



## Pension Plan

# Securing your

The following highlights provide a brief overview of the Orthodox Church in America Pension Plan as of January 1, 2010 for non-grandfathered members. While reading through this document, you may find some terms that are not familiar (e.g., “non-grandfathered”, “normal retirement date”, “pensionable compensation” and “vested”). We’ve provided the definitions to these key terms — and others — on the back page. We also suggest that you review “A guide to your pension plan benefits (for non-grandfathered members)”, dated January 1, 2010, for more plan details. If you have any questions, please contact the pension office at (516) 922-0550.

### Joining the Plan

#### Plan membership

- If you are a bishop or priest, you become a member of the plan on your date of hire. You must make the required contributions. You are not eligible if you were hired after age 60.
- If you are a full-time employee — other than a bishop or priest — you can join on the first of any month after your date of hire, provided you submit an election form to the Pension Board and make the required contributions. You are not eligible if you:
  - are a part-time employee who works less than 20 hours/week, or
  - were hired after age 60, or
  - reach age 60 while employed but before joining the plan.
- You and your employer share the cost of providing your pension by making regular contributions to the plan.

#### Employer contributions

- 6% of your monthly pensionable compensation.
- Interest credited at the federal mid-term rate published by the IRS for October of the prior year, compounded monthly.

#### Member contributions

- Mandatory: 6% of your monthly pensionable compensation.
- Voluntary: 1-10% of your monthly pensionable compensation; can be withdrawn once per year anytime before retirement (\$100 minimum withdrawal, or full value of account if less).
- Interest credited at the federal mid-term rate published by the IRS for October of the prior year, compounded monthly.

## Retirement Benefits

- Normal: later of your 65<sup>th</sup> birthday, or the January 1<sup>st</sup> of the year in which your fifth anniversary of becoming a plan member occurs.
- Early: if before age 65, you are not entitled to retirement benefits; you may receive termination benefits based on your Member and vested Employer Contribution Accounts. See “Vesting and Termination Benefits” on page 3 for more information.
- Late: any time you leave after normal retirement, provided you continue to make the required contributions.

### Your pension (at normal or late retirement)

- If you were an active plan member age 65 or older as of December 31, 2009, you are “grandfathered” under the prior plan formula. Please refer to the plan highlights as of January 1, 2008 for details.
- If you were an active plan member under age 65 as of December 31, 2009, you will receive a monthly pension equal to the greater of (A + B + C), or D; described below.
- If you first join the pension plan on or after January 1, 2010, you will receive a retirement benefit equal to (B + C), described below.

A = Your pension earned before 2010 under the prior plan formula (“Initial Accrued Benefit”);

B = 2% of your pensionable compensation for every month of participation after 2009;

C = Any periodic adjustments awarded by the Pension Board and Metropolitan Council;

D = The amount of pension you would receive under the plan formula in effect before 2010, and assuming you were eligible to retire on December 31, 2009 (“Minimum Benefit”).

*You will qualify for a Minimum Benefit only if you retire directly from active service.*

- With written notification to the Pension Board — once you stop working — you can delay your pension until April 1<sup>st</sup> of the year following the year in which you reach age 70½.
- Your retirement benefit cannot be less than the actuarial value of your mandatory member contributions plus interest.

### Pension payment options at retirement

- If you don’t have a spouse when you retire, your pension will be paid for life with the first 120-monthly payments guaranteed.
- If you have a spouse when you retire, your pension will be paid for life with the first 120-monthly payments guaranteed. After the first 120-monthly payments have been made, your surviving spouse will receive a lifetime pension equal to 65% of the pension you were receiving before your death.
- Optional forms of payment include a 50% or 100% survivor pension. These optional forms provide a pension to you for life. When you die, 50% or 100% of your monthly benefit will continue to be paid to your spouse or other beneficiary each month for his or her life.

## Disability Benefits

- You are eligible for the plan’s disability retirement benefits provided you:
  - complete five years of plan membership before your disability begins, and
  - are eligible for Social Security disability benefits.
- You will receive a monthly pension — based on the same formula used to calculate your retirement benefit (see section above) — equal to the total benefit you earned as of your date of disability.
- Evidence of disability may be requested. If you don’t provide the requested documentation, your disability pension may be discontinued.
- 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.

## Vesting and Termination Benefits

- Your Member and Voluntary Contribution Accounts are always 100% vested.
- Your Employer Contribution Account is vested as follows:

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%

- If you have less than five years of plan membership when you stop working, your Employer Contribution Account is forfeited; you will receive the total value of your Member and Voluntary Contribution Accounts in a single lump sum.
- If you have five or more years of plan membership when you stop working, and do not qualify for retirement benefits:
  - Your Member Contribution Account and vested Employer Contribution Account will be used to provide you with a lifetime monthly pension, beginning at age 65. You can choose to delay payment up to April 1<sup>st</sup> of the year following the year in which you reach age 70½. Any Voluntary Contribution Account will be paid to you immediately in a lump sum.
  - Alternatively, if you don't want to wait until age 65 to collect a lifetime pension, you can submit a request to the Pension Board to receive your Member Contribution Account in a single lump sum any time between your last day of work and your 65<sup>th</sup> birthday. However, you will forfeit any benefit payable from your vested Employer Contribution Account, and no further benefits will be paid from the plan.
- Keep in mind, any cash lump-sum payment you receive from the plan — and do not roll over to another qualified retirement plan or to an IRA — may be subject to a mandatory 20% withholding tax. In addition, if you are under age 59½ when you receive the cash lump sum, a 10% early withdrawal penalty may apply. Please consult your tax advisor before receiving any payments from the plan.

## Survivor Benefits

- **If you die before your pension begins**
  - Your Member and Voluntary Contribution Accounts will be paid to your beneficiary (spouse or other) in a single lump sum. If you do not have a spouse when you die, no additional survivor benefits will be paid from the plan unless you die on or after your 65<sup>th</sup> birthday (see below).
  - If you have a spouse when you die, a spouse's benefit will be paid in addition to the above mentioned lump sum. The amount of your spouse's benefit will depend on how old you are when you die.
    - > **If you die before age 65**, your spouse will receive a monthly benefit equal to 65% of the pension you would have received at retirement if you had lived until age 65 — **less the value of your Member Contribution Account**. Your spouse's pension will begin on the first of the month on or after your 65<sup>th</sup> birthday, unless he or she chooses to receive a reduced pension beginning at an earlier date.
    - > **If you die on or after your 65<sup>th</sup> birthday**, your spouse or other named beneficiary will receive 120-monthly payments equal to 100% of the pension you would have received at retirement — **less the value of your Member Contribution Account**. After the first 120-monthly payments have been made, your spouse will receive monthly payments for life equal to 65% of the pension previously paid for 120 months.
- **If you die after your pension begins**, any survivor benefits paid from the plan will depend on the form of pension you selected at retirement.

