



## ***SUMMARY PLAN DESCRIPTION***

### **CONTACT INFORMATION:**

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**DEFINITION OF TERMS USED IN THIS BOOKLET**

|   |   |
|---|---|
| <b>Church</b>   | The Wesleyan Church   |
| <b>Plan</b>   | The retirement income account program maintained and administered by Wesleyan Pension Fund. The term “Plan” does not include any other 403(b) plans or arrangements your employer may sponsor.  |
| <b>“Employer” Contributions</b>                                   | Contributions made to your Plan by your ministry employer on your behalf.   |
| <b>Salary Reduction Contributions or “Employee” Contributions</b> | Contributions you choose to make to your Plan on a “before tax” basis by way of a salary reduction agreement.   |
| <b>Rollover Contributions</b>                                     | A contribution made by you to your WPF Plan after you have received a distribution from an IRA or another eligible retirement plan.   |
| <b>Beneficiary</b>  | The person(s) entitled to receive the account funds and possible life insurance upon the death of the Plan participant.   |
| <b>Required Minimum Distribution (RMD)</b>                        | <p>The minimum amount you must withdraw from your account each year beginning at age 72 (by April 1 following the year you reach that age and if 70<sup>th</sup> birthday is after 7/1/2019, otherwise age 70½). You can withdraw more than required. Withdrawals are included in taxable income (except for ministers using housing allowance).</p> <p>Formula: Account Balance at end of previous year ÷ IRS Life Expectancy Factor = Your RMD.</p> |
| <b>Vested</b>   | Ownership—fully and absolutely established as a benefit. When an employee accrues nonforfeitable rights over employer contributions made to the employee’s Plan.  |
| <b>WPF</b>  | Wesleyan Pension Fund Inc   |

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**INTRODUCTION**

To assist its employees in ensuring they have enough funds set aside for their retirement years, The Wesleyan Church established the Wesleyan Pension Fund, Inc. (“WPF”). WPF established a pension plan (the “Plan”) for all eligible ministers, missionaries and lay employees of The Wesleyan Church. This Plan allows your employer to set funds aside for your retirement. In addition, it enables you to set aside a portion of your earnings in a tax-advantaged manner during your working years.

The Plan is a church retirement income account program described in section 403(b)(9) of the Internal Revenue Code. The Internal Revenue Code permits denominations and churches to set up retirement plans designed to provide current tax savings on plan contributions and plan earnings to be paid in the form of pension benefits during retirement. The Plan provides these tax savings, while at the same time providing you with investment vehicles through which your retirement funds can grow.

The Plan is intended to be adopted by eligible Wesleyan Church employers. By adopting this Plan, your employer can establish its own 403(b) plan, separate from the 403(b) plans of any other eligible employer.

You are encouraged to read this booklet carefully to understand how your Plan works.

**This Booklet is a Summary of the Plan**

The term “Plan,” as used in this summary, refers to the retirement income account program administered by WPF, which your employer has adopted. This booklet provides a summary of only that Plan and its investment options. This summary does not describe any other agreements that your employer may have with providers of other 403(b) arrangements.

You should refer to this booklet first when you have a question about the Plan. The booklet highlights the main provisions of the Plan and includes important information. Because this description is just a summary, it cannot describe how the Plan works under every conceivable set of circumstances. In all cases, your rights under the Plan are governed by the Plan’s legal document. If this summary is inconsistent with the Plan document, the Plan document will control. In addition, as indicated above, this summary does not describe any other 403(b) arrangements that your employer may offer.

A copy of the Plan document describing the retirement income account program administered by the WPF can be obtained from WPF.

**Be Prepared!**

We are all familiar with the story of Joseph in Genesis 41 where, through a dream, Joseph warns Pharaoh of the upcoming seven years of abundance, followed by seven years of famine. We also are familiar with Solomon’s admonition in Proverbs 6: 6-11 to consider the hard-working ant’s lying in of provisions in anticipation of coming need. And, although the New Testament parables about the Kingdom of God focus on the necessity of our living in a state of readiness for Christ’s return, they also communicate the practical truth of preparation *today* for coming events.

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**The Plan is an Important Part of Your Financial Security**

The Wesleyan Pension Fund Plan exists to be part of the provision of retirement income in your retirement years. The contributions to your account (both yours and your employer's) are an important part of your financial security in your retirement. Additionally, Social Security (if you have not elected out of it), personal savings, any other retirement savings and home ownership also contribute to your financial security at retirement.

At retirement, your total account, that is, all contributions made to the Plan by you or on your behalf plus investment earnings, form the basis for calculating your retirement benefits, which can be paid to you in the form of installment payments, in a lump sum or as a monthly payment.

**The Plan is a Defined Contribution Plan**

Plan contributions come from employer contributions and contributions you make voluntarily. All contributions are credited to your account in the Plan. The tax laws limit the amount of contributions which both you and your employer can make to the Plan on your behalf. WPF will assist in the calculation of that limit upon request. However, in performing any calculations, WPF will rely on you to provide the necessary data. Therefore, you may want to consult with a tax advisor to ensure you are providing the WPF with accurate and complete information.

**Plan Administrator**

WPF administers the Plan. However, WPF may from time-to-time contract with outside vendors to perform certain administrative services associated with the Plan. WPF has contracted with Principal Financial Group to provide some investment services to the Plan. If you have any questions about the Plan you can contact WPF at the contact information on the front of this booklet. More information is available on the WPF website, [wesleyanpensionfund.com](http://wesleyanpensionfund.com).

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***ELIGIBLE EMPLOYERS***

Employers whose employees are eligible to participate in the Plan include:

- Wesleyan Church Corporation,
- any Wesleyan district or local Wesleyan church,
- any board, agency, auxiliary or subsidiary organization or institution of The Wesleyan Church, district or local church, and
- certain other denominational church groups, districts or local churches and other church-related organizations that share common religious bonds and convictions with The Wesleyan Church and are approved by WPF.

If you have any questions about whether a Church-related employer is eligible to participate in the Plan, please call WPF for additional information.

In addition, in some cases, the employers of ministers with ordained or licensed credentials and employers of chaplains may make contributions to the Plan even though such employers are not affiliated with a Church.

***ELIGIBLE EMPLOYEES AND ENROLLMENT***

All ordained, licensed or commissioned ministers of The Wesleyan Church are eligible to participate in the Plan. Clergy who are serving outside the Church as chaplains or who are self-employed ministers also are eligible to participate in the Plan. In addition, the following employees are eligible to participate in the Plan, provided they are working at least 20 hours a week:

- Missionaries and lay missionaries of The Wesleyan Church
- Lay employees of The Wesleyan Church
- Wesleyan World Headquarters employees or home office employees

If you are eligible to participate in the Plan, you may enroll by completing an enrollment form and returning it to WPF. You may obtain an enrollment form by contacting WPF or downloading the form from the WPF website, [wesleyanpensionfund.com](http://wesleyanpensionfund.com).

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**CONTRIBUTIONS**

**Types of Contributions**

There are two types of contributions that may be made to the Plan. The first is an “**Employer**” (**ER**) **Contribution**. Although there is no requirement that your employer contribute to the Plan, all Church employers are strongly encouraged to contribute an amount equal to 12% of your gross salary plus housing. You should check with your employer to find out whether you are eligible to receive employer contributions and, if so, how much those contributions will be.

One-twelfth of the Employer Contribution (typically 1% of your gross salary) is used by WPF to purchase disability and death protection (insurance) for you and for such other purposes as the WPF board may from time to time determine (*see Group Death and Disability Benefits section of this booklet*). The rest is invested in your account in the Plan. If your employer provides you with a parsonage, your actual salary is hypothetically increased by 30% in calculating the amount of contributions that will be made to the Plan on your behalf.

The second type of contribution is **Voluntary, Salary Reduction Contributions** which are made by you by means of payroll salary reduction. (WPF calls these “Employee” (EE) contributions.) All eligible employees are permitted to make “Employee” contributions to the Plan, whether or not they are eligible to receive “Employer” contributions. This type of contribution allows you to contribute a certain portion of your compensation to the Plan on a pre-tax basis. You may choose how much you want to contribute up to the Internal Revenue Code maximum for this type of contribution (*this limit is described in the “How Much to Contribute” section of this booklet*). This type of contribution reduces your current taxable income by the amount of your contribution, saving you current tax dollars. The idea is that, since you are not actually receiving a portion of your salary now, you are also not taxed on it now. However, non-ministerial employees do pay Social Security taxes on their salary reduction contributions.

If you are participating in another retirement plan or if you have been contributing to another 403(b) tax-sheltered provider through your employer, you may also be able to make a Rollover Contribution to this Plan. A Rollover Contribution is a direct rollover of a distribution made from another retirement plan into your account in this Plan. You can roll contributions over from a variety of different retirement plans, including 403(b) plans, 401(a) plans, 401(k) plans, governmental 457(b) plans and IRAs. There are several restrictions that apply to direct rollover contributions. Therefore, if you are a participant in another retirement plan, you should check with the administrator or the provider for that plan, as well as with WPF, to determine if you can make a Rollover Contribution (*see the Rollovers section in this booklet*).

You should understand this Plan is not intended to be a liquid savings account. Rather, it is a long-term retirement account. **IT IS EXPECTED THAT ALL CONTRIBUTIONS MADE TO THE PLAN WILL REMAIN IN THE PLAN UNTIL YOU RETIRE, (NO EARLIER THAN AGE 62) OR TERMINATE EMPLOYMENT. IF YOU TERMINATE EMPLOYMENT BEFORE YOU ATTAIN AGE 62, THERE IS A FIVE-YEAR WAITING PERIOD FROM THE DATE OF TERMINATION BEFORE YOU ARE PERMITTED TO**

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**TAKE A DISTRIBUTION FROM THE PLAN** (*see the Pre-Retirement Termination of Benefits section in this booklet*).

**Note:** The tax laws limit the amount of contributions (not including Rollover Contributions) that may be contributed on an employee's behalf, as described below under "How Much to Contribute." If you are participating in another retirement plan, contributions made on your behalf to that other plan may need to be considered when determining the maximum contribution limits under this Plan. Because determining these limits depends on your own financial circumstances, WPF cannot be responsible for complying with them; that must be your responsibility.

**How Much to Contribute**

How much can you contribute to the Plan? The determination of how much you can contribute each year is an extremely complex area of the tax laws and you should consult your tax adviser about this.

**Basic Limits:** There are essentially two limits on the amount of contributions that can be made to your account. One limit only applies to your Voluntary Salary Reduction Contributions. The other one applies to all contributions made to the Plan on your behalf. **You cannot exceed either of these limits.**

- **Limit on Salary Reduction Contributions (Elect Deferral):** The first limit on contributions is that your Voluntary Salary Reduction Contributions (not counting any Employer Contributions) cannot exceed the statutory dollar limit. The Internal Revenue Service ("IRS") may increase this dollar limit from time to time, if not annually, to account for cost-of-living increases. (*See the WPF website for current year IRS Elect Deferral Contribution Limits under the Plan Benefits & Information section.*)
- **Limit on Total Contributions:** The second limitation on how much you can contribute is that the total of your Salary Reduction and Employer Contributions in a calendar year cannot exceed 100% of your compensation or the statutory dollar amount, whichever is less. The IRS may increase the limit from time to time, if not annually, to account for cost-of-living increases. Please note that, for this purpose, "compensation" cannot include any tax-exempt housing allowance (if you are a minister).

**Note:**

- Rollover Contributions do not count towards either of these two basic limits.
- The IRS Limits are posted on the WPF website annually in January or as soon as available from the IRS.



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**Catch-Up Contribution Limits.** There are also two special “catch-up” contribution limits that apply in limited cases.

- **Age-50 Catch-Up Contributions.** Under the “age-50” catch-up contribution limit, beginning in the year you turn 50, you can make additional Salary Reduction Contributions of up to a certain dollar amount each year. These additional Salary Reduction Contributions do not count for purposes of either of the two main contribution limits discussed above. The IRS may increase this age-50 catch-up limit from time to time, if not annually, to account for cost-of-living increases.
- **15 Years of Service Catch-Up Contributions.** The second special “catch-up” limit allows an employee with at least 15 years of service with The Wesleyan Church to make a special 403(b) catch-up contribution (with a maximum amount determined by a complicated formula). The limit on your Salary Reduction Contributions can be increased by up to \$3,000 if you have 15 years of service or more **and your average annual contribution was less than \$5,000 per year, with the Church and have not contributed up to the maximum salary reduction contribution limit in prior years.** You don’t need to be 50 years old to qualify for this type of catch-up contribution, but if you are 50 or older, you can make both types of catch-up contributions in the same year. **Note:** The maximum lifetime amount that can be contributed under this second special “catch-up” contribution limit is \$15,000; and **the IRS does not ever increase this amount** to account for cost-of-living increases.

The IRS has adopted a rule for coordinating the two types of catch-up contributions where employees are eligible to make both types of contributions. Any Salary Reduction Contributions more than the basic Salary Reduction Contribution limit described above will first be treated as contributions under the 15-years-of-service catch-up limit. Once the 15-years-of-service catchup contribution is made in full for a year, the age-50 catch-up contribution may be made, up to the annual limit.

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**January 1, 1999 Account Balances**

In addition to the contributions that you and your employer can make to this Plan on an ongoing basis, your account in this Plan will include any account balance attributable to contributions made for your benefit to this Plan prior to January 1, 1999.

**Vesting**

All contributions to the Plan credited to your account, including any January 1, 1999 account balance, are 100% vested and nonforfeitable. Your Plan account stays with you if you change ministry employers. All contributions and investment earnings are yours. In other words, you are fully vested from the first day of participation. In case of your death, your spouse or named beneficiary will receive your entire account.

**Federal and State Income Tax Information**

You do not pay federal income taxes on the contributions at the time Employer or Employee contributions are made. **All taxes are deferred until benefits are paid to you or your beneficiary, generally in retirement.**

The way in which your Plan benefits will be taxed under most state and local income tax laws will be like the way in which they are taxed for federal tax purposes. However, you should consult a tax advisor about taxation of your benefits under state and local tax laws if you are subject to such taxes.

The contributions which are made by your employer are not subject to Social Security taxes or creditable toward Social Security benefits. However, if you are not a minister, your Salary Reduction contributions are subject to Social Security taxes. Salary Reduction contributions made by clergy are not subject to Social Security (or SECA) taxes.

**Housing Allowance**

If you are a retired minister, all or a portion of your annual pension may be designated as available for housing allowance, pursuant to Internal Revenue Service Ruling 75-22. However, the amount excludable as housing allowance cannot exceed:

- *The fair rental value of the furnished home plus the cost of utilities, furnishings and maintenance; or*
- *The actual expenses of operating a home; or*
- *The amount designated by WPF as a housing allowance.*

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***PLAN ACCOUNTS***

All contributions made on your behalf, along with earnings on those contributions, will be credited to an account and sub-accounts under the Plan in your name. As of the end of each business day, WPF will determine the fair market value of your account, allocating investment earnings and losses to that account. You will receive a year-end, annual statement of your account balance that reflects all contributions to your account, including Rollover contributions, all amounts paid to you from your account for the year, if any, and all earnings and losses credited to your account. All quarterly statements are posted and available for viewing or download in your online account with Principal Financial Group (PFG).

To receive information on your account balance, you can view a quick view snapshot in your PFG online account or call them at 800.547.7754. To access your online account with PFG, you can utilize the login on the WPF website, wesleyanpensionfund.com, or bookmark the site for future reference. PFG also has a mobile app available for use on your technical devices. You are also more than welcome to email, call or write the WPF office (contact information on the front page of this booklet).

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**INVESTMENT OPTIONS**

The Plan allows you to choose how you invest your retirement funds. All amounts credited to your account under the Plan will be invested at your direction in one or more investment options selected by WPF.

Each investment option is different and has its own specific investment objective. It is up to you to decide in which of the investment options you want to invest and how much of your Plan contributions and assets you want to invest in each one. The choice of how to invest is entirely up to you.

Remember: WPF may add, eliminate, or otherwise change the investment options offered under this Plan at any time. However, if it does so, it will notify participants of any change.

Before you select any of the investment options, you should review the available investment information carefully before you choose the investment option or options in which to invest the contributions made to the Plan on your behalf. In addition, you should carefully read the information in the section below on **Investment Strategy**.

**Investment Strategy**

There are two different approaches to investment: **Target Date Retirement Portfolios** and **Single Fund Investment Options**. You can invest all or a portion of your account in any of the Single Fund Investment Options. You can also invest a portion of your account in one or more of the Target Date Retirement Portfolio models and the rest of your account in one or more Single Fund Investment Options.

You can receive more information on each of the Target Date Portfolios by clicking on the particular portfolio under the “Portfolios” tab in the “Investments” section of the website, wesleyanpensionfund.com. You can also receive information about available investment options from PFG, 800.547.7754.

The investment option or combination of options in which you choose to invest depends on your personal investment goals and objectives. These objectives and goals will be determined by, among other things, how long your money will be invested, how much risk you are willing to take with your investments and how much money you think you will need for retirement. Some participants may be willing to accept a significant risk of fluctuation in the value of their investment to receive a high rate of return. Other participants, particularly those close to retirement, may want to invest in options that provide a low or modest rate of return but have less risk and short-term fluctuation in value. You need to examine each of the investment options considering your individual concerns and investment goals.

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**Target Date Retirement Portfolios**

WPF, in conjunction with Morgan Stanley, is committed to developing retirement plan options designed for each participant's needs. These Target Date Portfolios have been constructed to assist you with complex retirement decisions by automatically adjusting your investment allocation according to your targeted retirement age.

Instead of filling out a lengthy questionnaire that could misrepresent your true risk tolerance, this simpler alternative is based on your retirement timeline. If you want to use this option, simply select the Target Date Portfolio that most closely matches your projected retirement date. Over time, your portfolio allocations will automatically shift from being more equity-oriented to more fixed income-oriented thereby becoming more conservative to protect your capital as your retirement date approaches.

|                                      |                       |
|--------------------------------------|-----------------------|
| <i>Wesleyan Retirement Portfolio</i> | <i>2040 Portfolio</i> |
| <i>2020 Portfolio</i>                | <i>2045 Portfolio</i> |
| <i>2025 Portfolio</i>                | <i>2050 Portfolio</i> |
| <i>2030 Portfolio</i>                | <i>2055 Portfolio</i> |
| <i>2035 Portfolio</i>                | <i>2060 Portfolio</i> |

Because these portfolios are tailored to your retirement date, you can quickly identify the model with the appropriate risk/reward ratio for you. The percentage of equity automatically decreases and the allocation to fixed income increases as the target date approaches.

**Single Fund Investment Options**

In addition to Target Date Retirement Portfolios, you may also invest among several different Single Fund Investment Options as listed on the enrollment form in alphabetical order:

*American Funds New World Fund*  
*American Funds Washington Mutual Investors Fund*  
*GuideStone Medium-Duration Bond Fund*  
*MassMutual Select Mid Cap Growth Equity Fund II*  
*Metropolitan West Total Return Bond*  
*Oakmark International Fund*  
*PIMCO Income Fund/Administrative*  
*Principal Large Cap S&P 500 Index*  
*Principal MidCap S&P 400 Index*  
*Principal Small Cap Fund*  
*Principal Real Estate Securities Fund*  
*Crossmark Steward Lg Cap Enhanced Index A Fund*  
*T. Rowe Price Blue Chip Growth Fund*  
*Wells Fargo Advantage Special Mid Cap Value Fund*  
*Wesleyan Investment Foundation*

*(not based on stock/bond market – has a declared interest rate)*

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**INVESTMENT CHOICE PROCEDURES**

**Incoming Contributions**

To select investment funds for incoming contributions, you must complete the enrollment form which is the form you complete when you first enroll in the Plan.

You have the choice of letting WPF choosing your investment options, in which case, all contributions made on your behalf will be invested in a default investment fund selected by WPF that corresponds with your projected retirement date. You also have the option of making your own customized choices.

You may change your investment options at any time without charge. Any change in investment of incoming contributions can be made either through your online account or by calling Principal Financial Group at 800.547.7754. You do not need to file a new election form with WPF. No transactional charges are made in connection with changes in investment in the different funds.

**Transfers of Existing Accumulations Between Funds**

You may elect to transfer amounts held on your behalf in any investment fund to one or more other investment funds. You can transfer all or a portion of such amount and you can do so in any percentage increment you want. To make a transfer, you must go online to your account or call Principal Financial Group at 800.547.7754 to speak to a representative.

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**PAYMENT OF BENEFITS**

**Normal Retirement Benefits**

You are entitled to a retirement distribution upon attaining age 62, whether or not you continue your employment. To receive your benefits, you must complete a form provided by WPF designating your personal desires of your benefit payments. All benefit payments must be approved by WPF. Your benefit payments will begin as soon as is administratively practical immediately following the date on which WPF receives the completed information.

***Example: I'm Eligible—And a Minister—How Do I Access My Funds?***

*There are three options for accessing your funds:*

- 1. Partial Withdrawal – removes any portion of funds. (Principal requires a \$50 transaction fee each.)*
- 2. Extended Payment – an automatic, scheduled payment of your choice distributed monthly, quarterly, semi-annually or annually. (The PFG \$50 fee covers the entire year, \$12.50 charged quarterly.)*
- 3. Lump Sum Distribution – removes all the funds and closes the account.*

*PFG requires 7-10 BUSINESS days for processing. Checks are subject to postal mail time.*

*A minister's funds are 100% housing allowance which means the taxes are not withheld when you withdraw your funds. If you use your funds for items not pertaining to home or property, you can fill that amount in the "taxable income" box when you receive your 1099-R for your tax preparation.*

*To access your funds, you need:*

- One of the above forms (available on our website or mailed/emailed to you).*
- The W-4P form-first page only – with box check-marked for no withholding of taxes.*
- The Direct Deposit form and voided check – for funds to be deposited in a checking or savings account.*
- Funds can also be deposited into your WIF account.*
- Spouse signature witnessed by someone other than you (can be done before completing form).*
- Signature of the witness (does not have to be a notary).*
- Copy of spouse driver's license or official document showing signature (unless spouse is also a WPF participant).*

*\*For non-ministerial members accessing funds: You will not need the W-4P form and taxes are removed at the time of withdrawal.*

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**Pre-Retirement Termination of Benefits**

Wesleyan Pension Fund members are entitled to access their funds at age 62 (from this church “retirement” income account program), whether or not they are continuing employment. **If service is terminated with their employer before age 62, non-ministerial members may take their employer contributed funds only after a five-year waiting period from separation of employment service. Ministers may do so only if they have filed their ministry credentials with the General Secretary of The Wesleyan Church and then the five-year wait begins with the vault receipt date of the submitted credentials.** For members with voluntary, salary reduced employee funds, there is a one-year waiting period after separation of employment service (and filing of credentials) for those specific funds.

Also, the removal of funds is only if there is no potential of future ministry employment where another employer would again contribute to the pension account. *(Policy does not permit the opening of another WPF account once your account is closed.)*

**The 403(b) is for the purpose of assisting employees to have enough funds set aside for their retirement years. It is not provided for loans or hardships of any kind.**

**Note:** Besides the normal 20% in Federal taxes and possible State taxes required, there is also a 10% IRS penalty if you remove the funds before age 59½.

*Filing of credentials: Mail original ordination certificate (not the pocket credential) to:*

*Office of The General Secretary  
The Wesleyan Church  
13300 Olio Rd, Ste 100  
Fishers, IN 46037*

**Pre-Retirement Death Benefits**

If you die prior to the time you receive payment of any of your retirement benefits under this Plan, your designated beneficiary will be entitled to receive the balance of your account. If your beneficiary is your spouse, he or she may choose to have payment made in the form of automated, scheduled payouts (extended payment), a portion of funds paid (partial withdrawal) or a lump sum distribution (removes all the funds and closes the account). Your spouse may choose to postpone beginning to receive payments under any payment option until April 1 of the year following the year in which you would have turned 72. If your designated beneficiary is not your spouse, he or she is entitled to receive the payment of your retirement benefits only in the form of a single lump sum distribution. Payment to a non-spouse beneficiary must be made within five years after your death.

If you have not designated a beneficiary, the lump sum distribution will be made to your estate. To designate a beneficiary, you must complete the appropriate form provided by WPF.

*\*The beneficiary form is now included with the enrollment form and required before the enrollment can be processed.*



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**In What Form Will My Pension Be Paid at age 62 or Older?**

Three basic forms of pension payments are available under the Plan. You may elect the form that best meets your needs. The basic forms of pension payments are available only if you are age 62 or older. If you terminate employment prior to reaching age 62 and elect to be paid your Preretirement Termination Benefits described earlier, you will only be entitled to receive a lump sum payment, following approval by WPF of such distribution.

***1. Extended Payment***

This is an automated, scheduled payment of your choice distributed monthly, quarterly, semiannually or annually. Payment can only be directed to your bank account or your WIF account.

***2. Partial Withdrawal***

This form of payment lets you remove any portion of funds you specify. (A rollover option is also available.) Funds are directed to your bank account, to your WIF account or a check can be mailed.

***3. Lump Sum Distribution***

Under this form of payment, you may choose to receive payments from the Plan as a single distribution of the total value of your account on a date which you specify. This removes all the funds and closes the account. (A rollover option is also available with this option.) Funds are directed to your bank account, to your WIF account or a check can be mailed.

**Cash-Out of Small Accounts**

WPF may, in its discretion, make a lump sum benefit payment to you if you separate from service with the Church and if the balance in your account is less than \$5,000.

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**GROUP DEATH AND DISABILITY BENEFITS**

You are entitled to receive a death benefit if you die prior to retirement while you are an active participant in the plan. You are also entitled to disability benefits if you become disabled while you are an active participant in the Plan. This death benefit and disability benefit are paid from plans that are separate from and not a part of the Plan. This section of the Summary Booklet only provides a summary of your death and disability benefits. In the event of any conflict between the terms and provisions of such plans (or other underlying insurance policies) and this Summary, the terms and provisions of the plans (or such policies) shall control.

Both your death and disability benefits are based on your salary as determined by the WPF based on your employer's pension assessment. For purposes of determining the amount of your death and disability benefits, your "salary" includes cash salary plus, if you are a minister, any additional amounts you receive for housing and utilities.

WPF assumes the contributions to the Plan it receives on your behalf are based on 12% of your salary (as defined in the preceding paragraph) and WPF uses this salary figure for both death and disability benefit purposes. For example, if your employer contributes \$2,100 to the Plan on your behalf, WPF will calculate your total salary to be \$17,500 ( $\$17,500 \times 12\% = \$2,100$ ), and your death and disability benefits will be based on this amount of \$17,500, regardless of what your actual salary is. **Therefore, for you to receive the maximum death or disability benefits available, it is important your employer's contributions to the Plan be based on your actual cash salary and, in the case of clergy, any additional housing and utilities.**

The formula for determining the life insurance benefit for individuals age 30 and younger is 4.0 times your salary, determined as described in the preceding paragraph, rounded up to the next higher multiple of \$1,000. The salary multiple drops 0.1 for each year of age past age 30, leveling out at 1.0 times your salary at age 60. This benefit is only available before retirement. Once you retire, you will no longer be covered under the WPF group death benefit plan. The maximum amount of life insurance benefit is \$550,000.

The amount of disability benefits equals 60% of your salary, determined as described above. The maximum amount of disability benefits to which you are entitled is \$10,000 per month. Your disability coverage is coordinated with any Social Security and/or Workers Compensation benefits you receive. In other words, any disability payments you receive from Social Security or Workers Compensation reduce the disability benefits payable under the WPF disability plan.

To receive disability benefits, you must be an active participant in the Plan. You are considered an active participant if contributions have been made to the Plan on your behalf during the previous 12 months. If you are classified as an inactive participant, you may become an active participant if contributions are made on your behalf. In this event, you may become eligible for disability benefits after 12 months of active participation if contributions to the Plan continue to be made.

To receive disability benefits, you must also provide proof of your disability. For purposes of the WPF disability plan, you are disabled if:

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1. *You cannot perform each of the material duties of your regular occupation; and after you have received disability benefits for 24 months, you cannot perform each of the material duties of any gainful occupation for which you are reasonably fitted by training, education or experience; or*
2. *You are unable to perform all the material duties of your regular occupation on a full-time basis, but you are:*
  - *performing at least one of the material duties of your regular occupation or another occupation on a full-time or part-time basis; and*
  - *earning currently at least 20% less per month than your indexed pre-disability earnings due to your disability.*

If you are determined to be disabled by UNUM Insurance Company, your benefits will commence following a 6-month waiting period and will continue for as long as you are disabled up to age 65. If you are age 60 or over when your disability benefits first commence, you are entitled to receive disability benefits beyond age 65, provided you continue to be disabled. The number of payments which you are entitled to receive after age 65 depends on your age at the time disability payments begin.

You should understand that your retirement benefits may not necessarily be the same amount as your disability benefits. Your disability benefits are based on your salary prior to the date you become disabled, while your retirement benefits are based on the amount in your Plan account when you retire.

Your death and disability benefits are provided through the UNUM Insurance Company. You can obtain more information on the WPF death and disability plans on the WPF website, [wesleyanpensionfund.com](http://wesleyanpensionfund.com), under the “Group Insurance Benefits” section. Insurance claim forms can be obtained by calling or emailing the WPF office.

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**ROLLOVERS**

If you are entitled to receive a distribution under the Plan which is an “eligible rollover distribution,” you may roll over all or a portion of it, either directly or within 60 days after receipt, into another eligible retirement plan. An eligible rollover distribution is generally any cash distribution in excess of \$200. However, an eligible rollover distribution does not include any payments or distributions that are part of a series of substantially equal payments payable over a period of ten years or more. An eligible rollover distribution also does not include any portion of a distribution that is a required minimum distribution as defined under federal laws. An eligible rollover distribution will be subject to a mandatory 20% federal withholding tax unless it’s rolled over directly into another retirement plan or IRA.

**IF YOU HAVE THE ELIGIBLE ROLLOVER DISTRIBUTION PAID DIRECTLY TO YOU, THEN THE PLAN MUST WITHHOLD 20% ON THE TAXABLE PORTION OF THE DISTRIBUTION EVEN IF YOU INTEND TO ROLL OVER THE MONEY INTO ANOTHER RETIREMENT PLAN OR INTO AN IRA WITHIN 60 DAYS.** To avoid this mandatory withholding, you must instruct WPF to roll over the money for you directly into an eligible retirement plan or IRA.

In addition to IRAs, the following plans are “eligible retirement plans” which can accept a rollover from or rollover to this Plan:

- another 403(b) plan
- a qualified 401(a) plan (including a 401(k) plan)
- a governmental 457(b) plan
- SIMPLE IRA
- Simplified Employee Pension Plan (SEP)

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***CLAIMS FOR BENEFITS PROCEDURE***

From time to time you may have questions about your claims for benefits. WPF will try to answer your questions on an informal basis. However, if you continue to have concerns, you may file a formal claim for benefits in writing to WPF.

If a claim for benefits is wholly or partially denied, WPF will provide you with an email or mailed notice of the denial within 60 days. This notice will include:

- *the specific reasons for the denial;*
- *references to the provisions in the Plan upon which the denial is based;*
- *a description of any additional information needed to complete the claim along with an explanation of why such information is necessary; and*
- *an explanation of the Plan's claim procedure.*

You have 60 days from the receipt of a notice of denial in which to submit a written request for review by WPF.

WPF will provide you with an emailed or mailed decision on the review within 60 days after receiving your request for review. This decision will include the specific reasons for the decision. The decision by WPF following review is final and binding. All decisions and denials of claims by WPF shall be afforded the maximum deference permitted by law.

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**ADMINISTRATIVE PROVISIONS**

**Amendment and Termination**

While it is expected this Plan will continue indefinitely, WPF may modify, amend or terminate the Plan at any time, subject to the approval of the General Board of The Wesleyan Church. In addition, your employer has the right to terminate its participation in the Plan. If the Plan is terminated or if your employer ceases to participate in the Plan, the WPF has the right to decide to pay all benefits to which you are entitled under this Plan in the form of a lump sum, to the extent permitted by law. WPF is not liable for the failure of any employer to enroll you as a participant in this Plan.

**Responsibilities of Parties**

WPF shall be responsible for all matters relating to the administration and management of the Plan with respect to contributions it receives. WPF is not responsible for any matters relating to the administration and management of any other 403(b) plan or 403(b) providers to which your employer permits you to make contributions.

**Notification of Contact Information**

It is very important for you to keep WPF informed of your current contact information and the current address of any beneficiaries you designate under the Plan. When you or a beneficiary becomes entitled to benefits, WPF will contact you or the beneficiary. If WPF does not have your current address, email address or phone numbers, they will try to locate you. However, WPF is not under any obligation to search for you or ascertain the whereabouts of you or your beneficiaries. Therefore, you should be sure to provide WPF, in writing, with any change of contact information for you or address and phone of any beneficiary. Any check representing any payment due under this Plan and any communication forwarded to you at the last known address as indicated by the records of WPF, shall constitute adequate payment to you and shall be binding on you for all purposes of the Plan. This notification requirement applies in all respects to any of your beneficiaries who may be entitled to benefits under this Plan.