Insurance and Retirement Benefits for Those Who Serve

Pensions and Benefits USA (P&B) is pleased to offer certain levels of life and disability insurance and retirement account supplements at no cost to active, eligible ministers whose churches support the P&B Fund. This includes P&B-provided contributions to the 403(b) Retirement Savings Plan accounts of eligible ministers.

This booklet provides details regarding these valuable free benefits and explains the eligibility requirements for receiving them. We encourage pastors, church treasurers, and/or board members to familiarize themselves with this information to assure no eligible minister fails to receive these benefits.

Don Walter
Director
Pensions and Benefits USA

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P&B PROVIDED BENEFITS

The following benefits are provided by Pensions and Benefits USA at no cost to eligible participants:

• Pastors Life Insurance Plan
• Basic Long-Term Disability
• Nazarene 403(b) Insurance Retirement Savings Plan
You may qualify for a benefit which provides you with $15,000 in Life Insurance and your spouse with $1,000 at no cost to you. Even if you are no longer eligible for coverage, you have the opportunity to purchase an individual conversion life insurance policy within 31 days of your termination of coverage.

<table>
<thead>
<tr>
<th>Question</th>
<th>YES</th>
<th>NO</th>
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</thead>
<tbody>
<tr>
<td>Are you an employee of a Nazarene church or a Nazarene church agency?</td>
<td></td>
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<tr>
<td>Are it past Jan. 1, and do you qualify for an Annual Pension Supplement (APS) contribution?</td>
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<tr>
<td>Are you district-licensed or ordained serving on a U.S. district?</td>
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<tr>
<td>What is your ministry assignment?</td>
<td></td>
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<tr>
<td>Pastor District Superintendent</td>
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<tr>
<td>Has your employer paid at least $1 into the P&amp;B Fund in this assembly year?</td>
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<tr>
<td>Does your employer have a 403(b) participation agreement on file?</td>
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<tr>
<td>Are you full-time and full-livelihood?*</td>
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<td>Are you under age 70.5?</td>
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<td></td>
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<tr>
<td>Are you receiving a Basic Pension Plan benefit?</td>
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**Congratulations!**
You are covered under Pastors Life Insurance for this calendar year.

*Full-time service is defined as serving no fewer than 30 hours per week for no fewer than 30 weeks each calendar year in Nazarene churches or District Offices on U.S. districts that pay Pensions & Benefits Fund allocations. Full-livelihood is defined as deriving no less than 50% of personal net income for the calendar year (as defined by the Church of the Nazarene INC.) in Nazarene churches on U.S. districts that pay Pensions & Benefits Fund allocations.

Apply today at [www.pbusa.org](http://www.pbusa.org)

You will want to name a beneficiary, sign, and date the form before submitting it to P&B.
BASIC LONG-TERM DISABILITY INSURANCE
Policy Effective Date: January 1, 2009

If you are eligible for Pastors Life Insurance, you are also eligible for Basic Long-Term Disability Insurance. This means you can receive a maximum monthly benefit of $400 under this plan, provided by P&B Fund receipts.

To be eligible for benefits, you must be out of work for three continuous months due to an occupational or non-occupational injury or illness.

As long as you remain disabled, LTD benefit payments will continue as follows until:

- The calendar month when you reach normal retirement age, as determined by the 1983 Amended Social Security Normal Retirement Age; or

- (If your disability starts on or after the date you reach age 60), the expiration of the number of months of disability as figured from the following schedule:

<table>
<thead>
<tr>
<th>AGE WHEN PERIOD OF DISABILITY STARTS</th>
<th>MONTHS OF DISABILITY</th>
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<tbody>
<tr>
<td>60</td>
<td>60</td>
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<tr>
<td>61</td>
<td>48</td>
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<td>62</td>
<td>42</td>
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<td>63</td>
<td>36</td>
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<td>64</td>
<td>30</td>
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<td>24</td>
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<td>66</td>
<td>21</td>
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<td>67</td>
<td>18</td>
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<td>68</td>
<td>15</td>
</tr>
<tr>
<td>69+</td>
<td>12</td>
</tr>
</tbody>
</table>

IMPORTANT FEATURES AND LIMITATIONS TO THE PLAN

Preexisting Conditions:
If you were diagnosed or treated or received medical services within the six months immediately preceding your effective date of Long-Term Disability coverage (the “look-back period”), then you are not eligible to receive benefits if:

- Disability occurs within 12 months following the effective date of coverage and
- That disability is caused by the same condition for which you were diagnosed or treated or received medical services in the look-back period.

Rehabilitation:
Our ultimate goal is to help you return to gainful employment. Our consultants review each disability claim and determine if Aetna rehabilitation services would be appropriate and effective. After reviewing your claim, if we feel you would benefit from our services, we will contact you. During your active participation in an Aetna-approved rehabilitation program, Aetna will pay you an additional 10% of your monthly benefit.

ADDITIONAL RESOURCES

Aetna Life EssentialsSM:
Aetna Insurance extends a variety of resources and information services to those participating in the life and disability plans of P&B USA. Learn more at: www.aetna.com/aetnalifeessentials/index.html.
Effective January 1, 1996, the Church of the Nazarene changed its primary retirement program to a defined contribution (DC) plan. Beginning that same year, P&B began making Annual Pension Supplement (APS) contributions to those ministers who meet certain eligibility criteria. The monies are deposited into individual Nazarene 403(b) Retirement Savings Plan accounts with Fidelity Investments.

**AM I ELIGIBLE?**

**I HAD AT LEAST ONE FULL QUALIFYING YEAR OF SERVICE PRIOR TO JANUARY 1, 1996—WHERE DOES MY BENEFIT COME FROM?**

Such ministers are considered “grandfathered” participants within the defined benefit (DB) plan, now known as the Single Defined Benefit Plan. Grandfathering simply means that at the time of retirement, your benefit will be based on the Basic Pension Plan (BPP) formula within the Single Defined Benefit Plan. Please note, the retirement payments will come from both DB and DC Plans. At retirement, your years of service (before and after 1996) will be used to determine a benefit under the BPP portion of the Single Defined Benefit Plan. This is your total normal retirement benefit amount. However, the APS (sometimes also referred to as an “offset”) you’ve received has also accumulated a certain “benefit” value based on your age and retirement date. If the benefit payable from the APS contribution is less than the grandfathered amount, the difference will be paid from the BPP portion of the Single Defined Benefit Plan. The end result is the same level of benefit, payable from two sources.

It is important to remember that when the offset is calculated, only the accrued value of the APS from P&B is used. Employee, employer, and matching contributions are never included in the offset calculation.

**ALL OF MY YEARS WERE SERVED AFTER JANUARY 1, 1996—WHERE DOES MY BENEFIT COME FROM?**

Your benefit will come solely from the Nazarene 403(b) Retirement Savings Plan. Any monies that P&B has funded (APS), as well as monies that you have contributed through salary reduction and/or contributions through salary addition/matching, will be available through your individual Nazarene 403(b) account with Fidelity Investments.
Congratulations!
You are eligible to receive these free contributions to a Nazarene 403(b) Retirement Savings Plan account in your name!

If you are actively at work on any January 1 and you meet all eligibility requirements, your APS base and bonus contributions will be deposited sometime that calendar year. It is anticipated that the match contributions will be processed in the first quarter of the calendar year following the calendar year in which your Nazarene 403(b) deposits were made.

For example, any salary reduction or salary addition deposits made in 2017 will be matched in the first quarter in 2018.

*If you serve a Nazarene employer that is not assigned a P&B Fund goal and you are a full-time evangelist, full-time district assigned minister, or a district superintendent, you will receive a $1,000 base APS contribution. You will be automatically enrolled if you meet this criteria.

**YOUR CHURCH’S ROLE**

1. Contribute into the P&B Fund
2. Make sure they are a participating employer under the plan rules

Complete the Participation Agreement Form today at www.pbusa.org
THE IMPORTANCE OF P&B FUND SUPPORT

Annual Pension Supplement (APS) contributions are deposits to the Nazarene 403(b) Retirement Savings Plan accounts of eligible full-time Nazarene ministers, district superintendents, and evangelists. Other ordained elders, deacons, district-licensed ministers and district-credentialed persons who meet the full-time, full-livelihood criteria may also be eligible to receive an APS contribution. Eligibility begins on the first January 1 following commencement of full-time active service and continues for each January 1 thereafter until the participant no longer meets eligibility criteria.

ANNUAL PENSION SUPPLEMENT AND P&B-PROVIDED INSURANCE

<table>
<thead>
<tr>
<th>ANNUAL CHURCH P&amp;B FUND CONTRIBUTION</th>
<th>LIFE INSURANCE</th>
<th>DISABILITY INSURANCE</th>
<th>BASE APS</th>
<th>BONUS APS</th>
<th>403(B) MATCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 of P&amp;B Fund Goal</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>$1 to 49% of P&amp;B Fund Goal</td>
<td>$15,000</td>
<td>$400/mo</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>50-99% of P&amp;B Fund Goal</td>
<td>$15,000</td>
<td>$400/mo</td>
<td>$200</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>100% of P&amp;B Fund Goal</td>
<td>$15,000</td>
<td>$400/mo</td>
<td>$200</td>
<td>10% of P&amp;B Fund Paid</td>
<td>$0</td>
</tr>
<tr>
<td>100% of P&amp;B Fund Goal and Education Fund Goal</td>
<td>$15,000</td>
<td>$400/mo</td>
<td>$200</td>
<td>10% of P&amp;B Fund Paid</td>
<td>50% Match of 403(b) contributions up to $250</td>
</tr>
</tbody>
</table>

FOR THOSE THAT CONTRIBUTE AT LEAST 50%...

<table>
<thead>
<tr>
<th>WHAT YOUR CHURCH PUTS IN</th>
<th>NUMBER OF GRANTS AVAILABLE TO YOUR CHURCH</th>
<th>TOTAL BASE APS MONEY AVAILABLE TO YOUR CHURCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1 - $1,500</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td>$1,501 - $3,000</td>
<td></td>
<td>$400</td>
</tr>
<tr>
<td>$3,001 - $5,000</td>
<td></td>
<td>$600</td>
</tr>
<tr>
<td>$5,001 - $10,000</td>
<td></td>
<td>$800</td>
</tr>
<tr>
<td>$10,001 - $15,000</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>$15,001 - $20,000</td>
<td></td>
<td>$1,200</td>
</tr>
<tr>
<td>$20,001-$25,000</td>
<td></td>
<td>$1,600</td>
</tr>
<tr>
<td>$25,001 and up</td>
<td></td>
<td>$3,000</td>
</tr>
</tbody>
</table>
DO ADDITIONAL GUIDELINES APPLY TO EVANGELISTS?

For evangelists, full-time and full-livelihood service is defined as holding services no fewer than 30 Sundays or 26 revival events (as defined by the General Board, Church of the Nazarene) per calendar year, in Nazarene churches on U.S. districts that contribute U.S. P&B Fund allocations. Service not in local Nazarene churches must be affiliated with the Church of the Nazarene. An evangelist must satisfy one or the other alternative criteria which may not be used in combination to receive an APS contribution.

WHAT OTHER ASSIGNMENTS MAY BE ELIGIBLE FOR CONTRIBUTION?

A full-time supply minister who is district-licensed or ordained would receive an APS contribution when earning full-livelihood from such ministry.

WHO EXACTLY IS ELIGIBLE TO RECEIVE AN APS CONTRIBUTION?

District superintendents and senior pastors who are district-licensed or ordained are eligible due to their assigned role. Other ordained elders, deacons, district-licensed ministers and district-credentialed lay persons who meet the full-time, full-livelihood criteria will also receive an APS contribution. Ministry assignments that may be considered are DS, PAS, DA, DIA, PSV, EVT, EVR, EVC, SER, SEC, MUS, and CED. Co-pastors would both be eligible.

CAN I INSTRUCT P&B TO SEND THE 403(B) MATCHING CONTRIBUTIONS TO ANOTHER RETIREMENT PROGRAM MAINTAINED THROUGH MY LOCAL CHURCH?

No. All P&B contributions, base, bonus, and the match must be deposited to your Nazarene 403(b) Retirement Savings Plan account with Fidelity Investments.

WHO IS NOT ELIGIBLE FOR AN APS CONTRIBUTION?

In the event that the church of a pastor or staff member fails to contribute to the U.S. P&B Fund, no contribution will be credited to the pastor or staff member under this plan. This criterion does not apply to evangelists and those participants serving in district assignments.

Any year in which a participant is already receiving benefits under the Basic Pension portion of the Nazarene Single Defined Benefit Plan is not creditable to receive a contribution under this plan.

A participant already receiving benefits under Basic Pension is not eligible to receive employer matching contributions in a church institution pension plan.

WILL MY 403(B) MATCHING CONTRIBUTIONS BE USED AS AN OFFSET AGAINST MY BASIC PENSION PLAN (BPP) BENEFIT LIKE THE BASE/BONUS CONTRIBUTIONS ARE? (I AM A GRANDFATHERED PARTICIPANT.)

No.

WHEN WILL BASE CONTRIBUTIONS AND BONUS APS CONTRIBUTIONS BE MADE?

Since these contributions are based upon the P&B Fund amount paid by churches, APS contributions are not made until after the close of the fiscal year for which they are payable. This is typically at least 90 days after the end of your district’s fiscal year. APS contributions are subject to district office verification of eligibility.
YOUR FIDELITY PARTNERSHIP

P&B partners with Fidelity Investments to help you make the most of your financial situation. Fidelity can help you consider things like...

- **How Social Security will supplement your other savings**
- **The monthly and lifetime impact of claiming Social Security at different ages**
- **When you plan to stop working**

YOU WON’T HAVE TO DO IT ALONE

Call Fidelity at 1-866-NAZARENE

Fidelity offers helpful workshops to design a financial plan to aid in your retirement and to develop manageable strategies, tools, and tips to get a handle on spending and debt. Visit our Brainshark website to get started!

https://www.brainshark.com/fidelityemg/budgetanddebtworkshop
http://www.brainshark.com/fidelityemg/vu?pi=150896857
KNOW YOUR NUMBER

Fidelity’s new Retirement Preparedness Measure (RPM) puts 55% of Americans in the yellow or red, in danger of not fully covering even estimated essential expenses like housing, health care, and food in retirement. The good news: These steps can help to improve the RPM and get most to green.

SO WHAT’S STOPPING YOU?

P&B opens the account
P&B selects initial investment (based on age)
P&B makes the initial contribution

The hard work is done! All you need to do is meet the minimum personal contribution requirement, and we will make sure you receive benefits. We are here to help YOU. Help yourself, and invest in your future today.
The descriptions of the benefits are not guarantees of current or future benefits. If there is any conflict between this Guide and the official Plan Documents, the official documents will govern.