



# Clergy Pension Plan

## At-A-Glance

### What Is the Clergy Pension Plan (the Plan)?

The Clergy Pension Plan is a defined benefit pension plan, which provides a benefit based on a predefined formula that takes into account your years of service with the Episcopal Church and compensation history. Participation in the Plan provides you with access to other benefits administered by The Church Pension Fund (CPF).

### Eligibility

A cleric is eligible to participate in the Plan if he or she is canonically resident in and serving in a domestic diocese of the Episcopal Church.\*

### Participation

If you are an ordained Episcopal cleric, you automatically participate in the Clergy Pension Plan if you are compensated, regularly employed, expected to work five or more consecutive months for the same Episcopal employer, and your employer pays Assessments to CPF. Participation is optional if your work is expected to last for less than five consecutive months.

### Vesting

Vesting means you are entitled to receive a pension benefit from the Plan upon your retirement. You become vested at the earlier of earning five years of Credited Service or turning age 65 or older while an Active participant.

### When Can You Begin Receiving Your Vested Pension Benefits?

Early Retirement	At or after age 55
Normal Retirement	At or after age 65
Mandatory Retirement Age	At age 72

### Benefits Are Calculated Using Various Factors

#### Credited Service

The period of years and months that your employer or diocese has paid full Assessments on your Total Assessable Compensation and, if applicable, for which you have personally paid Assessments.

#### Highest Average Compensation

If you earn Credited Service on or after January 1, 2018, your Highest Average Compensation is generally the average of the seven highest-paid, non-overlapping, 12-month periods during which you earned Credited Service over your entire career.

#### Total Assessable Compensation

The basis for the amount your employer pays in Assessments. Your employer or diocese must pay 18% of your Total Assessable Compensation, which is the sum of the following annualized amounts: (1) base salary (excluding housing) and scheduled taxable cash payments; (2) cash housing allowance and/or utilities; (3) employer contributions to a qualified and/or non-qualified plan; (4) one-time payments; and (5) the value of employer-provided housing, which generally equals 30% of the sum of the four previous items.

*\*For most countries outside the United States served by The Episcopal Church, CPF offers the International Clergy Pension Plan.*

## How Is Your Pension Benefit Calculated?

If you retire at or after the normal retirement age of 65, you will receive a normal retirement benefit as calculated below.

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Highest Average Compensation (up to \$10,000) x Credited Service x 1.15%

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Plus

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Highest Average Compensation x Credited Service x 1.6%

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**= Your Total Annual Normal Retirement Benefit**

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If you retire before age 65, your annual pension benefit is subject to reduction unless you retire at or after age 55 and have earned 30 or more years of Credited Service.

## Minimum Pension

As long as you are vested and eligible to retire, the Plan provides a minimum pension benefit based on your Credited Service. If you earned 25 years of Credited Service, the minimum pension equals the two-person Federal Poverty Level (for the 48 contiguous states and the District of Columbia) in effect in the year before the year in which you retire. The minimum pension is prorated up or down if you have earned more or less than 25 years of Credited Service and is subject to the *early* retirement reduction. In addition, the annual amount is capped at your Highest Average Compensation.

## Pension Payment Options

**Zero Option:** With the single life or zero option, you will receive an enhanced monthly pension benefit for your lifetime. However, following your death, no survivor benefit will be paid.

**50%, 75%, or 100% Joint and Survivor Options:** These options provide an actuarially-reduced benefit over your lifetime. Benefits are reduced because they will be paid beyond your lifetime. (If you have an eligible spouse, however, the cost of the 50% survivor option is fully subsidized by the Plan.) In the event of your death, your beneficiary will receive a benefit equal to the percentage that you elected for his or her lifetime (that is, 50%, 75%, or 100%).

**15-Year Certain and Life Option:** Under this option, you will receive a monthly pension benefit for your lifetime. If you die after receiving payments for 15 years, there will be no further benefits payable after your death. However, if you die before receiving payments for 15 years, then your beneficiary will receive a monthly benefit for the remainder of the 15-year period.

## Other Benefits (depending on your status in the Plan)

You, your eligible spouse, eligible children, or other eligible designated beneficiaries may also receive these:

Christmas Benefit	Discretionary Cost-of-Living Adjustments (COLAs)
Disability Benefits	Post-Retirement Medical Subsidy
Resettlement Benefit	Death Benefits

## Questions?

Please call a Client Services representative at (866) 802-6333, Monday to Friday, 8:30 AM to 8:00 PM ET.

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