The Orthodox Church in America Pension Plan

Securing your future

A guide to your pension plan benefits

January 1, 2021

Contents

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Securing your future

The Orthodox Church in America Pension Plan was established on January 1, 1976 to provide a retirement income to clergy and full-time employees of the Church and other organizations, associations or corporations that are under the Church's jurisdiction (together, "OCA" or "Church")). The plan was restated as of January 1, 2010 for new plan members, and for members who — as of December 31, 2009 — were under age 65 and already participating in the prior plan. Any active member who was at least age 65 as of January 1, 2010 continues to earn benefits under the prior plan. The plan was again restated as of January 1, 2014, and amended, as described in this guide.

When you become a plan member, your Employer makes regular contributions to the plan on your behalf. You are also required to make monthly contributions to the plan. When you retire, you will receive a retirement benefit (called a "pension") based on a formula that considers your compensation and years of service. If you resign or are discharged before you are eligible for a pension, you may qualify for a termination benefit as long as you are vested (see page 13 for definition). If you are not vested, your member contributions, with interest, will be returned to you when you leave.

This guide is not a legal document and does not cover every detail, but it does give you the basic facts. Key terms are defined throughout the text and at the end of this booklet.

We have tried to provide an accurate description of your plan benefits. If there is a discrepancy between the information provided in this guide and the legal documents and regulations, the legal documents and regulations will govern in all cases.

If you have any questions about the plan, please contact the Administrator at 516-464-0322 or pension@ocapension.org.

This guide has been prepared to help you better understand how the plan works for members who join the plan on or after January 1, 2010.

Who's Who

Plan Sponsor	The Orthodox Church in America P.O. Box 8121 Hicksville, NY 11802 (516) 464-0322
Pension Board/ Plan Trustees	The Pension Board consists of clergy and lay members appointed at the All-American Counsel. The Board supervises the administration of the plan and approves plan benefit applications. As plan trustees, members of the Board also oversee the investment of the plan assets in collaboration with professional investment consultants.
Administrator	The Administrator is responsible for the day-to-day operations of the plan, including: maintaining all plan files and records, enrolling new members, processing benefit applications, supervising the Pension Bookkeeper, and answering members' questions.

Plan Membership

1. Am I eligible for the plan?

“Pensionable compensation” is your annual base pay/cash salary. For clergy who receive a housing allowance, and laypeople required to accept employer housing, any housing allowance you receive each year will be included in your pensionable compensation.
This does not include any living allowance, automobile allowance, or other forms of living expenses.

Clergy

If you are a member of the clergy of the Church, you will automatically become a member of the plan on the first of the month on or after the date you:

- begin service for the Church, and
- make the required contributions to the plan (see Question 2).

You are not eligible to join the plan after age 60.

All other employees

If you are a layperson employed full time by the Church, you will be eligible to join the plan on the first of the month on or after your date of hire.

To join the plan, you must sign and file an election form with the Pension Board and agree to make the required contributions to the plan (see Question 2). If you choose not to join the plan when you first become eligible, you may later join on the first day of any month after you submit your completed election form to the Pension Board.

You cannot join the plan if you:

- are a part-time employee who customarily works less than 20 hours per week, or
- were hired after age 60, or
- reach age 60 while employed but before electing to join the plan.

2. What contributions are made to the plan?

In general, you and your Employer share the cost of providing your pension by making regular contributions to the plan. These contributions are used to fund your plan benefits.

Employer Contributions

Starting the month in which you become a plan member, your Employer (Parish or other) is required to contribute an amount equal to a percentage of your monthly pensionable compensation to the plan. On and after January 1, 2021, your Employer is required to contribute an amount equal to 10% of your monthly pensionable compensation.

Member Contributions

Starting the month in which you become a plan member, you must make contributions equal to 6% of your monthly pensionable compensation. A Member of the Plan who continues as an Employee after age 80 is not required to make a contribution to the Plan.

You are always 100% vested in your member contributions. They will be refunded to you, with interest, if you leave with less than five years of plan membership. You cannot receive a refund of your member contributions as long as you are still working for your Employer.

Voluntary Contributions

In addition to the required member contributions, you may make voluntary contributions to help supplement your retirement savings, equal to 1% to 10% of your monthly pensionable compensation. Your voluntary contributions will also be deposited into the plan and credited with interest.

Any time before your pension begins, you may withdraw all or part of your voluntary contributions in a single lump sum, provided you withdraw at least $100, or all of your voluntary contributions if less. You can only make one withdrawal in a calendar year and must give the Pension Board 30 days advance written notice.

3. How does service affect my business?

Service with your Employer is used to determine:

- eligibility for retirement, and
- whether or not you are "vested".

To be "vested" means you have the right to receive your plan benefits when you leave your Employer or retire. You must have at least five years of service to be partially vested. See Question 9 for more information.

You will receive one full year of service for each 12-month period that you are in full-time employment and make the required plan contributions. If you work less than a full year, you will receive 1/12th of a year of service for each month that you make the required contributions.

Military Leave

If you are absent because of service in the military, the period of absence will be counted by the plan, provided you:

- return to work within 90 days after you are discharged from the military, or
- return to work within 90 days after being hospitalized for less than one year after your military discharge (and your hospitalization was a result of your military service), and
- make the required plan contributions (based on your last rate of pay) — for the time you were on military leave — within five years after returning to work.

Other Approved Leaves of Absence

If you take any other type of leave approved by the Pension Board, you will remain a member of the plan, but service will not be credited for that period of absence.

Reassignment of clergy

If you are a member of the Clergy who is awaiting reassignment, you will not receive any service credit or earn any benefits during the waiting period (up to 24 months). If you have not been reassigned after 24 months, you will be considered to have ended your employment.

Re-employment

If you leave before reaching retirement age and *are not* vested (see Question 9), then return to work, your service before you are re-employed will count as long as you return to work and resume making plan contributions within 24 months. If you withdrew all or part of your member contributions when you originally left, but pay back the amount you received within 60 days of your re-employment, then both your member and Employer contributions, with interest, will be fully restored. If you do not pay back the amount received, or you return to work after 24 months, you will be considered a new plan member for all purposes (vesting and earning pension benefits), provided you make the required contributions.

If you leave before retirement and you *are* vested in your Employer contributions then return to work, all service (before and after re-employment) will be counted for plan purposes.

Other than withdrawing your voluntary contributions, you cannot receive any benefits from the plan while you are still working for your employer unless you reach age 75 or greater.

Retirement Benefits

4. When can I retire?

Normal retirement

You can retire and start collecting your pension on your normal retirement date, once you stop working unless you qualify for In-Service Retirement as described below. Your "normal retirement date" is the first of the month on or after the later of:

- your 65th birthday, or
- the January 1st of the year in which your 5th anniversary of becoming a plan member occurs.

EXAMPLE – John was born February 26, 1958 and became a plan member in 2014. His normal retirement date is the later of:

- March 1, 2023 (first day of the month following his 65th birthday), or
- January 1, 2019 (5th anniversary of becoming a plan member)

In this case, John can retire and star t collecting his normal retirement benefit on March 1, 2023.

If you resume employment as a member of the clergy, or as a full-time lay employee (more than 20 hours per week), your pension will cease until you subsequently retire. However, retired clergy may serve a mission or perform temporary service without interrupting their benefit.

Early retirement

If you choose to retire before your normal retirement date, you are not eligible for a normal retirement benefit, as described in Question 5. However, you may be eligible to receive a termination benefit (see Questions 9 and 10).

Postponed retirement

If you continue to work beyond your normal retirement date, your postponed retirement date will be the first day of the month after you actually retire.

Your postponed retirement benefit — based on your postponed retirement date — is calculated the same way as your normal retirement benefit (see Question 5), as long as you continue to plan with a disability pension, as long as you make the required member contributions until you retire.

In-Service Retirement

Once you've reached your seventy-fifth (75th) birthday, you may choose to receive an in-service distribution of your retirement benefit while you keep working. You would receive compensation from your employer and your monthly retirement benefit. While you are still working, you and your employer will contribute to the Plan as described in Question 2 and you will continue to accrue benefits. Once you reach age 80, if you are still working you will no longer be obligated to contribute to the Plan. Your employer will continue to contribute its 10% as described in Question 2.

You will be considered disabled if you have a physical or mental condition that qualifies you for Social Security disability benefits.

Disability retirement

If you become disabled while you are actively employed, you will be entitled to retire from the plan with a disability pension, as long as you:

- complete five years of plan membership before your disability begins, and
- provide documentation of your eligibility to receive Social Security disability benefits.

Your disability pension will equal the pension you would have earned as of your date of disability – and will be paid retroactively to the date you became eligible for Social Security disability benefits. See Question 7 for more information.

Your disability pension will be paid to you only for as long as you are disabled. The Pension Board may periodically request whatever evidence it considers appropriate to verify your disability. If you refuse to provide this information, your disability pension will be discontinued until you provide the requested information.

You must immediately report to the Pension Board if you recover from your disability or are no longer eligible for Social Security disability benefits. If you fail to report this information, you will be required to repay the pension plan any disability pension funds you were not entitled to receive, plus interest. Once your disability pension is discontinued, you will be eligible for the vested termination benefit (see Question 9) you would have been entitled to at the time of your disability, reduced by the amount of the disability pension you have already received.

If you die while on disability, your surviving spouse will receive a lifetime benefit equal to 65% of your disability pension. If you do not have a spouse when you die, your disability retirement benefits will stop.

5. How is my retirement benefit calculated?

You will earn a retirement benefit equal to 2% of your pensionable compensation for every month of plan membership.

EXAMPLE – If your monthly pensionable compensation is $4,000 each year from 2014 to 2028, as of December 31, 2028, you will earn a monthly pension (beginning at age 65) of $1,200.

($4,000 x 2%) x 15
$80 x 15 = $1,200

Anv future earned retirement benefits will be added to this amount.

If you were an active member of the prior plan and under age 65 as of December 31, 2009, you will not lose any benefit you earned under the prior plan formula. That amount will be your "Initial Accrued Benefit" as of January 1, 2010 under the new formula.

Periodic adjustments

In addition to the pension you earn, you may receive "periodic adjustments" that will help boost your retirement benefit. The adjustments are not guaranteed; they will only be awarded when the plan is sufficiently funded and approved by the Pension Board and Metropolitan Council. If approved, any pension you earn will increase by the amount of the adjustment. You will be notified if and when any periodic adjustments are granted. Keep in mind that periodic adjustments do not apply once you retire and start your pension.

EXAMPLE – Based on the example above, you earned a benefit of $1,200 per month as of December 31, 2028. If the Pension Board declares a periodic adjustment of 3% at the beginning of 2028, your monthly benefit would increase as follows:

Monthly pension earned:	$1,200.00
Periodic adjustment ($1,200 x 3%)	+ $36.00
Monthly benefit earned as of January 1, 2016:	$1,236.00 (Beginning at age 65)

Periodic adjustments are not guaranteed; they will only be awarded to eligible active plan members when the plan is sufficiently funded and approved by the Pension Board and Metropolitan Council. They will not apply to any benefits being paid to retirees.

All examples provided in this booklet are for illustrative purposes only. Any benefits you receive from the plan will be based on your personal information and the terms of the plan in effect when you leave, become disabled or retire.

6. When is my retirement benefit paid?

Your retirement benefits will be processed as soon as possible after your normal, postponed or disability retirement date. Retirement benefits for those eligible for an In-Service Retirement benefit will be processed after an application is submitted to the Administrator.

7. How is my retirement benefit paid?

Whether you retire at your normal, postponed or disability retirement date (see Question 4), the way your benefit is paid will be based on your marital status when you retire. In-Service Retirement benefits will be paid based on your marital status at the time your benefit begins.

In the event that you and your beneficiaries die before the first 120-monthly pension installments have been paid, the lump-sum value of the remaining installments will be paid to the last survivor's estate.

If you have no spouse when you retire

Your retirement benefit will be paid to you as a lifetime pension, with a 10-year guarantee period. This means you will receive a monthly pension for life. If, however, you die before receiving 120-monthly payments, your pension will continue to your beneficiary for the remaining guarantee period. If you die after receiving at least 120-monthly payments, your pension benefits will be discontinued.

If you have a spouse when you retire

Your spouse is your pension beneficiary, unless you elect otherwise and your spouse signs a waiver. If no waiver is signed, your retirement benefit will be paid to you for life with 10 years guaranteed (as described above), with a continuing lifetime pension paid to your surviving spouse. This means, after the first 120-monthly payments have been made, when you die, your surviving spouse will receive a monthly lifetime pension equal to 65% of the pension you were collecting before your death.

Optional forms of payment are available. See Question 8 for more information.

Beneficiary Designation

If you have a spouse — as defined in the Key Terms section on page 13 — he or she is your pension beneficiary, unless you elect otherwise. In order to name a beneficiary other than your spouse, you must file your designation with the Pension Board and your spouse must provide written consent to your election by signing a waiver giving up his or her right to survivor benefits. You may change your beneficiary at any time before your pension begins. If you have no spouse and you do not designate a beneficiary, any survivor benefits will be paid to your estate.

See Key Terms on page 13 for definition of beneficiary.

8. Does the plan provide optional forms of payment?

Yes. Instead of receiving your pension for life with 10 years guaranteed — and with continuing payments to your surviving spouse (see Question 7) — you can elect one of the following two payment options at retirement:

- 100% survivor pension — provides an actuarially adjusted pension to you for life with 100% continuing to your beneficiary (spouse or other) for his or her lifetime after your death.
- 50% survivor pension — provides an actuarially adjusted pension to you for life with 50% continuing to your beneficiary (spouse or other) for his or her lifetime after your death.

Before choosing a payment option, we recommend that you speak with a professional financial advisor as many factors — such as your state of health, your personal and family needs, other sources of retirement income and your responsibilities to others — can play a major role in your decision. Here are some things you should keep in mind before you choose a pension payment option.

Things to consider:

- The pension amount you see on your annual statement (as well as those shown in the examples provided in this booklet) is the amount you would receive at age 65 if you chose a lifetime pension with a 10-year (120-month) guarantee. The amount of pension you actually receive may be more or less depending on which payment option you choose, your age, your spouse's age (if applicable) and the interest rates in effect when you start your pension.
- You cannot change your payment option once you begin receiving your pension.
- Whatever form of payment you choose, your pension will always be paid for at least as long as you live.
- Your spouse is your pension plan beneficiary unless you name someone else and your spouse consents to your election by signing a waiver.
- If you don't have a spouse, you may choose anyone as your pension plan beneficiary. If you have not named a beneficiary before you die, or your beneficiary is not living, the plan's survivor benefit will be paid to your estate.
- Before your pension begins, you may elect one of the optional forms of payment by submitting written notice to the Pension Board.
- Before your pension begins, you can receive your voluntary contributions (if any), with interest, in a single lump sum. Otherwise, the value of your voluntary contributions will be used to increase your pension.

An "actuarially adjusted pension" simply means that, regardless of the form of payment you choose, the value of the pension paid from the plan will be the same.

Deciding when you want to retire is a big decision. But it's just as important to decide how you want your pension paid to you. The option you choose will have an impact on the amount of your monthly pension and how much your spouse or beneficiary receives after your death.

Vesting and termination benefits

To be "vested" means you have the right to receive your employer-provided benefits. You must have at least five years of plan membership to be partially vested.

You receive credit for a "year of plan membership" (also referred to as a "year of service") for each 12-months that you make the required plan contributions.

9. Does the plan pay termination benefits?

Yes. If you resign, retire or are discharged after completing at least five years of plan membership, but before qualifying for "normal" retirement (see Question 4), you will not be eligible for a retirement benefit as described in Question 5. Instead, your member contributions, and vested Employer contributions, as described below, will be used to provide you with a termination benefit, unless you elect otherwise. See Question 10 for more details.

Vested percentage

Your member contributions and voluntary contributions are always 100% vested. That means you are entitled to this money, plus interest, when you leave your Employer. Your Employer contributions are vested—based on your years of plan membership as of your termination date—as summarized below:

Years of Plan Membership	Vested percentage
Less than 5	0%
5	10%
6	20%
7	30%
8	40%
9	50%
10	60%
11	70%
12	80%
13	90%
14 or more	100%

10. How and when are termination benefits paid?

If you have less than five years of service when you stop working, you are not vested in your Employer contributions and will receive no benefit based upon these Employer Contributions. You will have a fully vested right to, and should apply for, a refund of your member contributions (and any voluntary contributions). If you do not apply for your refund within 24 months after you leave, your member and any voluntary contributions will be automatically paid to you in a lump sum, with interest subject to any required tax withholding.

If you have five or more years of service when you stop working, you can choose to receive your benefit immediately, or you can elect to defer your benefit until you reach your Normal Retirement Date. If you do not make an election within the 60-day period from the date the OCA Pension Office was notified of your termination date, your benefits will automatically be deferred until your Normal Retirement Date.

The forms of payment available when a benefit is paid immediately or deferred are described below:

1. **Payment of a deferred benefit:** You will receive your vested termination benefit as a monthly pension that will begin on the first of the month on or after your 65th birthday. If you are single, your pension will be paid to you as a lifetime pension, with a 10-year guarantee period. If you are married, your pension will be paid to you as a lifetime pension with a 10-year guarantee period, and a continuing lifetime pension to your surviving spouse that will

be equal to 65% of your monthly benefit if you die before your spouse. Please see Section 7 for a more detailed explanation of these payment options.

As an alternative, you may elect one of the optional forms of payment available under the Plan. Please see Section 8 regarding these alternative options.

If you elect to defer your benefit, any voluntary contributions will be paid to you immediately in a single lump sum, with interest, or you can choose to use your voluntary contributions to increase your monthly pension.

2. **Payment of an immediate benefit:** If you elect to receive your benefit immediately (either as an annuity or in a lump sum), any employer contributions made on your behalf are forfeited. You have the option to have your mandatory contributions and accumulated interest converted to an annuity that will commence immediately. As an alternative, you can elect to receive your mandatory contributions and accumulated interest cashed out as an immediate lump sum payment.

   If you elect an immediate distribution of your benefit, any voluntary contributions will be paid to you immediately in a single lump sum, with interest or, if you elect an immediate annuity, any voluntary contributions may be used to increase your monthly annuity benefit.

   Note: Any distribution of accumulated contributions with interest in a single lump sum may be subject to required tax withholding.

If you choose option 2, you must make the election in writing to the Pension Board. You should also be aware that if you choose option 2, you will forfeit the benefit you would have received from your vested Employer contributions.

EXAMPLE – Jane, a 40-year old member, terminates employment with 10 years of service.

Her member contributions with interest equal $30,000 and her Employer contributions with interest equal $40,000. Here's how Jane's termination benefit is calculated:

Vested percentage of Employer contributions (10 years of service):	60%
Vested Employer contributions ($40,000 x 60%:	$24,000
Member contributions (always 100% vested):	+ $30,000
Total vested contributions with interest, at termination ($24,000 + $30,000)	= $54,000

In addition, Jane has voluntary contributions with interest equal to $7,000. Because Jane has more than five years of service, she can either:

1. wait until she reaches age 65 to star t her pension (equal in value to $54,000 plus interest credited up to age 65). Jane may receive the $7,000 of voluntary contributions either in a single lump sum, with interest up to age 65; or use that money to increase her pension; or
2. take her termination benefit any time before age 65, as follows:
   - receive a single lump sum of $37,000 – the combined value of her member contributions ($30,000) and voluntary contributions ($7,000), with additional interest credited up to her payment date; or
   - receive a lifetime pension (equal in value to $37,000) when she stops working or retires; or
   - receive a single lump sum of her voluntary contributions ($7,000) and a lifetime pension of her member contributions when she stops working or retires (equal in value to
   - $30,000).

If Jane chooses option 2, she will forfeit the benefit she would have received from her vested Employer contributions.

Keep in mind, if you take a lump- sum payment from the plan, it may be subject to a 20% mandatory withholding tax, and a 10% early withdrawal penalty. Please refer to Question 15 for more information.

Survivor benefits

Your spouse is automatically the beneficiary of your survivor benefits, unless you and your spouse sign a waiver. In this case, you can name someone else to be the beneficiary for:

- *your member and voluntary contributions, with interest (if you die before age 65), or*
- *the 120- monthly payments of your pension, less the value of your member contributions, with interest (if you die at or after age 65).*

Even if your spouse signs a waiver, he or she will still receive 65% of your pension for life (less the value of your member contributions, with interest).

11. Does the plan pay survivor benefits?

If you die before your pension begins

Your spouse (if you have one) is the beneficiary of your survivor benefits, unless you and your spouse sign a waiver and you name someone else to be your beneficiary. The survivor benefits paid from the plan depend on your age, vesting status and marital status when you die.

If you die before age 65

If you have a spouse and no waiver is signed, he or she will receive:

- The sum of your member and voluntary contributions in a single lump sum, with interest, soon after your death; *plus*
- A monthly lifetime pension equal to 65% of the pension you would have been entitled to at retirement if you had lived until age 65, *less the lump-sum value of your member contributions, with interest, described above*. The 65% spouse's pension will begin on the first day of the month on or after the day you would have turned 65, unless your spouse chooses to receive a reduced pension beginning at an earlier date.

Your spouse also has the option to receive an additional pension rather than the lump-sum value of your member and employer contributions with interest.

If your spouse signs a waiver, he or she will receive only the benefit described in B above. Your beneficiary will receive the benefit described in A above.

If you do not have a spouse when you die, your beneficiary will receive the benefit described in A above. No further survivor benefits will be paid from the plan.

If you die at or after age 65

If you have a spouse, he or she will receive:

- The sum of your member and voluntary contributions in a single lump sum, with interest, soon after your death; *plus*
- 120-monthly payments equal to the pension you have earned and would have received at retirement, *less the lump -sum value of your member contributions, with interest.*
- After the 120-monthly payments have been made, your spouse will continue to receive a lifetime monthly pension equal to 65% of the pension previously paid.

Your spouse also has the option to receive your member and voluntary contributions, with interest, as an additional pension rather than an immediate lump sum.

If you do not have a spouse, your beneficiary will receive the 120-monthly payments described above. After the 120-monthly payments have been made, no further survivor benefits will be paid from the plan.

If you die after your pension begins

The amount of any survivor benefits will depend on the form of payment you selected at retirement.

Legal and tax considerations

12. Can the plan be amended or terminated?

Although the Church intends to continue the plan indefinitely, the Church reserves the right to amend or terminate the plan at any time, provided that no amendment will make it possible for any part of the plan assets to be used for purposes other than for the exclusive benefit of plan members and their beneficiaries. The Metropolitan Council has the authority to amend the plan, as delegated by the All American Council.

If the plan is terminated, all future plan contributions will stop and no further benefits will be earned. Based on the actuarial valuation — a review of the plan conducted by our actuaries periodically — the Pension Board will determine the share of plan assets that will be allocated to each plan member and beneficiary. The allocated assets would then be used to purchase immediate or deferred annuities from an insurance company for the exclusive benefit of plan members and beneficiaries or distributed to plan members in cash.

13. Are my pension benefits protected?

All plan assets are held in trust and protected from creditors—yours and your Employer's. Your benefits cannot be assigned or pledged to any individual or entity, or subjected to your debts or other legal obligations, except in accordance with a domestic relations order, or as otherwise provided by law.

Our plan is a defined benefit "church plan" as defined in Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA), and Section 414(e) of the Internal Revenue Code. Church plans, like ours, are not subject to Title I of ERISA, nor are plan benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a government agency that insures certain types of pension plans.

Plan benefits are not insured by the Pension Benefit Guarantee Corporation (PBGC).

14. Could my benefit payments be delayed or denied?

The Pension Board strives to administer the plan as fairly and consistently as possible, and to properly pay all benefit entitlements to members and beneficiaries. However, if you fail to sign or submit any required forms or to furnish information requested by the Pension Board within a reasonable period of time, your benefit payments may be delayed.

All claims for unpaid benefits should be made in writing to the Pension Board. If a claim is fully or partially denied, you will receive a written notice from the Pension Board indicating the reason for the denial, the plan provisions pertinent to the denial, and a request for whatever additional information may be necessary to consider the claim further.

You will receive the notice within 90 days after the Pension Board receives your claim. The 90-day period may be extended for up to an additional 90 days under special circumstances. In this case, the Pension Board will notify you within the initial 90-day period, explain the special circumstances and let you know when a final decision is expected.

Should you receive a notice denying a claim for benefits, you or your authorized representative may review all pertinent documents and submit comments to the Pension Board for review.

The Pension Board must receive your written request for a review within 60 days after your receipt of the denial of your claim for benefits. The Pension Board will re-examine your claim and issue a final decision within 60 days after the receipt of your appeal, unless special circumstances require a reasonable extension (up to an additional 60 days).

You should not rely on this tax information and should consult the IRS or your tax advisor when considering a payment from the plan.
Neither the Church nor the Pension Board can provide you with tax advice.

15. Are my plan benefits taxed?

The following is a general description of the income tax implications on benefit payments from this plan. The laws are complex and subject to frequent change.

Monthly benefit payments

When you retire and receive a monthly pension from the plan, a portion of your payments may be taxable in the year you receive them. Clergy may be eligible to treat a portion of their payouts as "housing allowance" and receive favorable tax treatment. Please consult your tax advisor. Also note that monthly payments such as lifetime pension benefits cannot be rolled over to another plan or an Individual Retirement Account (IRA).

Lump-sum payment

Under federal law, if you receive a lump-sum payment from the plan of more than $200, the Administrator must withhold 20% of the taxable amount. To avoid this mandatory tax, you can elect to roll over all or a portion of your lump-sum payment to:

- another qualified employer retirement plan (e.g., 401(k), 403(b) plan) that accepts rollover contributions, or
- an IRA.

Any taxable portion that is not rolled over and paid to you in cash will be subject to the 20% withholding tax. This is not necessarily the tax you owe; it is just the amount of tax withheld. The amount which is not rolled over is subject to federal income tax in the year you receive payment.

If you elect to receive any cash lump sum from the plan before age 59½, the payment may also be subject to a 10% penalty tax under the Internal Revenue Code unless you:

- are at least age 55 when you stop working for your Employer, or
- roll over the entire cash lump sum to another qualified plan or IRA within 60 days of receiving it.

The 10% penalty does not apply to payments made to your beneficiary upon your death.

There are specific and technical qualifications and requirements set forth in the Internal Revenue Code that must be satisfied in order for your lump-sum payment to be eligible for rollover. For additional information please review IRS publication 575 which can be found at www.irs.gov under "forms and publications". Before receiving any payments from the plan, we highly recommend that you consult with your tax advisor.

Only lump-sum payments received from the plan may be rolled over to another plan or an IRA; monthly payments such as lifetime termination or retirement benefits may not.

16. Can I make tax-deductible contributions to an Individual Retirement Account (IRA)?

Because you are a member of our pension plan, you cannot fully deduct contributions made to a traditional IRA. Only individuals with adjusted gross income under specified levels — and who are not members of an employer-sponsored retirement plan — can fully deduct IRA contributions.

You may, however, still contribute the full amount — or the difference between the full deduction and the allowable deductible amount — on an after-tax basis. The investment earnings under the IRA will continue to be tax free until they are withdrawn. You may have the option to make nondeductible or Roth IRA contributions. Please consult your tax advisor before making any IRA contributions.

Key terms

Beneficiary

The person(s) or OCA organization that you name to receive the survivor benefit from the plan. If you have an eligible spouse (see definition below), he or she is automatically your pension beneficiary unless a waiver is signed.

Disability retirement date

The date you are eligible for a disability pension, as long as you: complete five years of plan membership before your disability begins, and

- provide documentation of your eligibility to receive Social Security disability benefits.

Eligibility service

The entire period of employment that you are eligible to make plan contributions, regardless of whether you actually contribute to the plan. *For example, if you were eligible to make plan contributions for 20 years, but only contributed for 15 years, your eligibility ser vice equals 20 years.*

Employer (or "Church")

Unless otherwise noted, means the Orthodox Church in America, and other organizations, associations or corporations that are under the Church's jurisdiction.

Employer contributions

Contributions made by your Employer (Parish or other) equal to 8% of your monthly pensionable compensation.

Member contributions

Contributions you make to the plan equal to 6% of your monthly pensionable compensation.

Normal retirement date

The first of the month on or after the later of your 65th birthday, or the January 1st of the year in which your fifth anniversary of becoming a plan member occurs.

Participation service

Each month of employment that you made the required plan contributions. *For example, if you were eligible to make plan contributions for 20 years, but only contributed for 15 years, your participation service equals 15 years.*

Pensionable compensation

The sum of your annual base pay/cash salary. For clergy who receive a housing allowance, and laypeople required to accept employer housing, any housing allowance you receive each year will be included in your pensionable compensation. This does not include any living allowance, automobile allowance, or other forms of living expenses.

Plan effective date
January 1, 2021

Plan Year
Each January 1 – December 31

Spouse

The person of the opposite sex who is legally married to you under the laws of the state in which you live immediately before your death or retirement, and which marriage is recognized by the Church.

Vested

The right to receive your plan benefits when you retire or leave your Employer.

Your member and voluntary contributions are always 100% vested. Your Employer contributions are vested based on your years of plan membership.

Voluntary contributions

In addition to the required member contributions, you may elect to make voluntary contributions to the plan equal to 1% to 10% of your monthly pensionable compensation.

Year of service
(also referred to as "Year of plan membership")

A year of service is credited for each 12-months of service that you make the required contributions.