ORTHODOX CHURCH in AMERICA

The Orthodox Church in America Pension Plan

Securing your future

A guide to your pension plan benefits

(for non-grandfathered members)

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Securing your future

The Orthodox Church in America Pension Plan was established on January 1, 1976 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. The plan was restated as of January 1, 2010, but only for new plan members, and for members who — as of December 31, 2009 — were under age 65 and already participating in the prior plan.

Any active member who was age 65 or older and actively participating in the plan on December 31, 2009, will continue to have his or her benefit determined by the plan provisions that were in effect on December 31, 2009. For purposes of this pension guide, this group of plan members are referred to as "grandfathered."

For purposes of this pension guide, the term "prior plan" refers to the Orthodox Church in America Pension Plan in effect on December 31, 2009.

When you become a plan member, your Employer makes regular contributions to the plan on your behalf. You are also required to make monthly contributions to the plan. When you retire, you will receive a retirement benefit (called a "pension") based on a formula that considers your compensation and years of service. If you resign or are discharged before you are eligible for a pension, you may qualify for a termination benefit as long as you are vested (see page 15 for definition). If you are not vested, your Member Contribution Account will be returned to you when you leave.

This guide has been prepared in simple terms to help you better understand how the plan works for non-grandfathered members as of January 1, 2010. It is not a legal document and does not cover every detail, but it does give you the basic facts. 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 plan 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.

Remember, if you are grandfathered under the prior plan, your pension is based on a different formula than described on the following pages. Please refer to "A guide to your pension plan benefits" dated November 2008 for more information.

If you are a grandfathered member, please refer to the pension plan guide dated November 2008 for details on how your pension is calculated.

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

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 supervises the administration of the plan and approves plan 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

"Pensionable compensation" is the sum of your annual base pay/cash salary. For clergy who receive a housing allowance, and laypeople required to accept employer housing, any housing allowance you receive each year will be included in your pensionable compensation. This does not include any living allowance, automobile allowance, or other forms of living expenses.

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).

You are not eligible to join the plan if you begin service with the Church after age 60.

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 cannot join 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 plan 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 pensionable compensation to the plan on your behalf. Employer contributions will be credited with interest equal to the federal mid-term rate published by the Internal Revenue Service (IRS) for October of the prior year.

The Pension Board will establish and maintain a separate account (called your "Employer Contribution Account") to hold Employer contributions made on your behalf, and related interest.

The interest rate applied to your plan accounts in 2010 is 2.63% per year, compounded monthly. This rate is the federal mid-term rate published by the IRS for October 2009.

Member contributions

Starting the month in which you become a plan member, you must make contributions equal to 6% of your monthly pensionable compensation. Your contributions will be deposited into the plan and credited with interest equal to the federal mid-term rate published by the IRS for October of the prior year.

The Pension Board will establish and maintain a separate account (called your "Member Contribution Account") to hold your member contributions and related 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 monthly pensionable compensation. Your voluntary contributions will also be deposited into the plan and credited with interest.

The Pension Board will establish and maintain a separate account (called your "Voluntary Contribution Account") to hold your voluntary contributions and related 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 your account if less. You can only make one withdrawal in a calendar year and must give the Pension Board 30 days advance written notice.

Other than withdrawing your voluntary contributions, you cannot receive any benefits from the plan while you are still working for your Employer.

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 your plan benefits when you leave your Employer or retire. You must have at least five years of service to be partially vested. 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.

Reassignment of clergy

If you are a member of the Clergy who is awaiting reassignment, you will not receive any service credit or earn any benefits during the waiting period (up to 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

4. When can I retire?

Normal retirement

You can retire and start collecting your pension on your normal retirement date, once you stop working. Keep in mind, your retirement benefit cannot be less than the actuarial value of your member contributions plus interest.

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** — *John was born on February 26, 1950 and became a plan member in 2006. His normal retirement date is* ***the later of****:*
>
> - *March 1, 2015 (first day of the month following his 65th birthday), or*
> - *January 1, 2011 (5th anniversary of becoming a plan member)*
>
> *In this case, John can retire and start collecting his normal retirement benefit on March 1, 2015.*

Early retirement

If you choose to retire before your normal retirement date, you are not eligible for a normal retirement benefit, as described in Question 5. However, you may be eligible to receive a termination benefit (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.

Your postponed retirement benefit – based on your postponed retirement date – is calculated the same way as your normal retirement benefit (see Question 5), as long as you continue to make the required member contributions until you retire.

Disability retirement

If you become disabled while you are actively employed, you will be entitled to retire from the plan with a disability 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 equal the pension you have earned as of your date of disability — and will be paid retroactively to the date you became eligible for Social Security disability benefits. See Question 7 for more information.

Your disability 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 pension will be discontinued until you provide the requested information. If you do not comply within one year, your disability pension will be permanently discontinued.

Once your disability 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.

You will be considered disabled if you have a physical or mental condition that qualifies you for Social Security disability benefits.

If you die while on disability, your surviving spouse will receive a lifetime benefit equal to 65% of your disability pension. If you don't have a spouse when you die, your disability retirement benefits will stop.

5. How is my retirement benefit calculated?

If you were an active member of the prior plan and under age 65 as of December 31, 2009, your retirement benefit is based on the greater of (A+B+C), or D, described below.

If you first join the plan on or after January 1, 2010, your retirement benefit is based on (B+C), described below.

A. *Your pension earned before 2010 ("Initial Accrued Benefit")*

If you were an active member of the prior plan and under age 65 as of December 31, 2009, you will not lose any benefit you earned under the prior plan formula. That amount will be your "Initial Accrued Benefit" as of January 1, 2010 under the new formula.

Your Initial Accrued Benefit is based on the prior plan formula, as follows:

Basic Benefit

- 65% of average base pay as of December 31, 2009

  multiplied by

- Participation service as of December 31, 2009, divided by eligibility service projected to age 65

plus

Housing allowance benefit (for Clergy only)

- 2% of average housing allowance as of December 31, 2009

  multiplied by

- Participation service (after 2005) as of December 31, 2009

Key terms such as "average base pay" and "participation service" are defined on page 15.

Please refer to your 2009 personal pension report for an estimate of your Initial Accrued Benefit.

B. *Pension earned after 2009*

You will earn a retirement benefit equal to 2% of your pensionable compensation for every month of plan membership after 2009.

EXAMPLE

If your monthly pensionable compensation is $4,000 in 2010 and $4,200 in 2011, as of December 31, 2011, you will earn a monthly pension (beginning at age 65) of $164.

($4,000 x 2%) + ($4,200 x 2%)
$80 + $84 = $164

Any future retirement benefits you earn from the plan would be added to this amount.

Periodic adjustments are not guaranteed to occur; they will only be awarded to all eligible active plan members when the plan is sufficiently funded and approved by the Pension Board and Metropolitan Council. They will not apply to any benefits being paid to retirees.

C. Periodic adjustments

A new feature of the pension plan as of January 1, 2010 is "periodic adjustments" that will help boost your retirement benefit. The adjustments are not guaranteed to occur; they will only be awarded when the plan is sufficiently funded and approved by the Pension Board and Metropolitan Council. If approved, any Initial Accrued Benefit, and pension earned after 2009 will increase by the amount of the adjustment. You will be notified if and when any periodic adjustments are granted. Keep in mind that periodic adjustments do not apply to pensions in pay status.

EXAMPLE

Your monthly Initial Accrued Benefit is $1,625, and you earned an additional $164 per month as of December 31, 2011 under the new formula. If the Pension Board declares a periodic adjustment of 3% at the beginning of 2012, your monthly benefit would increase as follows:

A. Monthly Initial Accrued Benefit as of December 31, 2009:	*$1,625.00*
B. Monthly pension earned after 2009:	*$164.00*
C. Periodic adjustment ($1,789 x 3%)	*+ $53.67*
Monthly benefit earned as of January 1, 2012:	***$1,842.67 (beginning at age 65)***

D. Minimum Benefit

You will qualify for a Minimum Benefit if you:

- were an active member of the prior plan,
- were under age 65 as of December 31, 2009, and
- retire directly from active service.

Your Minimum Benefit equals the monthly pension you would have received under the prior plan formula if you had retired on January 1, 2010 at age 65. In other words, your Minimum Benefit is based on the same formula as your Initial Accrued Benefit (see Section A on the prior page), except that — instead of eligibility service projected to age 65 — eligibility service is determined as of December 31, 2009.

You will receive the Minimum Benefit at retirement if it is more than the sum of A+B+C (described above).

Putting it all together

Here's how the Minimum Benefit works *(the following information is as of December 31, 2009)*:

- Average base pay = $45,000
- Housing allowance = N/A
- Participation service = 8 years
- Eligibility service = 10 years

Your Minimum Benefit = (65% x $45,000) x 8/10 = $23,400 per year ($1,950 per month).

Based on the example above, your monthly retirement benefit (A+B+C) as of January 1, 2012 equals $1,842.67. If you retire directly from active service on January 1, 2012, you would receive $1,950 per month beginning at age 65. That's because your Minimum Benefit (D) is greater than the sum of (A+B+C).

All examples provided in this booklet are for illustrative purposes only. Any benefits you receive from the plan will be based on your personal information and the terms of the plan in effect when you leave, become disabled or retire.

6. When is my retirement benefit paid?

Your retirement benefits will be processed as soon as possible after your normal, postponed or disability retirement date. If you choose, you may delay payment of your pension but not past the 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. How is my retirement benefit paid?

Whether you retire at your normal, postponed or disability retirement date (see Question 4), the way your benefit is paid will be based on your marital status when you retire.

If you have no spouse when you retire

Your retirement benefit will be paid to you for life with 10 years guaranteed. This means if you die before receiving 120-monthly pension payments, they will continue to your beneficiary for the remaining guarantee period.

If you have a spouse when you retire

Your spouse is your pension beneficiary, unless you elect otherwise and your spouse signs a written consent form. Your retirement benefit will be paid to you for life with 10 years guaranteed (as described above), with a continuing lifetime pension paid to your surviving spouse. This means, after the first 120-monthly payments have been made, when you die, your surviving spouse will receive a monthly lifetime pension equal to 65% of the pension you were collecting before your death.

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.

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.

8. Does the plan provide optional forms of payment?

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

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

Deciding **when** you want to retire is a big decision. But it's just as important to decide **how** you want your pension paid to you. 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.

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. Here are some things you should keep in mind before you choose a pension payment option.

Things to consider

- The pension amount you see on your annual statement (as well as those shown in the examples provided in this booklet) is the amount you would receive at age 65 if you chose a lifetime pension with a 10-year (120-month) guarantee. The amount of pension you actually receive may be more or less depending on which payment option you choose, your age, your spouse's age (if applicable) and the interest rates in effect when you start your pension.
- 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 your pension plan 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 plan 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. Otherwise, the value of your Voluntary Contribution Account will be used to increase your pension.

Vesting and termination benefits

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 "normal" retirement (see Question 4), you will not be eligible for a retirement benefit as described in Question 5. Instead, your Member Contribution Account, and vested Employer Contribution Account, will be used to provide you with a lifetime monthly termination benefit, payable beginning at age 65.

If you don't want to wait until age 65 to start your termination 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 full value of these accounts when you leave your Employer.

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%

To be "vested" means you have the right to receive your plan benefits when you leave your Employer or retire. You must have at least five years of plan membership to be partially vested.

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 member and any voluntary 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

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.

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 choose option 2, you must make the election in writing to the Pension Board. You should also be aware that **if you choose option 2, you will forfeit the benefit you would have received from your vested Employer contributions.**

EXAMPLE

Jane, 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 (always 100% vested):	*+ $30,000*
Total vested accounts at termination ($18,000 + $30,000)	*= $48,000*

Because Jane has more than five years of service, the total vested account balance ($48,000) will remain in the plan earning interest until she reaches age 65. At that time, her account balance will be used to provide a monthly lifetime benefit based on the interest rate and other factors stated in the official plan document as of her date of termination. In addition, Jane will receive the $10,000 from her Voluntary Contribution Account in a single lump sum soon after she stops working.

If Jane does not want to wait until age 65 to start collecting her termination benefit, 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) when she stops working.

By making this election, Jane will forfeit the $18,000 vested benefit from her 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

Your spouse (if you have one) is the beneficiary of your survivor benefit, unless you and your spouse sign a waiver and you name someone else to be your beneficiary. The survivor benefits paid from the plan depend on your age and marital status when you die.

If you die before age 65

If you have a spouse, he or she will receive:

- the sum of your Member and Voluntary Contribution Accounts in a single lump sum soon after your death; ***plus***
- a monthly lifetime pension equal to 65% of the pension you would have been entitled to at retirement if you had lived until age 65, ***less the lump-sum value of your Member Contribution Account described above***. The 65% spouse's pension will begin on the first day of the month on or after the day you would have turned 65, unless your spouse chooses to receive a reduced pension beginning at an earlier date.

Your spouse also has the option to receive your Accounts as an additional pension rather than an immediate lump sum.

If you do not have a spouse when you die, your beneficiary will receive the sum of your Member and Voluntary Contribution Accounts in a single lump sum soon after your death. No further survivor benefits will be paid from the plan.

If you die at or after age 65

If you have a spouse, he or she will receive:

- The sum of your Member and Voluntary Contribution Accounts in a single lump sum soon after your death; ***plus***
- 120-monthly payments equal to the pension you have earned and would have received at retirement, ***less the lump-sum value of your Member Contribution Account***.
- After the 120-monthly payments have been made, your spouse will continue to receive a lifetime monthly pension equal to 65% of the pension previously paid (as described above).

Your spouse also has the option to receive your Member and Voluntary Contribution Accounts as an additional pension rather than an immediate lump sum.

If you do not have a spouse, your beneficiary will receive the 120-monthly payments described above. After the 120-monthly payments have been made, no further survivor benefits will be paid from the plan.

If you die after your pension begins

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

By law, your spouse is automatically the beneficiary of your survivor benefits, unless you and your spouse sign a waiver. In this case, you can name someone else to be the beneficiary for:

- your Member and Voluntary Contribution Accounts *(if you die before age 65)*, or
- the 120-monthly payments of your pension, less the value of your Member Contribution Account *(if you die at or after age 65)*.

Your spouse will still receive 65% of the pension (previously paid for 120 months) for his or her life.

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 the authority to amend the plan, as delegated by the All-America Council.

If the plan is terminated, all future plan contributions will stop and no further benefits will be earned. Based on the actuarial valuation — a review of the plan conducted by our actuaries each year — the Pension Board will determine the share of plan assets that will be allocated to each plan member and beneficiary. The allocated assets would then be used to purchase immediate or deferred annuities from an insurance company 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. Church plans, like ours, are not subject to Title I of ERISA, nor guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a government agency that insures certain types of pension plans.

14. Could my benefit 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 plan 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.

Monthly benefit payments

When you receive a monthly benefit from the plan, 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. Also note that monthly payments such as lifetime pension benefits cannot be rolled over to another plan or an Individual Retirement Account (IRA).

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 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.

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 and technical qualifications and 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 with your tax advisor.

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

Only lump-sum payments received from the plan may be rolled over to another plan or an IRA; monthly payments such as lifetime termination or retirement benefits may not.

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

Average base pay as of December 31, 2009
The average of your cash salary (excluding living allowance, automobile allowance and all other forms of living expenses) during any five consecutive calendar years up to December 31, 2009, that produces the highest average.

Average housing allowance (for Clergy only) as of December 31, 2009
Your average housing allowance received after 2005 and up to December 31, 2009.

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 pension, provided you:

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

Eligibility service
The entire period of employment that you are eligible to make plan contributions, regardless of whether you actually contribute to the plan. *For example, if you were eligible to make plan contributions for 20 years, but only contributed for 15 years, your eligibility service equals 20 years.*

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 pensionable compensation.

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

Grandfathered member
Any person who — as of December 31, 2009 — is age 65 or older and actively participating in the Orthodox Church in America Pension Plan.

Grandfathered members earn pension benefits based on the plan provisions in effect on December 31, 2009 ("prior plan").

Member contributions
Contributions you make to the plan equal to 6% of your monthly pensionable compensation.

Member Contribution Account
A separate account established on your behalf to hold your member contributions and related interest.

Non-grandfathered member
Any person who:

- was under age 65 and actively participating in the Orthodox Church in America Pension Plan on December 31, 2009, or
- first joins the Orthodox Church in America Pension Plan on or after January 1, 2010.

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

Participation service
Each month of employment that you made the required plan contributions. *For example, if you were eligible to make plan contributions for 20 years, but only contributed for 15 years, your participation service equals 15 years.*

Pensionable compensation
The sum of your annual base pay/cash salary. For clergy who receive a housing allowance, and laypeople required to accept employer housing, any housing allowance you receive each year will be included in your pensionable compensation. This does not include any living allowance, automobile allowance, or other forms of living expenses.

Plan effective date
January 1, 2010

Plan Year
Each January 1 – December 31

Prior plan
The Orthodox Church in America Pension Plan that was in effect on December 31, 2009.

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.

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Vested
The right to receive your plan benefits when you retire or leave your Employer.

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 monthly pensionable compensation.

Voluntary Contribution Account
A separate account established on your behalf to hold your voluntary contributions and related 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
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Phone: (516) 922-0550
Email: pension@oca.org

ORTHODOX CHURCH in AMERICA