, age at retirement, and the payment option you choose. Your pension can also grow through periodic experience apportionments granted by the Board of Pensions.

[1] Based on salary information reported annually, the Board determines the median effective salary. The median effective salary is used to calculate pension credits for all members paid below the median. If your effective salary in a year is less than the median, your pension credits for that year are based on that median effective salary; if your work is less than full time, your pension credits are based on a prorated median.

EXAMPLE OF HOW PENSION CREDITS ACCUMULATE

The chart below shows how pension benefits can accumulate, depending on whether a member's effective salary is above or below the median effective salary.

ACCUMULATION OF PENSION CREDITS* (based on full-time service by an ordained member with normal survivor benefits)		
	Salary above the median effective salary**	**Salary below the median effective salary****
Effective salary	$75,000	$40,000
Annual pension credit accrual	$75,000 x 1.25% = 937.50	$70,000 x 1.25% = 875
30-year career (assuming same effective and median salaries entire career)	$937.50 x 30 = 28,125	$875 x 30 = 26,250
Monthly life pension	$28,125 ÷ 12 = $2,343.75	$26,250 ÷ 12 = $2,187.50
Survivor's monthly pension for life	$1,171.88	$1,093.75

**Exclusive of experience apportionments and salary increases.*

***The median effective salary for 2025 is $70,000.*

The Defined Benefit Pension Plan was designed to provide adequate replacement income in retirement, in combination with Social Security and your personal savings and investments, for those individuals who spend a full career in the Benefits Plan.

EXPERIENCE APPORTIONMENTS

From time to time, investment earnings, actuarial experience, and contingency reserves of the Balanced Investment Portfolio may exceed the amount needed to pay promised pension benefits and plan expenses. When this occurs, the Board may grant permanent increases in pension benefits or accrued credits in the form of experience apportionments. These periodic apportionments help protect against the effects of inflation on pension income.

- For retirees or eligible survivors, an apportionment is a permanent increase in their current pension benefit for life, expressed as a percentage of that benefit.
- For active or terminated vested members, an apportionment is a permanent increase in accrued pension credits, expressed as a percentage of those credits.

The Board of Pensions grants experience apportionments, when financially possible, based on an apportionment policy, at the sole discretion of its Board of Directors. Apportionments are not guaranteed to be adopted annually.

HOW APPORTIONMENTS ARE DETERMINED

Each year, the Board of Directors uses the apportionment policy to determine whether to grant an apportionment and, if so, what it will be. The policy takes into account the pension plan objectives, seeking to balance short- and long-term goals:

- Ensure long-term financial stability of the plan.
- Protect members against inflation.
- Maintain generational equity.

Solvency, or plan funding status, is the primary factor that drives the determination. A funding status of 100% — fully funded — means that assets in the plan are able to meet current and future benefits obligations. The greater the funding status, the more opportunity to grant an apportionment to help protect current and future retiree benefits from inflation with minimal risk to the plan.

If the pension plan is funded at:

- less than 110%, no apportionment is granted
- 110% to less than 120%, a 1% apportionment may be granted
- 120% to less than 125%, a 2% apportionment may be granted
- 125% or more, an apportionment greater than 2% is considered, and actuarial analysis is used to determine the amount

VESTING

Vesting is a term used to describe when you own your benefit. If you are vested in a benefit, it means that you own 100% of that benefit, and it is nonforfeitable, even when your employment ends.

In the Defined Benefit Pension Plan, you become vested according to the following plan rules:

- If you are a minister of the Word and Sacrament, you are vested in your pension benefit as soon as you are enrolled in the plan. Full-time years in seminary attendance count toward the vesting period, provided you become an ordained minister of the Church.
- If you are an employee other than an installed pastor or minister, you become 100% vested in your accrued pension credits as soon as any of the following occur:
  - You complete three years of eligible service.
  - You reach age 65.
  - Your employer withdraws from the plan.
  - The Defined Benefit Pension Plan ends.

If you were employed for at least 20 hours a week by an eligible employer, your service with that employer counts toward vesting in the Defined Benefit Pension Plan, even if you were not enrolled in the Benefits Plan at the time.

If you are vested, you are eligible to receive a monthly pension from the Benefits Plan when you retire, even if you leave eligible service before retirement (this is known as being a *terminated vested member*; see If You Leave Eligible Employment).

FORMER PLAN MEMBERS

If you participated in one of the former plans[2] before Jan. 1, 1987, when the Benefits Plan of the Presbyterian Church (U.S.A.) became effective, your retirement pension also includes the benefits you earned under the former plans before Dec. 31, 1986, including any "good experience credits" or "special apportionments."

You continue to have the same rights to those benefits as you had under the former plans. For example, for members of the United Presbyterian Pension and Benefits Plan, the minimum benefit provisions in effect on Dec. 31, 1986, are included in your accrued benefits on Dec. 31, 1986. For members of the Ministers' Annuity Fund or the Employees' Annuity Fund of the Presbyterian Church in the United States, you are entitled to the full amount of the pension credits accrued through Dec. 31, 1986, on retirement at age 63.

CHANGING EMPLOYERS

When you change employment within the Presbyterian Church (U.S.A.), your pension credits continue to accrue under your new employer, provided that employer continues your pension coverage. If you leave employment with a PC(USA) or affiliate employer and are vested, you have a right to the pension benefit you have earned to date when you reach retirement age. See If You Leave Eligible Employment.

ESTIMATING YOUR PENSION BENEFIT

To estimate your pension benefit at retirement, use the pension estimator on Benefits Connect, which allows you to view your estimated benefit immediately. If you have questions, you can call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711).

When your pension benefit begins

You do not begin receiving your pension benefit automatically when you stop working; you must apply for it and select a payment option in advance. If you are approaching retirement and you have not already received a retirement packet, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) to request one. You must complete, sign, and submit the Retirement Pension Application for Members included in your retirement packet no later than 45 days before your pension benefit begins.

RETIREMENT AT AGE 65

You can retire at age 65 and begin receiving your full, unreduced, accrued pension benefits. Your monthly pension is payable at the beginning of the month for your lifetime. A survivor's pension may also be payable (see the Monthly Payment Options chart).

EARLY RETIREMENT

You can retire at any time after reaching age 55 and elect to begin to receive your pension. If benefits begin before age 65, your pension is reduced using adjustments to reflect this early retirement option because it is assumed that you will receive payments over a longer time. For former members of the Ministers' Annuity Fund and Employees' Annuity Fund who retire at age 63 or later, the credits accrued through Dec. 31, 1986, are not reduced.

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[2] (United Presbyterian Pension and Benefits Plan, Ministers' Annuity Fund, and Employees' Annuity Fund of the Presbyterian Church in the United States)

Reduction factors are the percentage amounts by which your total accrued pension credits are reduced to compensate for an early retirement.

Early Retirement: Reduction factors on birth date*		
Age	**Percent Payable**	**Reduction factor (%)**
55	50	50
56	53	47
57	56	44
58	59	41
59	62	38
60	65	35
61	71	29
62	77	23
63	84	16
64	92	8
65	100	none

**Factors are prorated for early retirements on dates other than birth dates. For example, at age 62½, a member's normal retirement would be reduced by 19.5%.*

POST-NORMAL RETIREMENT

You can retire after age 65 or defer initiating your pension benefits after you stop working for a PC(USA) or affiliate employer. If you do so, the plan uses age-based factors to increase your pension credits each year between ages 65 and 70, because you will receive pension payments over a shorter period of time than if you retired at 65. If you begin receiving your pension after age 70, you receive the same increase as those members who retire at age 70.

Post-Normal Retirement: Increase factors on birth date*		
Age	**Percent Payable**	**Increase factor (%)**
65	100.0	None
66	106.5	6.5
67	113.0	13.0
68	119.5	19.5
69	126.0	26.0
70	132.5	32.5
70+	132.5	32.5

**Factors are prorated for post-normal retirements on dates other than birth dates. For example, at age 69½, a member's normal retirement would be increased by 29.25%.*

If you are not working for a PC(USA) employer, you must begin receiving your pension by April 1 following the year you turn 73 (75 if you turn 74 after 2032) or you will incur a penalty tax under current IRS rules.

IF YOU LEAVE ELIGIBLE EMPLOYMENT

If you stop working for a PC(USA) or affiliate employer *before* becoming vested in your pension benefit (you have less than three years of eligible service), you are not entitled to a retirement pension from the plan.

If you stop working for a PC(USA) or affiliate employer *after* you are vested in your pension benefit (you have three years of eligible service), you are considered a *terminated vested member*, and are entitled to receive the value of your accrued pension credits, unreduced and in full, when you retire at age 65, or reduced if you retire between 55 and 65. Any experience apportionments further increase your accrued pension credits until you retire and increase your benefit after you retire.

How terminated vested members receive benefits

If you are a terminated vested member and continue working for a PC(USA) or affiliate employer, you cannot receive your pension (or receive a cashout) until you have terminated employment with that employer.

As a terminated vested member, the amount of your accrued pension credits affects how you will receive your pension benefits.

- If the actuarial present value of your accrued pension credits is **more than $1,000 but less than $5,000**, you may request a voluntary cashout, which will be paid in a lump sum equivalent to all future benefit payments. The Board will inform you if this option is available to you.
- If the actuarial present value of your accrued pension credits is **$1,000 or less**, or results in a **monthly benefit of less than $50**, you must receive a cashout, which will be paid in a lump sum equivalent to all future benefit payments.

If the actuarial present value of your accrued pension credits is **more than $1,000**, the Board holds your pension credits until you are eligible to retire, assuming you do not request a voluntary cashout as noted above. As a terminated vested member, your effective date of retirement is the first day of the month in which the Board receives your Retirement Pension Application for Members.

If you expect to become employed in eligible Church service in the future, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) and speak to a service representative.

IF YOU RETURN TO WORK AFTER RETIREMENT

If you are receiving a retirement pension benefit from the Benefits Plan and return to PC(USA) employment, including employment with a congregation, mid council, agency, or an affiliate employer, your pension may be suspended while you are again employed in eligible service. You are again considered an active member of the plan. When you later retire, pension payments resume and will reflect additional participation in the Defined Benefit Pension Plan.

Certain post-retirement service is permitted under the post-retirement service provisions of the Benefits Plan of the Presbyterian Church (U.S.A.) as approved by the General Assembly. These limited situations are outlined in the Board's Post-Retirement Service Rule (Administrative Rule 801). You also may continue to receive your pension if you return to work for an employer that does not provide Defined Benefit Pension Plan participation to other employees in your benefit group. **However, ministers of the Word and Sacrament cannot perform post-retirement service for the employer from which they retired.**

For information about the rules for post-retirement service, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) to speak with a service representative.

Note: Returning to active service may be more advantageous than serving under post-retirement service rules. A return to active service could reestablish certain benefits, including medical, death, and disability, and would provide an increase in your pension benefit via additional pension credits. You can easily accomplish the process of becoming active, suspending the pension, and reestablishing the pension.

> **POST-RETIREMENT SERVICE**
> **Post-retirement service is eligible service that does not cause a temporary suspension of retirement benefits after you retire. You do not accrue pension credits during such service. You are responsible for reporting PC(USA) service after retirement. In applying for a pension, you sign a statement that you will notify the Board of PC(USA) service after retirement.**

OVERPAYMENTS

To try to ensure that all members receive equitable benefits, the Board conducts periodic internal audits of benefit calculations. Failure to notify the Board of changes in personal situations, such as a death, divorce, or dissolution of a marriage, can result in the suspension of benefit(s) and/or an obligation to repay the benefit(s). In the event of benefit overpayment, the Board will follow current regulations in effect that govern the amount and timing of recovery payments.

How benefits are paid and your options

Your pension benefit is based on your accrued pension credits. This benefit provides monthly payments for life.

Your choice of payment option for your pension benefit affects the amount that you receive each month.

NORMAL BENEFIT

The *normal* form of retirement pension is a lifetime pension for you and, after your death, a survivor's benefit of 50% of your pension credits to be paid to your surviving spouse (provided the marriage took place either before you first received any pension benefits or at least one year prior to your death) for the rest of their life. If there is no surviving spouse, your dependent children, dependent parents, or dependent siblings may be eligible for the survivor's benefit. If you retire after age 65, your eligible survivor receives 50% of your increased retirement pension. The *normal* form of retirement pension does not suggest that this is the best option, or one that most retirees choose. It refers to a benefit that is common with many defined benefit pension plans. Other benefit options are available and are explained below.

OTHER JOINT AND SURVIVOR BENEFIT OPTIONS

If you have been legally married for at least one year before starting your retirement, you may choose from several joint and survivor benefit options that allow you to elect a larger monthly benefit payable to your spouse if you die first — but *the larger monthly benefits are* ***not*** *payable to any other survivors*.

If you elect one of these *joint and survivor* benefit options, your spouse receives a larger benefit payment after your death than they would have received under the normal form of pension benefit. The monthly benefit payment you receive is adjusted to account for the larger survivor's pension because your accrued pension credit must provide a monthly payment during *your* lifetime and a larger monthly payment after you or your spouse dies, depending on the option. (See Monthly Payment Options chart.)

The retirement packet you request and receive from the Board includes information to help you choose a payment option.

Considerations

When planning for your retirement years, you may want to consider how you and your spouse can obtain an added measure of financial peace of mind when one of you dies.

You and your spouse may increase the surviving spouse's pension benefit payable under the Defined Benefit Pension Plan by electing to take an adjusted monthly retirement pension benefit in return for a larger survivor's pension. The values of all payment options are equivalent, based upon standard mortality tables and future interest assumptions.

Once you have started receiving your pension, you cannot change your joint and survivor election. If you marry after retirement, your spouse of at least one year will be eligible to receive a payment equal to one half of the annual pension credits accrued at the time of your death. If you divorce or dissolve a marriage after retirement, please refer to Divorce on pensions.org.

To make a well-informed choice about your pension payment option, consider the following effects that each option may have on you and your spouse after you retire:

- the personal health circumstances of you and your spouse, including current health, family health histories, and life expectancy
- other sources of retirement income, for example your spouse's own pension or retirement benefit, insurance, and personal savings
- the potential taxation of benefits (for example, the pension benefit of a minister of the Word and Sacrament may be nontaxable if taken as a housing allowance, but the survivor's pension will be subject to tax)
- the financial impact on your joint income and expenses if one of you dies, for example, the survivor's Social Security benefits, receipt of any annuities, taxation of benefits, and transfer or retirement account assets

We suggest that you discuss your pension payment options and these considerations with your spouse, family, and financial adviser or attorney.

The joint and survivor options and their benefits are listed below starting with the largest adjustment to the least adjustment to your pension benefits. Note that if you elect Option II, III, or IV and your spouse dies first, your monthly benefit amount will be adjusted at the time of your spouse's death.

Monthly Payment Options			
Payment option	**Available to**	**How it works**	**Person eligible for survivor's pension**
Joint & 50% Survivor Pension (Normal)	All members covered under the pension provisions	You receive a monthly payment for your lifetime. After your death, your eligible survivor receives 50% of your accrued pension credits or, if you retire after age 65, your eligible survivor receives 50% of your monthly pension at the time of your death.	Eligible survivor (see Survivor's Pensions for Eligible Dependents chart on page 15 under Survivor's Benefits)
Joint & 75% Spouse Pension (Option I)	Married members covered under the pension provisions	You receive an adjusted monthly payment for your lifetime. After your death, your spouse, if then living, receives monthly payments of 75% of the monthly amount you received when you were alive.	Your surviving spouse (if married to you at least one year before your retirement)
Joint & 75% Last To Survive Pension (Option II)	Married members covered under the pension provisions	Receive an adjusted or reduced monthly payment for your lifetime. After the death of you or your spouse, the survivor receives monthly payments of 75% of the monthly amount you received when both you and your spouse were alive.	You or your surviving spouse (if married to you at least one year before your retirement)
Joint & 66⅔% Last To Survive Pension (Option III)	Married members covered under the pension provisions	Receive an adjusted or reduced monthly payment for your lifetime. After the death of you or your spouse, the survivor receives monthly payments of 66⅔% of the monthly amount you received when both you and your spouse were alive.	You or your surviving spouse (if married to you at least one year before your retirement)
Joint & 100% Last To Survive Pension (Option IV)	Married members covered under the pension provisions	Receive an adjusted or reduced monthly payment for your lifetime. After the death of you or your spouse, the survivor receives monthly payments of 100% of the monthly amount you received when both you and your spouse were alive.	You or your surviving spouse (if married to you at least one year before your retirement)

SOCIAL SECURITY LEVELING OPTION

If you retire from active service between ages 55 and 62, and you are eligible to receive pension benefits from the plan, you may elect the Social Security Leveling Option at retirement. By electing this option, you continue to receive about the same level of retirement income both before and after your Social Security benefit begins.

Under this option, your Defined Benefit Pension Plan monthly benefit is temporarily increased so that it is equal to the estimated amount of your adjusted Social Security benefit. Then, on the first day of the second month following your 62nd birthday, your Defined Benefit Pension Plan benefit permanently decreases by the amount of your estimated Social Security benefit. Under the Social Security Leveling Option, you may also elect joint and survivor benefit Option I or Option IV (see the Monthly Payment Options chart).

There is no difference in the total amount you receive if you choose this option or if you elect to receive your pension before age 62 without *leveling*. However, this option may provide you with the flexibility and financial resources to retire earlier than you might be able to otherwise.

The leveling process

The Board will calculate and adjust your benefit at age 62 based on the anticipated retirement age and estimated Social Security benefit amount you provide. Using these factors, the Board will calculate the adjustments to your pension benefit payments before and after you begin receiving Social Security benefits.

As you prepare to retire, you should contact the Social Security Administration to request an estimate that assumes you have no further earnings after your planned retirement date. Your actual Social Security benefit may vary at age 62 but will not affect your pension benefit from the Board as your pension benefit is determined before you retire.

Considerations

Selecting the Social Security Leveling Option at retirement is an individual decision. Before you elect this option, be sure to review all options carefully with your financial adviser or attorney, and consider the following:

- If you plan to apply for Social Security benefits at age 65 or later, this option may not be appropriate for you.
- If the pension benefit that would be payable to you from the date of early retirement until age 62 using the leveling option is less than your estimated Social Security benefit, the leveling option is not available to you.
- If you elect the Joint and Survivor Option I (Joint & 75% Spouse Pension) or the Joint and Survivor Option IV (Joint & 100% Last To Survive Pension), the increase and decrease applies only to your pension, not your survivor's pension.
- If you elect the Joint and Survivor Option II (Joint & 75% Last To Survive Pension) or the Joint and Survivor Option III (Joint & 66⅔% Last To Survive Pension), the Social Security Leveling Option is not available to you.

EFFECT ON HOUSING ALLOWANCE (MINISTERS OF THE WORD AND SACRAMENT AND ELIGIBLE COMMISSIONED PASTORS ONLY)
The pension benefit provided by a church plan, such as the Benefits Plan of the PC(USA), for a minister is eligible for exclusion from federal income tax as a housing allowance under Section 107 of the Internal Revenue Code. If you elect the Social Security Leveling Option, your full pension will be lower after age 62, which will decrease your income eligible for designation as housing allowance.

Survivor’s benefits

If you die, your spouse, dependent, or beneficiary should call the Board and report the date of death promptly. The Board will send a Death Benefits Claim form, with instructions, and will request a copy of the death certificate.

IF YOU DIE BEFORE YOU BEGIN RECEIVING YOUR RETIREMENT PENSION

If you die before beginning to receive your retirement pension, your eligible survivor receives a survivor’s pension based on your accrued pension credits.

Normally, the survivor’s pension is paid to your spouse. If you die before you begin receiving your pension benefit, your spouse receives the greater of:

- the benefit that would have been paid to your spouse under joint and survivor option I, if you had retired immediately before your death
- 50% of the pension credits accrued up to the date of your death (the normal survivor’s pension benefit)

If you die before you begin receiving your pension benefit and you are not married, a benefit equal to 50% of the pension credits you have accrued up to the date of your death may be paid to another eligible survivor. See the Survivor’s Pensions for Eligible Dependents chart, following this section, that defines eligible survivors, the order of priority, and how long benefits are paid. If the first eligible survivor dies, the 50% survivor’s pension is extended to the second eligible survivor. If more than one person is eligible for this benefit (for example, more than one dependent child), the survivor’s pension is divided equally among the members of the class.

IF YOU DIE AFTER YOU BEGIN RECEIVING YOUR RETIREMENT PENSION

If you die after beginning to receive your pension benefit, the plan pays a survivor’s pension to your spouse or eligible dependent(s), depending on the option you selected at retirement. Under the normal benefit option, your eligible survivor receives 50% of your accrued pension credits at your death. If more than one person is eligible for the benefit (for example, if you have more than one dependent child), the benefit is divided equally among the members of the class.

Survivor's Pensions for Eligible Dependents	
ORDER FOR CLASSES OF SURVIVORS	**DURATION OF BENEFIT**
The survivor's pension is divided equally among the members of the class.	
Class 1 Your spouse (provided you were married either before you first received any pension benefits, or at least one year before your death)	For life
Class 2 Single, dependent children under age 21 (provided they were dependent on you for support for 12 months before and on the date of your death)	Until age 21 or marriage, if earlier
Single, permanently disabled dependent children age 21 or older (provided they were disabled before age 21 and dependent on you for support for 12 months before and on the date of your death)	Until no longer permanently disabled or marriage, if earlier
Class 3 Your dependent parents	For life
Class 4 Your single, dependent siblings under age 21 (provided they were dependent on you for support for 12 months before and on the date of your death)	Until age 21 or marriage, if earlier
Single, permanently disabled dependent siblings age 21 or older (provided they were disabled before age 21 and dependent on you for support for 12 months before and on the date of your death)	Until no longer permanently disabled or marriage, if earlier

In addition to the survivor's pension illustrated in the Monthly Payment Options at a Glance chart, your eligible survivors or other beneficiaries may be entitled to other benefits after your death under certain provisions of the Death and Disability Plan and/or the Retirement Savings Plan of the Presbyterian Church (U.S.A.). Learn more about these benefits by visiting pensions.org or by calling the Board.

Your spouse and dependents may be entitled to receive Social Security benefits after you die. They must apply in writing directly to the Social Security Administration.

Other factors

Consider these other factors that may affect your pension benefit.

TAX CONSIDERATIONS AND RESOURCES

Once your pension begins, the benefit is taxable under federal and some state tax laws. The Board of Pensions reports your pension benefits to the IRS on Form 1099-R.

When you apply for your pension, you designate your tax withholding rate. To change your rate, complete the Tax Withholding Election form available from pensions.org. Please allow one to two pay cycles for the change to take effect.

Housing allowance exclusion

If you are a minister of the Word and Sacrament or an eligible commissioned pastor, you may exclude all or part of your pension from taxable income as a housing allowance, subject to the requirements of the tax laws. All recipients of periodic payments must complete a withholding election form and may have tax withheld for federal income taxes. Your pension payments are reported to the IRS on Form 1099-R.

Resources

The Board recommends consulting with your personal tax adviser or a qualified tax professional who understands clergy tax issues. You may also refer to the following resources:

- The Board provides resources for you to learn about tax issues relevant to Presbyterian Church (U.S.A.) ministers, employees, congregations, and affiliate employers. To access these resources, visit pensions.org/taxresources.
- The *Church & Clergy Tax Guide*, by Richard R. Hammar, is available through Christianity Today by visiting the website **store.churchlawandtax.com**.
- You can call the IRS at 800-829-3676 for publications including IRS Publication 517, *Social Security and Other Information for Members of the Clergy and Religious Workers* — or access forms from the IRS website, irs.gov.

SOCIAL SECURITY AND YOUR PENSION BENEFIT

Social Security is a government program that provides one source of retirement income. Benefits are funded by contributions from you and your employer while you are working.

The Benefits Plan assumes participation in Social Security, which provides you with retirement or disability income based on your Social Security covered earnings each year. The Church strongly supports participation in the Social Security program. Your pension benefits may not be adequate for a secure retirement without Social Security benefits.

Your spouse and dependents may be entitled to receive Social Security benefits upon your death. They must apply in writing directly to the Social Security Administration.

Social Security Fairness Act

The Social Security Fairness Act, signed into law Jan. 5, 2025, ends the Windfall Elimination Provision and Government Pension Offset, which reduced or eliminated the Social Security benefits of people who receive a pension based on work that was not covered by Social Security because they did not pay Social Security taxes.

The Social Security Fairness Act increases Social Security benefits for certain types of workers, including some:

- teachers, firefighters, and police officers in many states
- federal employees covered by the Civil Service Retirement System
- people whose work had been covered by a foreign social security system

The Social Security Administration website, ssa.gov, provides more details about the Social Security Fairness Act.

DIVORCE OR DISSOLUTION

If you should separate from or divorce your spouse, or dissolve your marriage, a domestic relations order (DRO) could require that all or part of your Defined Benefit Pension Plan benefit be paid to someone else — your former spouse, for example. In that case, the plan pays benefits directly to someone named in the order, provided it meets the requirements of a DRO.

As soon as you become aware of any court proceedings that may affect your benefits, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711), or visit pensions.org for more information. The Benefits Plan and Divorce booklet on pensions.org contains a sample court order that could help you and your attorney understand and facilitate the process of the assignment of benefits to a former spouse or dependent children.

MINISTERS BRIDGE COVERAGE

If you are a minister who was enrolled in the Covenant Package, Congregational Pastors Package, or Transitional Pastor's Participation, are no longer an active member of the plan, and are actively seeking a position within the Presbyterian Church (U.S.A.), you may be eligible to enroll in Ministers Bridge Coverage. You may only continue the coverage you had in effect when you left service. If you had pension coverage, you accrue pension credits based on the salary on which you elect to pay dues (your last effective salary or the median effective salary).

If you choose not to remit dues for pension coverage, but to do so for medical only, your pension credits are held for you.

Your Ministers Bridge Coverage must be verified by the presbytery (if you are an installed pastor) or your employer (if you are a minister of the Word and Sacrament who is not installed).

For more information, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711) and speak with a service representative.

LEAVE OF ABSENCE

If you are a minister enrolled in the Congregational Pastors Package or Transitional Pastor's Participation, have not been permanently terminated, and take a leave of absence from Church employment and return later to your same employer, you may remit dues for Ministers Bridge Coverage (see Ministers Bridge Coverage). You may only continue the coverage you had in effect for the year before you left service.

MILITARY DUTY

The Board's website, pensions.org, has information on the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and Heroes Earning Assistance and Relief Tax Act of 2008 (HEART). These laws provide various rights to employees called to military duty in the uniformed services, including the right to the continuation of pension and other benefits during military leave.

DISABILITY

If you qualify for a disability benefit under the Death and Disability Plan of the Benefits Plan of the Presbyterian Church (U.S.A.) and you are covered under the pension provisions, you continue to earn pension credits while younger than age 65, equal to 1.25% of the greater of either:

- your pension participation basis on the date disability benefits begin up to the IRS annual contribution limit, or
- the median effective salary as determined by the Board

Your pension participation basis is the greater of your effective salary (up to the IRS annual compensation limit) or 25% of the median effective salary. The median is determined annually.

If you qualify for a disability benefit under the Death and Disability Plan, you also receive, if granted, experience apportionments on your pension credits and disability benefit increases.

Generally, disability benefits under the Death and Disability Plan end at age 65, unless you become disabled after age 62 in which case disability benefits can last longer.

If disability benefits under the Death and Disability Plan begin after age 62, the disability benefit at age 65 is reduced by the amount of the retirement pension benefit and disability benefit payments may continue no longer than the maximum length of time defined in the Benefits Plan. For details, see *Guide to Your Disability Benefits*, available from pensions.org.

> **If your disability benefits under the Death and Disability Plan begin before age 62, they will end the first day of the month after you reach age 65. If your birthday is the first of the month, disability benefits end that month.**

Appeals process

If you disagree with a Board decision regarding the administration of your pension or survivor benefits, 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 following:

- 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 within 180 days after receiving the adverse decision.

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

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

The Board aims to respond within 60 days, but it may take longer if additional information is needed. If the response is delayed, you will 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 appeal, you may appeal a final time. 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 final-level appeal must be filed with the Secretary of the Appeals Board within 60 days of the first-level appeal decision.

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

To review the appeal procedures, visit the Administrative Rules page of pensions.org and read Administrative Rule 1801 – Appeals. If you have questions, call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711).

Amendment of plan and right to end benefits

The Board notifies all members in writing in advance about Defined Benefit Pension Plan changes it is submitting for approval to the General Assembly of the Presbyterian Church (U.S.A.). The General Assembly must approve in advance any amendment to the Defined Benefit Pension Plan that involves an increase in dues or a reduction in pension benefits. The Board reports any other changes to the Benefits Plan to the General Assembly.

The Board reserves the right to modify, terminate, or suspend the provisions of the Benefits Plan.

For information

If you need help understanding your pension benefit, general Benefits Plan information or publications, or want to apply for benefits, please contact the Board.

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

Toll free: 800-PRESPLAN (800-773-7752) (TTY: 711)
Overseas: 215-587-7200, Monday through Friday (except holidays), 8:30 a.m. to 6 p.m. ET
Fax: 215-587-6215
Email: memberservices@pensions.org
Website: pensions.org

The Board schedules periodic retirement planning seminars. For information on upcoming seminars, visit the Seminars page in the Lifelong Learning section of pensions.org, or call the Board at 800-PRESPLAN (800-773-7752) (TTY: 711).

OTHER RESOURCES

Internal Revenue Service
Toll free: 800-829-3676
Website: irs.gov

Social Security Administration
Toll free: 800-772-1213
Website: ssa.gov

Fidelity Investments (the Retirement Savings Plan administrator)
Toll free: 800-343-0860, Monday through Friday, 8:30 a.m. to midnight ET (reference plan #57887)
Website: fidelity.com/atwork (Fidelity NetBenefits, a self-service tool)

Spring Health (the Employee Assistance Plan service provider)
Toll free: 844-931-4465
Website: care.springhealth.com/sign_in

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

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

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