

POLICY HAND BOOK
Ministers' Pension Plan of the Advent Christian General Conference of America

Revised 2007

ARTICLE I
Definitions

- (a) The term "ACGC" shall mean the Advent Christian General Conference of America.
- (b) The term "plan" shall mean the pension plan hereby established and as it may be amended from time to time.
- (c) The term "Board" shall mean the Board of Pensions of the Advent Christian General Conference, which shall be charged with the operation of the plan.
- (d) The effective date of the plan shall be June 1, 1972.
- (e) The term "member" shall mean an individual included as a member under Article II.
- (f) The term "congregation" shall mean the congregation or other organization paying a salary to a member.
- (g) The term "spouse" shall mean the spouse of a deceased member, who is eligible for spouse pension.
- (h) The term "salary" shall mean the fixed salary of a member received as compensation for his services plus an amount equivalent to (1) 25% of the fixed salary thereof, if the member occupies a residence free of rent, or (2) the actual housing allowance paid.
- (i) The term "member contributions" shall mean the net contributions of a member as provided in Article IV.
- (j) The term "congregation contributions" shall mean the net contributions by the congregation of the member as provided in Articles III and IV.
- (k) The term "member accumulation" shall mean the accumulated total of the member contributions actually paid plus the interest credits thereon.
- (l) The term "congregation accumulation" shall mean the accumulated total of the congregation contributions actually paid and credited to the member plus the interest credits thereon.
- (m) The term "combined accumulation" shall mean the total of the member accumulation and the congregation accumulation.
- (n) The term "age pensioner" shall mean a member receiving an age pension.
- (o) The term "disability pensioner" shall mean a member receiving a disability pension.
- (p) The term "spouse pensioner" shall mean a spouse receiving a spouse pension.

(q) The term “actuarial equivalent” shall mean a benefit calculated to be of equal value to an accumulation or to another benefit, based on the actuarial assumptions adopted by the Board for such purpose and in force at the time a calculation is made.

(r) The term “he” shall mean either he or she and the term “his” shall mean either his or hers as the context may require.

ARTICLE II Membership

1. Those eligible for membership shall be those who regularly devote at least twenty (20) hours per week to the pastoral work in ACGC and are:

(a) Ordained or licensed ministers who hold credentials in a Conference of the ACGC.

(b) Commissioned home or foreign missionaries of the ACGC.

(c) Such other persons or groups of persons who are employed by organizations associated with ACGC and declared to be eligible by the Board upon request.

2. Those included as members shall be eligible persons who have executed and submitted standard application forms that have been approved.

ARTICLE III Congregation Contributions

The net contribution toward this plan by each congregation served by a member shall be an amount agreed to between the Member and the congregation not to exceed the amount then allowable by law. Such amounts shall be items of current expense to the congregation and not of benevolence or denominational outreach. These contributions shall be credited to the individual account(s) of the member serving such congregation.

ARTICLE IV Additional Optional Contributions

The member may make voluntary contributions to the accumulation accounts. All such contributions will be limited so not to exceed the amount then allowable by law. These contributions shall be credited to the individual account(s) of the member.

ARTICLE V Earnings (Losses) Postings

The Balanced Accumulation Fund is comprised of fixed and equity investments. These are funds of members who have not retired. Interest is posted quarterly to the Member’s average quarterly balance by a percent approved by the Pension Board.

Variable Accumulation Fund is comprised of Mutual Funds. These are funds of members who have not retired. Valuations of the Mutual Funds are based on their daily market values, which includes reinvested dividends and capital gains distribution as they are earned.

ARTICLE VI Pension and Death Benefits

Section A: Age Pension

(1) A member who has attained his 60th birthday may elect at any time thereafter to have his combined accumulation applied as the actuarial equivalent to provide an age pension for the member. If the member is unmarried the pension shall be on a single life basis but if the member is married, the pension shall be on a joint and survivor basis with 100% of the pension continued to the spouse, provided the spouse was such at the time the age pension was entered upon.

(2) In lieu of an age pension on the joint and survivor basis, a married member with written consent of the spouse, may elect to have provided an age pension on the single life basis. The written consent must be notarized and submitted in original.

(3) A member who has attained his sixtieth birthday may elect to receive his combined accumulation (or any portion thereof) as a cash settlement. In the case that the cash settlement involves less than the entire amount of his combined accumulation the remainder shall be used to provide an age pension according to the provisions of this Section (except as restricted in Article IX).

(4) The election to receive an age pension is irrevocable. Should an age pensioner return to active or interim work, he may have current contributions applied to an accumulation account. Subsequent retirement would allow member to handle this account as detailed under (1), (2), and (3) of Section A.

Section B: Disability Pension

(1) In the event of the total and presumably permanent disability of the member before attaining the age of sixty, his combined accumulation shall be applied as the actuarial equivalent to provide a disability pension for the member under terms similar to those provided for the age pension in Section A.

(2) Proof of disability satisfactory to the Board must be made upon the forms and in the manner provided by the Board, and shall include certification of a competent physician as to such disability. The Board shall have the right to require proof of continued disability and certification as to earnings and occupation, if any, from time to time but at intervals of not less than a period of one year.

(3) If the disability pensioner should recover because such disability proved to be temporary rather than permanent, the disability pension shall terminate as of the date the member is able to resume a gainful occupation covered by the Pension Plan. The accumulation account of the member will be reestablished with a value equal to the accumulation value of his account at the beginning of the disability pension minus the sum of disability payments. The Board may adopt rules and regulations covering the case of disability pensioners receiving part-time salaries.

Section C: Spouse Pension

(1) In the event of the death of an age pensioner or a disability pensioner leaving a spouse, the spouse pension, if any, shall be provided as in Sections A and B.

(2) In the event of the death of a member before entering upon an age or a disability pension, leaving a spouse, the combined accumulation shall be applied as the actuarial equivalent to provide a spouse pension payable on a single life basis or a lump sum.

Section D: Death Benefit Other Than Spouse Pension

(1) A member, leaving no spouse, has the right to name contingent beneficiaries on the membership application forms or amend such thereafter.

(2) In the event of the death of a member before entering upon an age or disability pension, leaving no spouse the accumulation shall be paid by the Board to the member's estate or non-spouse beneficiary(s).

(3) In the event of the death of a member after entering upon an age or disability pension, and leaving no spouse, a non-spouse beneficiary(s) or the estate of the member is entitled to receive the remainder payments of 120 guaranteed monthly payments, or the commuted lump sum value thereof. (The 120 guaranteed monthly payments are calculated from the date the member's age or disability pension began.)

ARTICLE VII Termination Benefits

If a member under age 60 who is not receiving a disability pension becomes ineligible under the provisions of Article II, his active membership shall cease. He may remain in the plan. If he wishes to withdraw his combined accumulation from the plan he shall forfeit 25% of such accumulation to insure the plan against unplanned forfeiture of investments.

ARTICLE VIII Mode of Payment of Contributions

Contributions can be made at any time as agreed to by Member and congregation.

ARTICLE IX Pension Annuity Payments

All pension annuity payments shall be made in monthly installments at the end of the month. If upon retirement, the member accumulations available are not sufficient to provide a pension payment equal to or greater than one-hundred dollars per month the member accumulations will be paid in a lump sum.

ARTICLE X Part I Operating Fund

An operating fund shall be maintained which shall be credited with the following items:

(a) Accumulations or reserves released under Article VII of the plan.

- (b) Income from investments that is set aside by the Pension Board as a reserve for future contingencies.
- (c) Gifts from donors through benevolence.
- (d) Other allocations authorized by the Pension Board to this fund.

This fund shall be charged with the following items:

- (a) Administrative expenses of the plan.
- (b) Appropriations by the Board to supplement the income earned on invested funds.
- (c) Appropriations authorized by the Board for designated purposes.

ARTICLE XI

Operation of the Plan

Section A: Administration

(1) The plan shall be operated and administered by the Board in accordance with such rules and regulations in harmony therewith as the Board may from time to time adopt. The Board's construction and interpretation of any provision of the plan or of such rules and regulations will be binding on all parties except that an appeal there from may be taken by any interested party to the Executive Council of ACGC and its decision shall be final.

(2) The Board may delegate its powers and duties in respect to the operation and administration of the plan, including its powers and duties in respect to the handling, investing, sale or other disposition of its funds and assets, to committees, officers, or agents, selected from within or without the membership of the Board. The action or decision of any such committee, officer or agent, within the scope of the powers or duties so delegated, shall be deemed to be the action or decision of the Board. The decision of the Board as to all matters arising under the plan shall be final, and shall be binding on all parties.

Section B: Liability

The funds and assets of the plan are owed to members, pensioners and beneficiaries hereunder for the payment and discharge of their pension and benefit claims in the manner and to the extent provided in the plan. In no event shall any liability accrue or be asserted against ACGC or congregation for pensions, benefits or other claims arising out of the establishment, maintenance, conduct and operation of the Pension Plan. Funds or assets of the Church or any of its boards or agencies shall not become subject to or liable for any claims or liabilities resulting from operations of the Pension Plan. No action at law or in equity shall ever accrue or be maintained in any court against ACGC or the congregation to enforce any such asserted claim or liability.

Section C: Investments

All funds of the plan shall be invested only upon the approval of the Board through its duly authorized committee, officer, or agent.

Section D: Construction

This plan and the rules and regulations adopted hereunder and the rights of members, pensioners and beneficiaries of the plan, shall be construed in accordance with the laws of the State of Illinois.

ARTICLE XII
Asset Assignment

It is not permissible for a member to use his Accumulation Account as collateral for a loan.

ARTICLE XIII
Amendments

This plan may be amended by a 75% majority vote of the members of the Board. No amendment shall abridge or annul the rights of members in respect to their combined accumulations.

Advent Christian Ministers Pension Plan Frequently Asked Questions

1. Who is eligible to participate in the Pension Plan?

- Those working in the ministry of an AC church/organization at least 20 hours per week *and* are:
 - Ordained or licensed ministers holding current credentials in the AC denomination,
 - Commissioned home or foreign missionaries, or
 - Employees of Advent Christian churches or Associate Members as approved by the Pension Board.

2. How do I apply for membership in the Pension Plan?

- Contact the Advent Christian General Conference to request the pension application forms-- 1-800-676-0694. All application forms must be completed and returned before any deposits are made.

3. How much should I deposit in my pension and how often are deposits made?

- Pension deposits are determined by agreement between the minister and their church. The member and/or church can contribute as much or as often as desired within the annual limits established by the IRS. The Pension Board recommends that churches contribute 9% of the member's salary to their pension. Checks should be made out to "Advent Christian Ministers Pension Plan" and have the member's name clearly marked on the check.

4. What kind of pension plan is this?

- Ours is a defined contribution plan, meaning whatever is contributed for a particular member will be tracked and will be available for withdrawal or retirement benefits for that member. This is a church or religious pension plan by IRS standards (rather than a 401(k), 403(b) or other type).

5. How much interest will my pension earn?

- The pension plan consists of two investment options.
 - A) *Balanced Accumulation Fund* earns interest quarterly at a rate set by the Pension Board. In recent years it has been 3% annually, but may change depending on investment performances. The Balanced Fund is invested in a variety of stocks, bonds, government agencies, and other investments.
 - B) *Variable Accumulation Fund* is adjusted quarterly based on the market performance (gain or loss) of designated mutual fund investments.You can specify what percentage of your contributions go to A or B (100/0, 75/25, 50/50). You can change the allocation for future deposits at any time; however, you cannot transfer money from one fund to the other once it has been deposited.

6. How do I withdraw funds? Are there penalties?

- To request a withdrawal of funds (before retirement), simply contact ACGC and request a withdrawal form. We require two weeks notice to complete a withdrawal. If you are under age 60, we withhold a 25% penalty. Regardless of your age we withhold 20% for federal taxes unless the withdrawal is strictly for housing expenses. You will then receive a 1099R form at year-end for your tax return.

7. How can I designate a portion for housing?

- When you make a withdrawal you will have the option to designate the amount you intend to use for housing expenses, and we will not withhold federal taxes from that amount. Similarly, when you set up an annuity, you can designate the housing portion and we will report that as non-taxable on your 1099R. However, please note that on your tax return you can only claim the *smallest* of: a) designated housing allowance, b) actual housing expenses, or c) fair rental value of your house.

8. Can I roll my pension over to an IRA or vice versa?

-Funds can also be rolled over to an IRA at another financial institution with no tax withheld so long as the check is made out to the financial institution and not to the member. There will be a 25% penalty withheld if you are under age 60. We cannot accept rollovers from other plans however.

9. What happens when I retire?

-Upon retirement you can request a retirement form from ACGC. You can withdraw your pension in a lump sum and/or take a monthly annuity. If receiving an annuity, you will have a guaranteed 10 years of payments. If you or your spouse lives more than 10 years after retirement, the annuity will continue until the death of both persons. If both persons die before 10 years have passed, the remainder of the annuity payments will be paid in a lump sum to the estate of the member or to any contingent beneficiaries you have named. You will receive a 1099R form for your tax return each year that you receive payments.

10. What if I become disabled and cannot work?

-There are provisions for disability benefits. Each case is considered on an individual basis based upon a medical report from your physician.

11. What if I leave the ministry?

-If at any time you become ineligible for membership in the pension plan, you cannot continue to make deposits; however, we will hold your pension until you wish to withdraw the funds or retire.