The Orthodox Church in America Pension Plan

Securing your future

A guide to your pension plan benefits

Originally published November 2008

Updated April 2014

Table of contents

Securing your future

The Orthodox Church in America Pension Plan was established on January 1, 1976 (and fully restated as of January 1, 2008) to provide a retirement income to bishops, priests and other full-time employees of the Church and other organizations, associations or corporations that are under the Church's jurisdiction.

When you become a plan member, your Employer makes regular contributions to the pension fund on your behalf. You are also required to make monthly contributions to the fund. When you retire, you will receive a pension from the plan based on a formula that considers your cash salary and years of service. If you resign or are discharged before you are eligible for retirement benefits, you may receive a pension based on the contributions made on your behalf (yours and your Employers).

This guide has been prepared in simple terms to help you better understand how the plan works. It is not a legal document and does not cover every detail of the plan, but it does give you the basic facts as of January 1, 2008. Key terms are defined throughout the text and in the last section of this booklet.

We have tried to provide an accurate description of your pension benefits. If there is a discrepancy between the information provided in this guide and the legal documents and regulations, the legal documents and regulations will govern in all cases.

If you have any questions about your pension, please contact the Plan Administrator at (516) 922-0550 or pension@oca.org.

"Church" or "Employer", unless otherwise noted, means the Orthodox Church in America, and other organizations, associations or corporations that are under the Church's jurisdiction.

Who's who

Plan Sponsor	The Orthodox Church in America P.O. Box 675 Syosset, NY 11791 (516) 922-0550
Pension Board	In addition to the Episcopal Moderator, the Pension Board consists of three clergy and three lay people. The Board establishes the plan provisions, supervises the Plan Administrator, and approves pension benefit applications.
Plan Trustees	A three-member group — appointed by the Pension Board — that oversees the investment of the plan assets.
Plan Administrator	The Plan Administrator is responsible for the day-to-day operations of the plan, including: maintaining all plan files and records, enrolling new members, processing benefit applications, supervising the Pension Bookkeeper, and answering members' questions.

Plan membership

1. Am I eligible for the plan?

Bishops and priests

If you are a bishop or priest of the Church, you will automatically become a member of the plan on the first of the month on or after the date you:

- begin service for the Church, and
- make the required contributions to the plan (see Question 2).

If you begin service with the Church after age 60, however, you are not eligible for plan membership.

All other employees

If you are a full-time employee of the Church — other than a bishop or priest — you will be eligible to join the plan on the first of the month on or after your date of hire.

To join the plan, you must sign and file an election form with the Pension Board and agree to make the required contributions to the plan (see Question 2). If you choose not to join the plan when you first become eligible, you may later join on the first day of any month after you submit your completed election form to the Pension Board.

You are not covered by the plan if you:

- are a part-time employee who customarily works less than 20 hours per week, or
- were hired after age 60, or
- reach age 60 while employed but before electing to join the plan.

2. What contributions are made to the plan?

In general, you and your Employer share the cost of providing your pension by making regular contributions to the plan. These contributions, together with accumulated interest, are used to fund your pension benefits.

Employer contributions

Starting the month in which you become a plan member, your Employer (Parish or other) is required to contribute 8% of your monthly cash salary — and, for Clergy, 8% of your housing allowance — to the plan on your behalf. Employer contributions will be credited with interest at a rate of 0.5%, compounded monthly (equivalent to 6.17% per year).

The Pension Board will establish and maintain a separate account (called the “Employer Contribution Account”) for these contributions plus interest.

Member contributions

Starting the month in which you become a plan member, you must make monthly contributions equal to 6% of your cash salary — and, for Clergy, 6% of your housing allowance. Your contributions will be credited with interest at a rate of 0.5%, compounded monthly (equivalent to 6.17% per year).

The Pension Board will establish and maintain a separate account (called the “Member Contribution Account”) for your contributions plus interest.

You cannot receive a refund of your member contributions as long as you are still working for your Employer.

Voluntary contributions

In addition to the required member contributions, you may make voluntary contributions to help supplement your retirement savings, equal to 1% to 10% of your cash salary. Your voluntary contributions will be credited with interest at the rate of 0.5%, compounded monthly (equivalent to 6.17% per year).

The Pension Board will establish and maintain a separate account (called the "Voluntary Contribution Account") for your voluntary contributions plus interest.

Anytime before your pension begins, you may withdraw all or part of your Voluntary Contribution Account in a single lump sum, provided you withdraw at least $100 or the full value of the account, if less. You can only make one withdrawal in any calendar year and must give the Pension Board 30 days advance written notice.

Except for the withdrawal of any voluntary contributions, as long as you are still working for your Employer, no benefits are payable from the plan.

3. How does service affect my benefits?

Service with your Employer is used to determine:

- eligibility for retirement, and
- whether or not you are "vested".

To be "vested" means you have the right to receive all or part of your plan benefits even if you leave your Employer before you are eligible to retire. See Question 9 for more information.

You will receive one full year of service for each 12-month period that you make the required plan contributions. If you work less than a full year, you will receive $1/12^{th}$ of a year of service for each month that you make the required contributions.

One year of service = One year of plan membership

Military leave

If you are absent because of service in the military, the period of absence will be counted by the plan, provided you:

- return to work within 90 days after you are discharged from the military, or
- return to work within 90 days after being hospitalized for less than one year after your military discharge (and your hospitalization was a result of your military service), and
- make the required plan contributions (based on your last rate of pay) — for the time you were on military leave — within five years after returning to work.

Other approved leaves of absence

If you take any other type of approved leave, you will remain a member of the plan, but service will not be credited for that period of absence.

If you are a member of the Clergy who is awaiting reassignment, you will be treated as if on leave of absence for a period of not more than 24 months. If you have not been reassigned after 24 months, you will be considered to have ended your employment.

Re-employment

If you leave before reaching retirement age and ***are not*** vested (see Question 9), then return to work, your service before you are re-employed will count as long as you resume making plan contributions within 24 months of your return. If you withdrew all or part of your Member Contribution Account when you originally left, but pay back the amount you received within 60 days of your re-employment, then both your member and Employer contributions, with interest, will be fully restored. If you do not pay back the amount received, or you return to work after 24 months, you will be considered a new plan member for all purposes (vesting and earning pension benefits), provided you make the required contributions.

If you leave before retirement and you ***are*** vested in your Employer Contribution Account then return to work, all service (before and after re-employment) will be counted for plan purposes.

Retirement benefits

__Average monthly pay:__ For purposes of determining your pension, the average of your monthly cash salary (excluding living allowance, automobile allowance and all other forms of living expenses) during the five consecutive calendar years of service that produces the highest average. If you have less than five years of service, your salary during all your years of service will be averaged.

__Average monthly housing allowance:__ Your housing allowance averaged over the same five years as your average monthly pay, but only taking into account years after December 31, 2005. If all five years are before January 1, 2006, your average monthly housing allowance will be determined based on your first five years of service (or as many as you have earned, if less than five) after December 31, 2005.

If you qualify as a "minister of the gospel" as defined in the Internal Revenue Code, special rules regarding your housing allowance may apply. Please contact the Plan Administrator.

4. When can I retire?

Normal retirement

You can retire and start collecting your pension on your normal retirement date, once you stop working.

Your "normal retirement date" is the first of the month on or after the later of:

- your 65th birthday, or
- the January 1st of the year in which your 5th anniversary of becoming a plan member occurs.

EXAMPLE A — *An employee will reach age 65 on February 26, 2015. He became a plan member in 2006. His normal retirement date is the first day of the month on or after the later of:*

- *February 26, 2015, or*
- *January 1, 2011 (5th anniversary of becoming a plan member)*

In this case, the member can retire and start collecting his normal retirement pension on March 1, 2015.

Early retirement

If you choose to retire before your normal retirement date, you are not eligible for a normal retirement pension, as described in Question 5. However, you may be eligible to receive termination benefits (see Questions 9 and 10).

Postponed retirement

If you continue to work beyond your normal retirement date, your postponed retirement date will be the first day of the month after you actually retire. But, keep in mind that you can't postpone your retirement indefinitely! The law requires you to start your pension by April 1st of the year following the year in which you turn age 70½.

Your postponed retirement pension is determined by the same plan formula as your normal retirement pension (see Question 5 below). It will be based on your average monthly pay and average monthly housing allowance, as of your postponed retirement date, provided you continue to make the required member contributions.

5. How is my normal retirement pension determined?

Your normal (or postponed) retirement pension includes your basic pension, and any housing allowance benefit, as summarized below.

Your basic pension benefit

Your basic pension — payable at normal retirement — is based on the following plan formula:

65% x average monthly pay

If you did not make the required contributions during your entire period of employment, you will receive a reduced benefit equal to your basic pension multiplied by the following ratio:

- The period of employment that you made the required contributions, divided by
- Your entire period of employment, assuming you had made the required contributions for your entire period of employment (see Example B on the following page).

The basic pension is not available if you stop working before your normal retirement date.

EXAMPLE B — *A member born in 1943 retires on January 1, 2008 at age 65 with an average monthly pay of $5,000. He has been working for his Employer for 20 years, but has only made the required plan contributions for 15 years. His monthly basic pension is calculated as follows:*

Unreduced monthly basic pension ($5,000 x 65%):	*$3,250.00*
Reduction ratio (15 ÷ 20):	*x 75%*
Monthly basic pension payable at age 65 ($3,250 x 75%):	***= $2,437.50***

Your housing allowance benefit

In addition to your basic pension, you may be entitled to a housing allowance benefit equal to:

- 2% for each year of service earned after December 31, 2005, multiplied by
- your average monthly housing allowance.

Your housing allowance benefit cannot be more than 65% of your monthly housing allowance. Your housing allowance includes both cash payments and the fair rental value of any provided residence.

Your housing allowance benefit is not available if you leave your Employer before your normal retirement date.

EXAMPLE C — *If the member in Example B has two years of service after December 31, 2005 and an average monthly housing allowance of $1,000, he has earned a total pension (basic + housing allowance benefit) of:*

Monthly basic pension (from Example B):	*$2,437.50*
Monthly housing allowance benefit (2% x 2 years x $1,000):	*+ $40.00*
Total monthly benefit from pension plan beginning at age 65:	***= $2,477.50***

6. When are my retirement benefits paid?

Your normal or postponed retirement benefits will be processed as soon as possible after your retirement. If you choose, you may delay payment of your pension until April 1st of the year following the year in which you reach age 70½. To delay payment, you must submit a written election to the Pension Board indicating the date you wish to start your pension.

7. What are my pension payment options?

When you retire, you have several pension payment options to choose from. The option you choose will have an impact on the amount of your monthly pension, and how much your spouse or beneficiary receives after your death.

If you have no spouse when you retire

When your pension begins (at age 65 or later), it will be paid to you for life with 10 years guaranteed. This means your pension will continue to your beneficiary for the remaining guarantee period if you die before receiving 120 monthly pension payments.

In the event that you and your beneficiary die before the first 120 monthly pension installments have been paid, the lump sum value of the remaining installments will be paid to the last survivor's estate.

Beneficiary Designation

If you have a spouse — as defined in the Key terms section on page 15 — he or she is your pension beneficiary, unless you elect otherwise. In order to name a beneficiary other than your spouse, you must file your designation with the Pension Board and your spouse must provide written consent to your election. You may change your beneficiary at any time before your pension begins. If you have no spouse and you do not designate a beneficiary, any survivor benefits will be paid to your estate.

If you have a spouse when you retire

Your spouse is your pension beneficiary, unless you elect otherwise. Your pension will be paid to you for life with 10 years guaranteed (as described on the previous page), with a continuing annuity paid to your surviving spouse. This means, after the first 120 monthly payments have been made, when you die, your surviving spouse will receive for his or her life:

- 42.25% of your average monthly pay, plus
- 65% of your housing allowance benefit.

Optional forms of payment

Instead of receiving your pension for life with 10 years guaranteed — and with continuing annuity payments to your surviving spouse — you can elect one of the following two payment options at retirement:

- **100% survivor pension** — provides an adjusted pension to you for life with 100% continuing to your beneficiary (spouse or other) for his or her lifetime after your death.
- **50% survivor pension** — provides an adjusted pension to you for life with 50% continuing to your beneficiary (spouse or other) for his or her lifetime after your death.

Before choosing a payment option, we recommend that you speak with a professional financial advisor as many factors — such as your state of health, your personal and family needs, other sources of retirement income and your responsibilities to others — can play a major role in your decision.

Things to consider

- You cannot change your payment option once you begin receiving your pension.
- Whatever form of payment you choose, your pension will always be paid for at least as long as you live.
- Your spouse is automatically your pension beneficiary unless you name someone else and your spouse consents to your election in writing.
- If you don't have a spouse, you may choose anyone as your pension beneficiary. If you have not named a beneficiary before you die, or your beneficiary is not living, the plan's survivor benefit will be paid to your estate.
- Before your pension begins, you may elect one of the optional forms of payment by submitting written notice to the Pension Board.
- Before your pension begins, you can receive the balance of your Voluntary Contribution Account (if any) in a single lump sum. Alternatively, the value of your Voluntary Contribution Account can be used to provide an additional pension which will be paid in the same way as your normal retirement pension.

Disability benefits

8. What if I suffer a permanent disability?

If you become disabled while you are actively employed, you will be entitled to receive a disability retirement pension, provided you:

- complete five years of plan membership before your disability begins, and
- are eligible to receive Social Security disability benefits.

Your disability pension will be equal to 65% of your average monthly pay — as of your date of disability — and will be paid retroactively to the date you became eligible for Social Security disability benefits.

If you did not make the required contributions during your entire period of employment, your disability benefit will be reduced, as described in Question 5 (see Example B). Your disability retirement pension may increase by an additional amount, based on your average monthly housing allowance (also described in Question 5 — see Example C).

Your disability retirement pension will be paid to you for as long as you are disabled. However, the Pension Board may request whatever evidence it considers appropriate to verify your disability. If you refuse to provide this information, your disability retirement pension will be discontinued until you provide the requested information. If you do not comply within one year, your disability retirement pension will be permanently discontinued.

Once your disability retirement pension is discontinued, you will be eligible for the vested termination benefit (see Question 9) you would have been entitled to at the time of your disability, reduced by the amount of the disability pension you have already received.

If you die during your disability retirement

Your spouse is entitled to a lifetime survivor's pension equal to:

- 42.25% of your average monthly pay as of your date of disability, plus
- 65% of your housing allowance benefit as of your date of disability.

If you don't have a spouse when you die, no further disability retirement benefits will be paid from the plan.

Vesting and termination benefits

Annuity means a steady stream of monthly income, payable for life.

To be "vested" means you have the right to receive all or part of your plan benefit, even if you leave your Employer before you are eligible to retire.

A "year of plan membership" (also referred to as a "year of service") means each 12-month period that you make the required member contributions to the plan.

9. Does the plan pay termination benefits?

If you resign, retire or are discharged after completing at least five years of plan membership, but before qualifying for retirement benefits, you will not be eligible for a normal retirement pension based on the plan formula (as described in Question 5). Instead, your Member Contribution Account, and vested Employer Contribution Account, will be used to provide you a lifetime monthly annuity, payable beginning at age 65.

If you don't want to wait until age 65 to start your benefit, you can receive a single lump sum of your Member Contribution Account any time after you leave. See Question 10 for more details.

Vested percentage

Your Member Contribution and Voluntary Contribution Accounts are always 100% vested. That means you are entitled to the money in these accounts when you leave your Employer even if you stop working before you are eligible to retire.

Your Employer Contribution Account is vested — based on your years of plan membership as of your termination date — as summarized below:

Years of plan membership	Vested percentage
Less than 5	0%
5	10%
6	20%
7	30%
8	40%
9	50%
10	60%
11	70%
12	80%
13	90%
14 or more	100%

10. How and when are termination benefits paid?

If you have less than five years of service when you stop working, you are not vested in your Employer contributions, and they will be forfeited. You can, however, apply for a refund of your member contributions (and any voluntary contributions). If you do not apply for your refund within 24 months after you leave, your contributions will be automatically paid to you in a lump sum, with interest.

If you have five or more years of service when you stop working, you can choose to:

1) receive your vested termination benefit as a monthly pension that will begin on the first of the month on or after your 65th birthday.

   Your pension will be paid to you for life with 10 years guaranteed. That means, if you die before receiving 10 years (120 months) of payments, the same benefit you were receiving will continue to your beneficiary for the remaining guarantee period. Any voluntary contributions will be paid to you immediately in a single lump sum, with interest, or you can choose to use that money to increase your monthly pension; or

2) receive your member contributions (and any voluntary contributions) at any time between your termination date and your 65th birthday as:
   - a single lump sum with interest,
   - a lifetime monthly pension of equal value, or
   - a combination of the two (voluntary contributions paid with interest as a lump sum, and the value of your member contributions with interest paid as a monthly pension when you leave or retire).

If you do not want to wait until age 65 to begin your monthly annuity, you may receive your Member Contribution Account in a single lump sum, payable at any time between your termination date and your 65th birthday. You must make the election in writing to the Pension Board. You should be aware, however, that **if you make this election, you will forfeit the benefit you would have received from your vested Employer Contribution Account, and no further plan benefits will be paid to you or to your survivors**. Any Voluntary Contribution Account will be paid to you immediately in a single lump sum.

EXAMPLE D – *A 40-year old member terminates employment with 10 years of service. Her Member Contribution Account equals $30,000 and her Employer Contribution Account equals $30,000. In addition, she has a Voluntary Contribution Account equal to $10,000.*

Vested percentage of Employer Contribution Account (10 years of service):	*60%*
Vested Employer Contribution Account ($30,000 x 60%):	*$18,000*
Member Contribution Account ($30,000 x 100%):	*+ $30,000*
Total vested accounts at termination ($18,000 + $30,000)	*= $48,000*

Because this member has more than five years of service, the total vested account balance ($48,000) will be used to provide a monthly annuity, based on the interest rate and other factors provided in the official plan document as of her date of termination. In this example, the member will receive a monthly lifetime annuity equal to $1,805.43, beginning at age 65, with 10 years of guaranteed payments.

In addition, the member will receive the $10,000 from her Voluntary Contribution Account in a single lump sum after she stops working.

EXAMPLE E — *If the member in Example D does not want to wait until age 65 to start her $1,805.43 monthly annuity, but wants an immediate benefit when she stops working, she can elect to receive a single lump sum of $40,000 — the combined value of her Member Contribution Account ($30,000) and Voluntary Contribution Account ($10,000).*

By making this election, the member will forfeit the $18,000 vested benefit from the Employer Contribution Account and will receive no further payments from the plan.

Keep in mind, if you take a lump sum payment from the plan, it may be subject to a 20% mandatory withholding tax, and a 10% early withdrawal penalty. Please refer to Question 15 for more information.

Survivor benefits

11. Does the plan pay survivor benefits?

If you die before your pension begins

Member Contribution and Voluntary Contribution Accounts

If you die and are still employed by your Employer (or you die after you stop working but before you start collecting any plan benefits), your beneficiary (spouse or other) will receive a survivor benefit equal to the sum of your Member Contribution and Voluntary Contribution Accounts soon after your death. Payment will be made in a single lump sum. If you have not named a beneficiary, or if no beneficiary is living, this survivor benefit will be paid to your estate.

Keep in mind that, unless you die at or after age 65, if you have no spouse when you die, no additional survivor benefits will be paid from the plan. See *"If you die at or after age 65"* on page 11 for more information.

Spouse's benefit

If you are married and die while employed by your Employer, your spouse is entitled to a lifetime survivor pension, payable immediately. If your spouse dies after you and before collecting the spouse's pension, the survivor benefits will be paid to your spouse's estate.

If you die at or after age 55 but before age 65

Your spouse's benefit will equal:

- 42.25% of your average monthly pay as of your date of death, plus
- 65% of your housing allowance benefit as of your date of death.

EXAMPLE F — *A member dies at age 56 with a monthly average pay of $4,000, and a monthly housing allowance benefit of $40. The member's spouse will receive:*

Monthly spouse's pension ($4,000 x 42.25%):	*$1,690.00*
Monthly spouse's pension from housing allowance ($40 x 65%):	*+ $26.00*
Total monthly pension (paid to spouse for life):	***= $1,716.00***

If you die before age 55

Your spouse will receive a survivor's pension — based on the same formula as described above — but reduced to reflect the longer period of payments.

EXAMPLE G – *Same facts as in Example F, but the member dies at age 54. In this case, the member's spouse will receive a reduced pension for life:*

Monthly spouse's pension ($4,000 x 42.25%)	*$1,690.00*
Monthly spouse's pension from housing allowance ($40 x 65%):	*+ $26.00*
Total (unreduced) monthly pension:	*$1,716.00*
Multiplied by reduction factor for starting pension early:	*x 91.58%*
Total (reduced) monthly pension (paid to spouse for life):	***= $1,571.51***

If you die after age 62 but before age 65, with 15 years of service

- For the first 10 years (120 months), your spouse will receive a reduced monthly annuity equal to:
  - > 65% of your average monthly pay as of your date of death, plus
  - > 100% of your housing allowance benefit as of your date of death.

The combined value will be reduced by 0.25% for each month your date of death occurs before age 65.

- After the first 120 monthly payments, your spouse will receive an unreduced benefit for life equal to:
  - > 42.25% of your average monthly pay as of your date of death, plus
  - > 65% of your housing allowance benefit as of your date of death.

EXAMPLE H — *A member dies at age 62 with 15 years of service, monthly average pay of $4,000 and a monthly housing allowance benefit of $40. The member's spouse will receive:*

For the first 10 years	
Monthly spouse's pension ($4,000 x 65%):	*$2,600.00*
Monthly spouse's pension from housing allowance ($40 x 100%):	*+ $40.00*
Combined value:	*$2,640.00*
Reduced by 9% (0.25% x 36 months) for starting pension 3 years early:	*— 237.60*
Total monthly pension (paid to spouse for first 10 years):	***= $2,402.40***
After 10 years of payments	
Monthly spouse's pension ($4,000 x 42.25%):	*$1,690.00*
Monthly spouse's pension from housing allowance ($40 x 65%):	*+ $26.00*
Total monthly pension (paid to spouse for life):	***= $1,716.00***

If you die at or after age 65

- Your spouse or other named beneficiary will receive 120 monthly payments equal to:
  - > 65% of your average monthly pay as of your date of death, plus
  - > 100% of your housing allowance benefit as of your date of death.
- After the first 120 monthly payments, your spouse will receive for life:
  - > 42.25% of your average monthly pay as of your date of death, plus
  - > 65% of your housing allowance benefit as of your date of death.

EXAMPLE I — *A member dies at age 66 with a monthly average pay of $4,500, and a monthly housing allowance benefit of $50. The survivor benefits will be calculated as follows:*

Monthly guaranteed pension ($4,500 x 65%):	*$2,925.00*
Monthly guaranteed housing allowance benefit ($50 x 100%):	*+ 50.00*
Total benefit guaranteed for 120 months (paid to spouse or other beneficiary):	***= $2,975.00***
After 120 monthly payments have been made, your spouse will receive:	
Monthly spouse's pension ($4,500 x 42.25%)	*$1,901.25*
Monthly spouse's pension from housing allowance ($50 x 65%):	*+ $32.50*
Total monthly pension (paid to spouse for life):	***= $1,933.75***

If you die after your pension begins

The amount of any survivor benefits will depend on the form of payment you selected at retirement.

Special rules

- *If you die before age 55*
  If you named a beneficiary other than your spouse to receive your Member and Voluntary Contribution Accounts, your spouse's benefit will be reduced by the value of those Accounts paid to your beneficiary.

- *If you die on or after your 65th birthday — either while in active service or after retirement*
  The spouse's benefit is paid in addition to any benefit paid to your beneficiary. The spouse's pension will begin after the end of the 10-year guarantee period.

- *When your spouse dies*
  If the value of your Member Contribution or Voluntary Contribution Account is greater than the amount paid to your spouse, the difference will be paid in a single lump sum to your spouse's beneficiary or estate.

Legal and tax considerations

12. Can the plan be amended or terminated?

Although the Church intends to continue the plan indefinitely, the Church reserves the right to amend or terminate the plan at any time, provided that **no amendment will make it possible for any part of the plan assets to be used for purposes other than for the exclusive benefit of plan members and their beneficiaries**. The Metropolitan Council has authority to amend the plan, as delegated by the All-America Council.

If the plan is terminated, all future plan contributions would stop and no further pension benefits would be earned. Based on the actuarial valuation — a review of the plan conducted by our actuaries each year — the Pension Board would determine the share of plan assets to allocate to each plan member and beneficiary. The allocated assets would then be used to purchase immediate or deferred annuities for the exclusive benefit of plan members and beneficiaries.

13. Are my pension benefits protected?

All plan assets are held in trust and protected from creditors — yours and your Employer's. Your benefits cannot be assigned or pledged to any individual or entity, or subjected to your debts or other legal obligations, except in accordance with a domestic relations order, or as otherwise provided by law.

Our plan is a defined benefit "church plan" as defined in Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA), and Section 414(e) of the Internal Revenue Code. As such, the plan is not subject to Title I of ERISA, or insured by the Pension Benefit Guaranty Corporation (PBGC), a government agency that insures certain types of pension plans.

14. Could my pension payments be delayed or denied?

The Pension Board strives to administer the plan as fairly and consistently as possible, and to properly pay all benefit entitlements to members and beneficiaries. However, if you fail to sign or submit any required forms or to furnish information requested by the Pension Board within a reasonable period of time, your benefit payments may be delayed.

All claims for unpaid benefits should be made in writing to the Pension Board. If a claim is fully or partially denied, you will receive a written notice from the Pension Board indicating the reason for the denial, the plan provisions pertinent to the denial, and a request for whatever additional information may be necessary to consider the claim further.

You will receive the notice within 90 days after the Pension Board receives your claim. The 90-day period may be extended for up to an additional 90 days under special circumstances. In this case, the Pension Board will notify you within the initial 90-day period, explain the special circumstances and let you know when a final decision is expected.

Should you receive a notice denying a claim for benefits, you or your authorized representative may review all pertinent documents and submit comments to the Pension Board for review.

The Pension Board must receive your written request for a review within 60 days after your receipt of the denial of your claim for benefits. The Pension Board will re-examine your claim and issue a final decision within 60 days after the receipt of your appeal, unless special circumstances require a reasonable extension (up to an additional 60 days).

15. Are my pension benefits taxed?

The following is a general description of the income tax implications on benefit payments from this plan. The laws are complex and subject to frequent change.

Annuity Payments

When you receive your pension as an annuity, the portion attributable to your Employer's contributions (and accumulated interest in all your Accounts) is taxable in the year you receive payment. Clergy may be eligible to treat a portion of their payouts as "housing allowance" and receive favorable tax treatment. Please consult your tax advisor.

Lump-sum payment

Under federal law, if you receive a lump-sum payment from the plan of more than $200, the Plan Administrator must withhold 20% of the taxable amount. To avoid this mandatory tax, you can elect to roll over all or a portion of your lump-sum payment to:

- another qualified employer retirement plan (e.g., 401(k), 403(b) plan) that accepts rollover contributions, or
- an Individual Retirement Account (IRA).

Any taxable portion that is not rolled over and paid to you in cash will be subject to the 20% withholding tax. This is not necessarily the tax you owe, it is just the amount of tax withheld. The amount which is not rolled over is subject to federal income tax in the year you receive payment.

You should not rely on this tax information and should consult the Internal Revenue Service or your tax advisor when considering a payment from the plan. Neither the Church nor the Pension Board can provide you with tax advice.

You cannot roll over a payment that is part of a series of substantially equal payments made at least once a year, including annuity payments or installments made over a period of 10 years or more.

If you choose to roll over only a portion of your lump-sum payment, you must roll over a minimum of $500.

If you elect to receive any cash lump sum from the plan before age 59½, the payment may also be subject to a 10% penalty tax under the Internal Revenue Code unless you:

- are at least age 55 when you stop working for your Employer, or
- roll over the entire cash lump sum to another qualified plan or IRA within 60 days of receiving it.

The 10% penalty does not apply to payments made to your beneficiary upon your death.

There are specific requirements set forth in the Internal Revenue Code that must be satisfied in order for your lump-sum payment to be eligible for rollover. For additional information please review IRS publication 575 which can be found at **www.irs.gov** under "forms and publications". Before receiving any payments from the plan, we highly recommend that you consult your tax advisor.

16. Can I make tax-deductible contributions to an Individual Retirement Account (IRA)?

Because you are a member of our pension plan, you cannot fully deduct contributions made to a traditional IRA. Only individuals with adjusted gross income under specified levels — and who are not members of an employer-sponsored retirement plan — can fully deduct IRA contributions.

You may, however, still contribute the full amount — or the difference between the full deduction and the allowable deductible amount — on an after-tax basis. The investment earnings under the IRA will continue to be tax free until they are withdrawn. You may have the option to make nondeductible or Roth IRA contributions. Please consult your tax advisor before making any IRA contributions.

Key terms

Annuity
A steady stream of monthly income, payable for life.

Average monthly housing allowance
Your housing allowance averaged over the same five years as your average monthly pay (see definition below), but only taking into account years after December 31, 2005. If all five years are before January 1, 2006, your average monthly housing allowance will be determined based on your first five years of service (or as many as you have earned, if less than five) after December 31, 2005.

Average monthly pay
For purposes of determining your pension, the average of your monthly cash salary (excluding living allowance, automobile allowance and all other forms of living expenses) during the five consecutive calendar years of service that produces the highest average. If you have less than five years of service, your salary during all your years of service will be averaged.

Beneficiary
The person(s) or OCA organization that you name to receive the survivor benefit from the plan. If you have an eligible spouse (see definition below), he or she is automatically your pension beneficiary unless a waiver is signed.

Disability retirement date
The date you are eligible for a disability retirement pension, provided you:

- complete five years of plan membership before your disability begins, and
- are eligible to receive Social Security disability benefits.

Employer (or "Church")
Unless otherwise noted, means the Orthodox Church in America, and other organizations, associations or corporations that are under the Church's jurisdiction.

Employer contributions
Contributions made by your Employer (Parish or other) equal to 8% of your monthly cash salary — and, for Clergy, 8% of your housing allowance.

Employer Contribution Account
A separate account established on your behalf to hold your Employer contributions plus interest.

Member contributions
Monthly contributions equal to 6% of your cash salary — and, for Clergy, 6% of your housing allowance.

Member Contribution Account
A separate account established on your behalf to hold your required contributions plus interest.

Normal retirement date
The first of the month on or after the later of your 65^{th} birthday, or the January 1^{st} of the year in which your fifth anniversary of becoming a plan member occurs.

Plan effective date
January 1, 1976; and fully restated as of January 1, 2008.

Plan Year
Each January 1 – December 31.

Spouse
The person of the opposite sex who is legally married to you under the laws of the state in which you live immediately before your death or retirement, and which marriage is recognized by the Church.

Vested
The right to receive your pension at normal or disability retirement even if you leave your Employer before you are eligible to retire.

Your Member and Voluntary Contribution Accounts are always 100% vested. Your Employer Contribution Account is vested based on your years of plan membership.

Voluntary contributions
In addition to the required member contributions, you may elect to make voluntary contributions to the plan equal to 1% to 10% of your cash salary.

Voluntary Contribution Account
A separate account established on your behalf to hold your voluntary contributions plus interest.

Year of service (also referred to as "year of plan membership")
Each 12-month period that you make the required plan contributions. If you work less than a full year, you will receive $1/12^{th}$ of a year of service for each month that you make the required contributions.

Contact us

If you have any questions about the plan, please contact:

The Orthodox Church in America Pension Plan
P.O. Box 675
Syosset, NY 11791
Phone: (516) 922-0550
Email: pension@oca.org

ORTHODOX CHURCH in AMERICA