CHURCH PENSION FUND

The Episcopal Church Retirement Savings Plan and The Episcopal Church Lay Employees' Defined Contribution Retirement Plan

Employer Guide

19 East 34th Street
New York, NY 10016
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The Church Pension Fund (CPF) is pleased to provide the Employer Guide to:

- The Episcopal Church Retirement Savings Plan (RSVP) and
- The Episcopal Church Lay Employees' Defined Contribution Retirement Plan (Lay DC Plan).

Please note that wherever the word "Plan" or "Plans" is used in the Employer Guide, that term will refer to the RSVP and the Lay DC Plan. Specific reference will be made to the RSVP or to the Lay DC Plan, as applicable, if anything in the Employer Guide applies only to one of the Plans. Accordingly, the rules and provisions described in the Employer Guide are applicable to both Plans unless specified otherwise.

The Employer Guide has been prepared to help you understand the Plans' benefits, which include:

- Flexible eligibility and contribution options
- A wide range of investment choices, including a socially responsible option and retirement-date funds
- 24/7 account access via the Internet and/or toll-free telephone service
- A customer service team that is familiar with both Plans
- Retirement planning models that are accessible via the Internet at no additional cost to the participant
- Loans and hardship withdrawals

We hope the Employer Guide addresses any questions you may have about your obligations as the employer. Please also refer to the employee enrollment guide entitled "Your Guide to Getting Started," which is available on our website at **www.cpg.org**, for more details about the Plans, including a description of all investment options available under the Plans. Please feel free to contact Church Pension Group (CPG) Client Services at **(866) 802-6333,** Monday through Friday, 8:30 a.m. to 8:00 p.m. Eastern time (excluding holidays), regarding the Plans or the services we provide.

The information contained herein was provided by and is solely the responsibility of The Church Pension Fund.

Plan Highlights

About This Employer Guide

This Employer Guide describes the material benefits and rules governing:

- The Episcopal Church Retirement Savings Plan (RSVP) and
- The Episcopal Church Lay Employees' Defined Contribution Retirement Plan (Lay DC Plan).

The Plans

The Plans were established for employees of participating employers of the Episcopal Church in the United States of America to save for their retirement on a tax-deferred basis. The Plans function similarly to a 401(k) plan, which is offered by many for-profit companies. The Plans are not subject to the terms of the Employee Retirement Income Security Act of 1974.

The RSVP is meant primarily to supplement the retirement savings of clergy and lay employees who are enrolled in a defined benefit pension plan. The RSVP is a defined contribution retirement plan designed to satisfy Section 403(b)(9) of the Internal Revenue Code (the Code).

The Lay DC Plan is meant to serve as the primary retirement savings vehicle for lay employees whose employers are offering a defined contribution retirement plan in accordance with Resolution A138, 76th General Convention, 2009. (See Frequently Asked Question #1 on page 5 for additional information on Resolution A138.) The Lay DC Plan is divided into two distinct defined contribution retirement plans: one is the type of plan designed to satisfy Section 401(a) of the Code, and the other is the type of plan designed to satisfy Section 403(b)(9) of the Code. Historically, employer contributions and employee after-tax contributions have been made to the 401(a) part of the Lay DC Plan while employee pretax salary deferrals have been made to the 403(b) part of the Lay DC Plan. Effective February 8, 2012, the 403(b) part of the Lay DC Plan was amended to accept employer contributions and employee after-tax contributions. In general, a new participating employer that has adopted or will adopt the Lay DC Plan on or after September 1, 2012, will make all contributions to the 403(b) part of the Lay DC Plan. Participating employers that have previously adopted the Lay DC Plan will continue to make employer contributions and employee after-tax contributions to the 401(a) part of the Lay DC Plan and employee pretax salary deferrals to the 403(b) part of the Lay DC Plan.

CPF is the Plan Sponsor and Plan Administrator for both Plans. CPF is located at 19 East 34th Street, New York, NY 10016. The assets of the Plans are held by Fidelity Management Trust Company, which is also the recordkeeper for the Plans. Certain Plan assets are invested in an unallocated group annuity contract issued by the Church Life Insurance Corporation to CPF.

Participating Employers

Participating employers are not-for-profit organizations under Section 501(c)(3) of the Code who apply for and have been accepted for membership in the Plan(s) by the Plan Administrator. In order to apply for membership and adopt either Plan, an employer must complete and return to the Plan Administrator an Employer Adoption Agreement, which can be downloaded at **www.cpg.org/rsvpenroll** (for the RSVP) or **www.cpg.org/laydcenroll** (for the Lay DC Plan). Alternatively, you can call us at **(866) 802-6333** to obtain a copy.

Employees can enroll in a Plan at any time after the employer enrollment is active (generally within 24 hours of receipt of the Employer Adoption Agreement). After enrolling in a Plan, new and existing employees may make elective deferrals beginning on the first of the month following their date of hire and completion of the Employee Application for Membership.

As part of the adoption process, each employer can elect a minimum eligibility requirement that must be satisfied before its employees can receive employer contributions.

For the Lay DC Plan, Resolution A138 mandates participation at 1,000 hours of service per year. (A participating employer may allow lay employees who work less than 1,000 hours annually to receive employer contributions.)

If you participate only in plans sponsored by CPF, you will need to meet the following requirements:

- Complete the Employer Adoption Agreement and periodically update it to reflect any changes. After the Plan is adopted, all employees must complete and return an Employee Application for Membership form to CPF, or you can enroll employees online through the Employee Roster.
- Ensure that employee contributions are remitted to Fidelity within a period that is no longer than is reasonable for the proper administration of the Plans. IRS regulations suggest that a reasonable period may be 15 business days from the end of the month in which contributions are withheld from an employee's pay. With respect to employer contributions, you should also remit the amount specified in your Employer Adoption Agreement within a reasonable period of time.
- Approve hardship withdrawals upon an employee's request for distribution from his or her account to satisfy immediate and heavy financial needs. In order to approve a withdrawal, your organization must request documents evidencing the financial need and a self-certification from the employee that he or she does not have any other sources from which to satisfy the need. Only employee contributions, excluding earnings thereon, are eligible to be distributed as a hardship withdrawal. Your organization should keep this supporting documentation in a safe place.
- Approve and certify loans from an employee's account upon the employee's request.
- If your organization is not a church or an elementary or secondary school that is controlled, operated, or principally supported by a church, you will generally be considered a "non-QCCO" (nonqualified church controlled organization). As a non-QCCO, you will need to provide an annual notice of the right to participate in the applicable Plan to all eligible employees and perform your own nondiscrimination testing, if applicable. (See Frequently Asked Question #19 on page 10 for additional information. Please note that CPF will send your organization a separate notice each year explaining your obligations if you are a non-QCCO.)

Compensation

For both lay and clergy, compensation typically includes base salary, all overtime, special service fees, bonuses, utilities, severance pay, and housing. The compensation of lay employees who receive church-provided housing must include 30% of base salary and utilities as housing (40% if both housing and meals are provided). Any cash housing allowance that a lay employee receives is not included in compensation.

The total compensation for clergy enrolled in the RSVP also includes Social Security tax reimbursements, employer-paid tuition for dependents, other taxable income and nonqualified deferred compensation. Clergy housing is generally the greater of any cash housing allowance or 30% of the sum of the cash salary, employer-paid tuition for dependents, Social Security tax reimbursements and utilities. Clergy housing may be calculated differently depending on an individual cleric's situation. Please contact CPF's Client Services at **(866) 802-6333** for more details.

Contributions

Participating employers determine the frequency of contributions. IRS regulations mandate remitting contributions to the vendor(s) within a reasonable amount of time following the end of the month in which the contribution is withheld from an employee's salary. (For example, remitting contributions within 15 business days after the end of the month may be considered a reasonable time.) Contributions are invested upon receipt. Please note that if contributions are not remitted within a reasonable time, the participating employer is responsible for making up any investment gains that would have been earned had the contributions been remitted on time.

Responsibility for the calculation of the amount of contributions based on an employee's compensation and the prompt transmission of the correct amount to the Plan Administrator rests solely with the participating employer.

Employees may make salary reduction contributions to the Plans on a pretax and/or after-tax basis. Employees who are age 50 or older may also make pretax "catch-up" contributions to the Plans. The limits for all employee contributions are established and periodically revised by the IRS.

In addition to the limits established for employee contributions, the IRS imposes a limit on the total contributions, both employee and employer, made by or on behalf of each participant in the Plans.

Please refer to the employee enrollment guide entitled "Your Guide to Getting Started" for the IRS contribution limits for the current year.

Employees may change or suspend their payroll deduction at any time by accessing their account through the CPG website, **www.cpg.org/myaccount**, or by calling Fidelity at **(877) 208-0092**. If an employee changes his or her contribution and the employer elected to make matching contributions, the matching contributions may also change.

Vesting
Employee and employer contributions are always 100% vested.

Investments
The Investment Committee of CPF's Board of Trustees has sole authority to select the funds to be used as investment vehicles for the assets of the Plans. The Plans' investment options currently range from a money market mutual fund to growth-focused stock funds and the Stable Value Option (SVO). Also included are the Fidelity Freedom K® Funds, which offer a blend of stocks, bonds, and short-term investments within a single fund.

Participants may select how their account balance is invested. If no investment option is selected by the participant, contributions will be invested in the default fund selected by the Plan Administrator. Please refer to the employee enrollment guide entitled "Your Guide to Getting Started" for information about the Plans' default investment option and other investment option information.

Distributions
Retirement benefits
Benefits provided by a Plan to each retired participant will be determined by the amount in the participant's account and will be paid in accordance with the participant's election.

Distributions on termination of employment
Upon retirement or termination of employment, a participant has several options. The participant can maintain his or her savings in the applicable Plan until retirement or until April 1 following the year in which the participant attains age 70½, when he or she may need to satisfy IRS minimum distribution requirements. The participant may also annuitize all or a portion of his or her account to receive guaranteed lifetime income, make partial or full withdrawals, or roll over money into an individual retirement account (IRA), a Roth IRA, or another eligible retirement plan.

Plan Loans
Active employees who participate in a Plan may borrow from their account balance. Loans that meet Plan requirements generally cannot exceed $50,000 or one-half of the participant's account balance, whichever is less, and must be repaid within five years (15 years if the loan proceeds are used for the purchase of a primary residence). The interest rate will be the prevailing bank prime rate as of the first day of the calendar quarter in which the loan is processed. Participating employers must certify loan paperwork before submitting the loan request.

In-Service and Hardship Withdrawals
Participants who are active employees and who are age 59½ or older are eligible to request an in-service, non-hardship withdrawal.

Active participants who incur a severe financial hardship may receive a distribution of their employee contributions. Hardship distributions are available only to cover certain extraordinary expenses that cannot be reimbursed from other sources, such as certain medical expenses, the purchase of a principal residence, certain tuition payments, payments to prevent eviction, burial and funeral expenses, and essential repairs to the primary residence. A participating employer is solely responsible for the certification of all hardship withdrawals for its employees under the Plans.

Participant Fees and Expenses
- Administrative fees are currently fixed at 0.05% per quarter and are charged at the beginning of each quarter based on the market value of the mutual fund account balances at the end of the previous quarter. There are no management or administrative fees charged on the SVO.
- As with all mutual fund investments, there are some underlying fees and expenses, which will vary by fund and are netted against the fund's earnings.
- Fidelity charges a $35.00 processing fee for new loans and a $3.75 quarterly recordkeeping fee for each outstanding loan.
- Employees can make penalty-free transfers of up to 20% of their SVO account balance each year as of January 1 (plus any transfers or contributions made to their SVO account in the same calendar year, less any transfers out that may have previously been made in the same calendar year). If employees transfer more than 20% in total, they will incur a 5% fee on the amount transferred in excess of 20%. Upon attaining age 59½, this fee no longer applies.
- There is no fee for processing a distribution from an account.

Plan Year
The Plan year is the 12-month period beginning January 1 and ending December 31.

Reports
Plan participants receive quarterly individual account statements. Participants can access account histories through the CPG website at **www.cpg.org/myaccount**.

Frequently Asked Questions

1. What are the pension requirements for lay employees of the Episcopal Church?

A. In 1991, pension requirements for lay employees of the Episcopal Church were established by Resolution D165(a) of the 70th General Convention. At the 76th General Convention of the Episcopal Church, a Church-wide Lay Pension System was established by Resolution A138 and its associated Canon in July 2009. Below are highlights of the resolution.

Resolution A138 provides that the Church will establish a mandatory lay employee pension system for employees who are scheduled to work a minimum of 1,000 hours annually for any domestic Diocese, Parish, Mission, or other ecclesiastical organization or body subject to the authority of the Church in accordance with the following principles, among others:

- If a defined contribution plan is selected, the employer shall contribute not less than 5% of the employee's compensation and match not less than 4% of the employee's compensation.
- Employers may elect to provide lay pension benefits for employees who are scheduled to work less than 1,000 hours annually.
- Other societies, organizations, or bodies in the Church not mandated to participate in the lay employee pension system may elect to participate in accordance with the regulations established by CPF.

The implementation of the lay employee pension system should have been completed on or before January 1, 2013, except for schools, which may be subject to a different contribution rate schedule, as set forth in Resolution C042, 77th General Convention. For more information about these resolutions, please visit **www.cpg.org/laypensions**.

2. Who can participate in the Plans?

A. The RSVP and Lay DC Plan have different eligibility requirements, but both Plans require an employer to first adopt the applicable Plan before employees can be enrolled.

For the RSVP, any cleric or lay employee may participate, depending on what the employer elects on its adoption agreement.

For the Lay DC Plan, any lay employee may participate.

For both Plans, once an employee and his or her employer have completed the Employee Application for Membership (or the employer has enrolled the employee through the Employee Roster), the employee can begin to make elective salary deferrals beginning on the first of the month following CPF's receipt of the completed application. However, only those employees who satisfy the eligibility requirement elected by the employer (for example, scheduled to work 1,000 or more hours per year) are eligible to receive employer contributions. Please note that if an employer previously elected to have a minimum age requirement and/or a minimum length of service requirement for an employee to be eligible to receive employer contributions, those minimum requirements have been eliminated in the Plans.

An employer can establish an eligibility requirement that is less stringent than the 1,000 hours given as an example above, but not more stringent.

3. How much must an employer contribute to the Plans?

A. Employer contributions take two forms: the employer base contribution and the employer matching contribution.

Under the RSVP, the amount and type of employer contribution that is made is optional and entirely up to the employer.

Under the Lay DC Plan, in accordance with Resolution A138, the employer base contribution is a minimum of 5% of the employee's compensation. (See page 3 for the definition of *compensation.*) This amount is contributed regardless of whether an employee makes a contribution to his or her account in the Lay DC Plan.

The employer match contribution, on the other hand, is based on the employee making a contribution to his or her account. The employer matches, dollar for dollar, each dollar that an employee contributes, up to a predetermined limit. Generally, employers participating in the Lay DC Plan limit their contributions to 4% of the employee's salary, in accordance with Resolution A138.

The 5% employer base contribution and 4% matching contribution to the Lay DC Plan are consistent with the requirements of Resolution A138. You can establish contribution amounts that exceed those mandated by Resolution A138.

Note that schools may be subject to a different contribution rate schedule as set forth in Resolution C042.

4. How are the employer base and matching contributions calculated?

A. Regardless of which Plan you have adopted, the employer contributions are calculated the same way. The employer base contribution is a percentage of the employee's compensation, as defined on page 3.

The employer matching contribution is a percentage of the amount that the employee actually contributes to the applicable Plan. Both pretax and after-tax salary deferrals are matched on a dollar-for-dollar basis. To educate your employees about how to maximize the employer match, the employer should explain that an employee should try to contribute the same percentage of his or her compensation that the employer matches. For example, if the employer matches up to 4% of an employee's compensation, the employee should contribute at least 4% of his or her compensation on a pretax and/or after-tax basis. If the employee receives church-provided housing, however, the employee must contribute more than the employer match percentage in order to fully maximize the employer match. This is because, under IRS regulations, the employee cannot make salary deferrals on compensation that the employee does not actually receive. Consider the following example:

Base salary = $40,000
Value of housing = $12,000
Employer base contribution = 5%
Employer matching contribution = up to 4%
Employee elective pretax salary deferral = 4%

The employee will receive an employer base contribution equal to $2,600 [i.e., 5% x ($40,000 + $12,000)]. The maximum employer matching contribution is $2,080, which is 4% of the employee's total compensation of $52,000 (i.e., $40,000 + $12,000). Based on the employee's election of a 4% pretax salary deferral, the employer matching contribution that the employee will actually receive is $1,600 (i.e., 4% x $40,000) because the employee cannot make a salary deferral on the value of housing. To maximize the employer match, the employee would have to contribute an additional $480 to the Plan, which amount is equivalent to 1% (rounded to the nearest whole percentage) of the employee's cash compensation of $40,000 (i.e., $480/$40,000 = 1.2%). Thus, the employee needs to elect a 5% pretax salary deferral in order to maximize the employer match. All contributions are subject to the IRS limits, as described in the employee enrollment guide entitled "Your Guide to Getting Started."

5. What happens if a retirement plan does not comply with the IRS regulations?

A. If a qualified retirement plan does not comply with the Internal Revenue Code regulations, the IRS could disqualify the plan, which would result in immediate taxation of participants' accounts. If certain failures relate only to a participant's individual 403(b) account, then that 403(b) account and all other 403(b) accounts purchased for the individual by the employer would become taxable. These types of failures include violations of distribution restrictions, loans in excess of statutory limits, and salary deferrals and employer contributions in excess of the applicable limits. Please refer to the employee enrollment guide entitled "Your Guide to Getting Started" for the current year IRS contribution limits.

6. How do I remit Plan contributions?

A. In general, if you adopted the RSVP, or if you adopted the Lay DC Plan prior to September 1, 2012, you will receive a transmittal form from Fidelity Investments confirming the contribution amount remitted for the previous contribution period. The expected contribution for the current contribution period should be based on the:

- Employee's compensation,
- Employee contribution percentage or dollar amount elected by the employee,
- Employer base contribution percentage or dollar amount elected by the employer (if applicable), and
- Employer matching contribution percentage (if applicable).

Space is provided for you to indicate the amount of the total contribution that pertains to each of the above applicable categories, as well as employee catch-up contributions (for those age 50 and older) and employee after-tax contributions (for those who have exceeded their pretax contribution limits).

If you adopted the Lay DC Plan on or after September 1, 2012, you must log in to Fidelity's online remittance system to make contribution payments on behalf of your employees. Please refer to the Fidelity Plan Sponsor Webstation Guidebook for instructions.

7. Where do I send our contributions and to whom do I make the check payable?

A. Contributions should be sent to:

Fidelity Investments
P.O. Box 5000
Cincinnati, OH 45273-8686

All checks should be made payable to Fidelity Investments.

8. What happens if an employee terminates after the monthly contributions have been sent?

A. Contributions should not be sent in advance. They should be sent in arrears. If an employee contribution is made in advance and the employee terminates employment, the amount should be withheld from the employee's final paycheck.

An employer's contribution made in advance for an employee who terminates employment needs to be reversed. Contact us at **(866) 802-6333**, and we will guide you through the process.

9. What if the employee compensation or other information on the transmittal form is incorrect (e.g., terminated employees are included on the form)?

A. You must notify us in writing or use the Employee Roster when an employee's compensation changes or when an employee is terminated. A letter of instruction on diocesan or parish letterhead will suffice, or download the Participant Change Form located on the CPG website at **www.cpg.org**. Merely changing the transmittal form is not considered official notice of an employee change (although you can do so to process a contribution on a timely basis).

10. I understand that an employee can make pretax contributions. What does this mean, and how do I compute the employee's withholding?

A. No federal income tax (and in many states, no state income tax) is due on the amount an employee contributes on a pretax basis to his or her retirement account. However, Social Security and Medicare taxes (both the employee's and the employer's portion) must be paid on the employee contribution.

Withholdings are based on the employee's gross income reduced by the amount of the employee's pretax retirement plan contribution. For example, if an employee's gross income is $500 per week and the employee is contributing 4% of his or her pay on a pretax basis, the employee's withholdings would be based on weekly earnings of $480 ($500 less 4% of $500, or $20).

The amount the employer contributes to an employee's retirement account is not included in the employee's taxable income.

11. I know that employees can make after-tax and catch-up contributions (for those age 50 and older). What are the mechanics of this?

A. Employees who wish to make after-tax or catch-up contributions should notify their employer. After-tax and catch-up contributions can either be made in a lump sum or can be deducted from the employee's pay during each payroll cycle.

The monthly transmittal form includes columns for after-tax and catch-up contributions. Employee after-tax and/or catch-up contribution amounts should be entered in the appropriate column; the amounts should be added to the employer base, the employee "normal" contribution, and the employer matching contribution; and the total amount remitted in one check made payable to Fidelity Investments. Catch-up contributions should be deducted from an employee's pay on a pretax basis.

12. How do I know how much an employee has elected to contribute?

A. Employees establish a contribution amount (based on a percentage or dollar amount of their salary) at the time they enroll in a Plan. If an employee does not select a contribution amount, the default contribution rate is set at 4% of compensation.

An employee can change his or her contribution percentage or dollar amount by accessing his or her account through the CPG website at **www.cpg.org/myaccount** or via our toll-free telephone number, **(877) 802-6333**. We compile a weekly report of all employee contribution changes and transmit them to the affected employer(s).

13. How do I enroll in a Plan?

A. Enrolling is simple. You can complete the Employer Adoption Agreement by calling us at **(866) 802-6333** to obtain a copy, or by downloading the adoption agreement from our website: **www.cpg.org/rsvpenroll** (for the RSVP) or **www.cpg.org/laydcenroll** (for the Lay DC Plan). The completed form should be sent to:

The Church Pension Fund
19 East 34th Street
New York, NY 10016
Attention: Client Services

Once we receive your completed adoption agreement, we will enter your enrollment information and let you know when your enrollment is active.

14. How do my employees enroll in a Plan?

A. You can enroll your employees through the Employee Roster, or you and your employees can complete an Employee Application for Membership and send it to CPF at the above address. You can obtain Employee Application for Membership forms by visiting our website at **www.cpg.org/rsvpenroll** (for the RSVP) or **www.cpg.org/laydcenroll** (for the Lay DC Plan).

You may permit any employee (subject to certain restrictions explained in Frequently Asked Question #2 on page 5) to enroll in a Plan and make elective salary deferrals, or you can choose to limit enrollment to only those employees who meet the eligibility requirements elected by the employer to receive employer contributions.

Existing employees can enroll in a Plan any time after the employer enrollment is active. Elective salary deferrals may begin as soon as the first of the month following an employee's enrollment in a Plan.

Please note the following:

- If a contribution amount is not indicated for an employee, he or she will be automatically enrolled at a 4% pretax contribution rate. The employee will be able to change his or her contribution rate at any time following enrollment. Any contributions that are automatically deducted are not allowed to be refunded due to IRS regulations.
- Upon enrollment, all contributions are automatically invested in the Fidelity Freedom K® Fund with a target retirement date closest to the year the employee might retire, based on his or her current age and assuming a retirement age of 65. If no date of birth or an invalid date of birth is on file at Fidelity, the employee's contributions may be invested in the Fidelity Freedom K® Income Fund.
- Once enrolled, employees should log in to Fidelity NetBenefits® at **www.cpg.org/myaccount** to designate their beneficiary and, if desired, change their investment options. Employees may also call a Fidelity representative at **(877) 208-0092** to change their investment options.

- It is important for CPF to receive an Employee Application for Membership (or enrollment information through the Employee Roster) prior to transmitting a contribution for an employee. Contributions for employees who are not enrolled in a Plan will be returned to the remitter.

15. What if we currently participate in a defined benefit plan? Can we transfer to the Plans?

A. You cannot transfer your defined benefit plan assets to either Plan, but you can enroll in a Plan going forward. There are several issues for you to consider in doing so. Again, we suggest that you confer with your legal counsel and then call us at **(866) 802-6333**.

16. Our employees are currently covered by a defined contribution plan with another provider. How do I cease contributions to all other 403(b) retirement plans and begin remitting all contributions to the RSVP or Lay DC Plan?

A. If you want to remit all new contributions to either Plan, you must notify your current vendor(s) of the change. You will need to work with each vendor to follow the necessary steps to properly cease contributions to your current plan(s).

All employees should be made aware of the change. You will need to complete and return the Employer Adoption Agreement to CPF and enroll all employees through the Employee Roster (or have all employees complete and return the Employee Application for Membership to CPF). Once your employees enroll in a Plan, you will need to remit contributions to Fidelity within a reasonable period of time.

While your contributions to a 403(b) plan with another provider may be ceasing, you may wish to consider freezing the plan instead of terminating the plan. Termination of a 403(b) plan will restrict you from making contributions to another 403(b) plan during the period beginning on the date of plan termination and ending 12 months after distribution of all assets from the terminated plan. While freezing the plan will not relieve you of ongoing compliance responsibilities, it will allow you to make employer and employee contributions to other 403(b) plans immediately.

17. If I cease contributions to contracts and custodial accounts other than the Plans, can the assets remain with the current vendor? What options do I have for these assets and what would the corresponding employer's responsibility be?

A. If you decide to cease contributions/salary deferrals to certain vendors, the plan assets may remain with that vendor, or may be transferred to your current vendor, including one of CPF's Plans, under the plan-to-plan transfer rules of the final 403(b) regulations. The employer is responsible for all fees incurred as a result of a transfer.

Some contracts may limit your ability to direct the transfer of employees' accounts, limit the ability of employees to transfer their accounts, or impose such high transfer or termination fees that a transfer may not be a wise investment decision. Some employees may prefer to keep their accounts with certain vendors even after contributions have ceased. So long as assets remain with a vendor, the employer still has the responsibility to monitor fund performance and fees (except for individual contracts entered into by employees and frozen before December 31, 2008). The employer must also continue to monitor distributions from any frozen retirement plans—e.g., certify hardship withdrawals and monitor loans and minimum distribution requirements.

18. How do I coordinate the 403(b) regulations and limitations between multiple vendors?

A. In order to coordinate the limitations and restrictions of the 403(b) regulations among your approved vendors, you will need to enter into an agreement with each of your vendors to ensure that information is properly and promptly provided.

Many vendors may send you documents called information-sharing agreements. An information-sharing agreement is an agreement between a plan sponsor or an employer and a vendor under which the plan and vendor agree to provide one another with information to facilitate compliance with the 403(b) requirements, limitations, and restrictions. Although a formal information-sharing agreement is required under IRS regulations only when an employee wants to transfer money to an annuity or custodial account offered by an unapproved vendor, in general, it is useful to have a written agreement with each vendor to which you are sending employee money.

If your organization decides to consolidate its retirement plans and only permit contributions to one or both of the Plans, and employees are permitted to retain funds in the frozen retirement plans, you will need to provide contact information to the frozen plan vendor so that the vendor can contact you when a participant requests a distribution.

The Plans already have the necessary recordkeeping and other arrangements for sharing information with Fidelity.

19. Is my organization a "QCCO" or a "non-QCCO"? Why do I need to determine this?

A. Under the Internal Revenue Code, churches and QCCOs (qualified church controlled organizations) are exempt from certain legal requirements that apply to non-QCCOs (including nondiscrimination testing and universal availability requirements). Your adoption agreement has questions for you to answer that will assist you in your determination of your QCCO or non-QCCO status. Below is a short discussion of the definitions of church, QCCO, and non-QCCO for your reference. If, after reviewing the adoption agreement, you need additional assistance to determine whether your organization is a church, QCCO, or non-QCCO, please call us toll free at **(866) 802-6333,** Monday through Friday, 8:30 a.m. to 8:00 p.m. Eastern time (excluding holidays), or email us at **benefits@cpg.org**.

The term "church" includes a church, convention, or association of churches, or an elementary or secondary school that is controlled, operated, or principally supported by a church or association of churches. A QCCO is any church-controlled 501(c)(3) tax-exempt organization that does not generally offer goods, services, or facilities for sale to the general public and that receives less than 25% of its financial support from government grants or receipts from goods and services in related activities or business. Examples of a QCCO are a seminary or a social services organization that receives 80% of its support from a parish. Non-QCCOs are all other 501(c)(3) organizations qualified to participate in church retirement plans that are neither churches nor QCCOs. Examples of non-QCCOs are hospitals, universities, nursing homes, and retirement housing facilities.

20. What are the Plans' claims procedures if a participant or beneficiary believes that he or she has been denied benefits under a Plan?

A. If a participant, beneficiary, or any other person believes that he or she has been denied benefits under a Plan, he or she can file a claim with the Plan. Please refer your employees to the employee enrollment guide entitled "Your Guide to Getting Started" for details regarding the claims process.

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The Plans, or any company or account maintained to manage or hold Plan assets and interest in subject Plans, company, or account, are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, or state securities laws. Plan participants and beneficiaries therefore will not be afforded the protections of the provision of those laws.

Annuities are long-term investments and may be limited by tax penalties. Surrender charges and income taxes may be due upon withdrawal of funds.

Please note that this document is provided to you for informational purposes only and should not be viewed as investment, tax, or other advice. In the event of a conflict between the information contained in this document and the official Plan documents, the official Plan documents will govern.

The Church Pension Fund and its affiliates retain the right to amend, terminate, or modify the terms of any benefit plans described in this document at any time, without notice and for any reason.

The Church Pension Fund and Fidelity Investments are independent entities and are not legally affiliated.

The information contained herein has been provided by The Church Pension Fund and is solely the responsibility of The Church Pension Fund.

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