



The Episcopal Church Lay Employees' Retirement Plan

At-A-Glance

What is the Lay Employees' Retirement Plan?

The Episcopal Church Lay Employees' Retirement Plan (the "Lay DB Plan") is a defined benefit pension plan, which provides a retirement benefit based on a predefined formula that takes into account your years of service with a participating Episcopal employer and compensation history. Benefits are funded by employer contributions called Assessments.

Eligibility

You must be scheduled to work a minimum of 1,000 hours per year to be eligible to participate in the Lay DB Plan. There is no minimum age or waiting period.

Participation

An Episcopal employer must first sign and file an adoption agreement with The Church Pension Fund (CPF) to become a participating employer in the Lay DB Plan. Then, your employer must enroll you in the Lay DB Plan. Your membership generally will begin on the first day of the month following receipt by CPF of all required enrollment information and/or paperwork.

Note that the Lay DB Plan cannot be adopted retroactively.

Vesting

Vested means you are entitled to receive a pension benefit from the Lay DB Plan upon your retirement. You become vested upon the first of the following to occur: earning five years of Credited Service, attaining age 55 or older while enrolled in the Lay DB Plan, or becoming eligible for disability payments under the Lay DB Plan.¹

When Can You Begin Receiving Your Vested Pension Benefits?

Early Retirement	At or after age 55
Normal Retirement	At or after age 65 ²

Benefits Are Calculated Using Various Factors

Earnings

The basis for the amount that your participating employer pays in Assessments. Earnings are also used to calculate your Highest Average Compensation. Specifically, your participating employer must pay 9% of your Earnings, 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 (applies to month when paid); and
5. the value of employer-provided housing, which generally equals 30% of the sum of the four previous items.

¹ In addition, if you were, became, or become an Active member in the Lay DB Plan on or after January 1, 2013, your previous employment with any Episcopal employer (even one that does not participate in the Lay DB Plan) will count toward vesting service under the Lay DB Plan if you worked at least 1,000 hours per year for that previous employer and also provide verification of that prior employment to CPF.

² If you are vested, have not yet retired under the Lay DB Plan, and are no longer working for a participating employer, the Internal Revenue Service requires that you begin receiving your retirement benefit after you reach a certain age. In general, if you turn age 72 on or after January 1, 2020, your required beginning date is April 1 of the year following the year in which you turn age 72 (or, if later, April 1 of the year following the year in which you stop working for a participating employer).

Credited Service

The period of years and months for which full Assessments have been paid on your Earnings while you are working for a participating employer.

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.

How Is Your Pension Benefit Calculated

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

Highest Average Compensation x 1.5% x Credited Service

= Your Total Annual Normal Retirement Benefit

If you retire on or after age 55 (but before age 65), your annual pension benefit is subject to an early retirement reduction. This reduction will generally be equal to 5% for each year (approximately 0.4167% per month) your early retirement date is short of age 65, with a maximum total reduction of 50%.³

Pension Payment Options

Single Life Option: This option provides a monthly pension benefit for your lifetime only. No survivor's benefit is payable following your death. This is the normal form of payment (the default option) if you are not married at the time you retire.

50%, 75%, or 100% Joint and Survivor Options: These options provide an actuarially reduced, monthly pension benefit over your lifetime. Benefits are reduced because they may be paid beyond your lifetime. Upon your death, your named beneficiary will receive a monthly survivor's benefit equal to the percentage that you elected at retirement for their lifetime (that is, 50%, 75%, or 100% of your monthly pension benefit). The 50% joint and survivor option is the normal form of payment (the default option) if you are married at the time you retire.

15-Year Certain and Life Option: This option provides an actuarially reduced, monthly pension benefit for your lifetime and may or may not provide a survivor's benefit, depending on when you die. If you die after receiving payments for 15 years, no further benefits will be paid after your death. However, if you die before receiving payments for 15 years, then your named beneficiary will receive a monthly benefit for the remainder of the 15-year period. If your beneficiary also dies prior to the end of the 15-year period, the balance of any remaining payments will be paid to the estate of whoever is the last to survive.

Lump Sum Payment of Small Benefit: If the value of your pension benefit is below certain thresholds, a lump sum payment may be an additional option, or may be the only payment option available.

Eligibility for Pre-Retirement Survivor Benefit

If you die before you retire, your eligible spouse will receive a monthly preretirement survivor benefit for life if:

1. you were an active member in the Lay DB Plan and died on or after reaching age 55, or
2. you ended employment with a participating employer on or after reaching age 55 and were entitled to a vested benefit.

³ If you were age 50 or older and an active member in the Lay DB Plan (or an inactive member with a vested benefit) as of December 31, 2017, you will be grandfathered under different early retirement reduction factors, which are described below:

- If you retire on or after age 55 and before age 60, your benefit will be reduced according to a schedule (ranging from a minimum total reduction of about 12% to a maximum total reduction of approximately 40%).
- If you retire on or after age 60 and before age 65, your benefit will be reduced by 2.4% per year (or 0.2% per month) that your early retirement date precedes age 65, with a maximum total reduction of 12%.

Other Benefits (eligibility requirements apply)

You, your eligible spouse, or other eligible designated beneficiaries may also be eligible to receive disability payments and/or a lump sum death benefit.

Questions?

Please contact Client Services at (866) 802-6333, Monday to Friday, 8:30 AM to 8:00 PM ET (excluding holidays), or by email to benefits@cpg.org.

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The Lay DB Plan's financial condition is disclosed in the Church Pension Group Annual Report, which is located on our website at www.cpg.org. Like many defined benefit plans, there may be times when the Lay DB Plan is not fully funded. CPF, as sponsor of the Lay DB Plan, continues to monitor the plan's funding status and reserves the right to change the employer assessment rate at any time.