

**Reformed Episcopal Church & Anglican Province of America
Retirement Plan and Trust**

Summary Plan Description

January 2020

Reformed Episcopal Church Retirement Plan

Summary Plan Description

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Article I

INTRODUCTION

This Plan and Trust is established for the purpose of giving recognition to the contribution made by eligible Employees and to reward them for long and loyal service by providing Eligible Employees with retirement, disability and death benefits in accordance with the Plan. Your Employer, Reformed Episcopal Church and Anglican Province of America, (the "Employer") established the Reformed Episcopal Church & Anglican Province of America Retirement Plan and Trust (the "Plan"), for the exclusive benefit of all eligible Employees and their Beneficiaries. The original effective date of the Plan was July 1, 1981. However, this Summary Plan Description reflects the terms of the Plan under the most recent amendment, effective January 1, 2020. Each year, your Employer may make a contribution to the Plan, toward your Profit Sharing retirement funds. This retirement benefit is provided totally at your Employer's expense; you do not contribute to the Plan.

When you retire, you will receive the value of the account which has been set up to accumulate your Employer's contributions to the Plan. You may also be eligible for benefits in the event of your death, total disability or other termination of your employment with the Employer.

This Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). This Plan is intended to be a Church Plan exempt from ERISA coverage under Section 4(b)(2) of ERISA. As a Church Plan, this Plan provides a tax deferred retirement benefit exempt from certain reporting requirements of "qualified" plans under Section 401 (a) of the Internal Revenue Code.

This Summary Plan Description is a brief description of your Plan and your rights and benefits under the Plan. This Summary Plan Description is not meant to interpret or change the provisions of your Plan. A copy of your Plan is on file at your Employer's office and may be read by you, your Beneficiaries, or your legal representatives at any reasonable time. If you have any questions regarding either your Plan or this Summary Plan Description, you should ask your Plan Administrator. If any discrepancies exist between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.

Article II

GENERAL INFORMATION ABOUT THE PLAN

Plan Name: Reformed Episcopal Church & Anglican Province of America Retirement Plan and Trust

Employer: The Board of Pensions & Relief of the Reformed Episcopal Church (collectively the ER)
The Reformed Episcopal Church (REC)
The Anglican Province in America (APA)
Each affiliated local Parishes and The General Council Boards and Agencies
Diocesan Boards and Agencies and the Jurisdictional Boards and Agencies

Type of Plan: Profit Sharing Plan

Administration Type: Self-Administered

Plan Administrator: Reverend Dr. Jon W. Abboud
200 Glen Gary Drive
Havertown, PA 19083
610-449-6267

Legal Agent: Church The Board of Pensions and Relief of the Reformed Episcopal Church
200 Glen Gary Drive
Havertown, PA 19083
610-449-6267

Trustees: Rev. Dr. Jon W. Abboud
200 Glen Gary Drive
Havertown, PA 19083
(610) 449-6267

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(713) 434-1117

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Funding Arrangement: Trust
Plan Year: January 1st to December 31st
Limitation Year: January 1st to December 31st
Anniversary Date: December 31st
Valuation Date: March 31st, June 30th, September 30th and December 31st

Article III

PARTICIPATION IN YOUR PLAN

Before you become a Participant in the Plan, there are certain eligibility and participation requirements that you must meet. These requirements are explained in this section.

Eligible Employees:

A person who is currently or hereafter employed by the APA, or by the General Council Board of the REC and all active Presbyters and Missionaries in good standing. A person who is employed by individual Parishes and or Synodical boards. Local Reformed Episcopal Churches & Anglican Province of America Churches may elect to enroll deacons and other employees. Non-resident aliens may be excluded. All of these employees are considered Eligible Employees and may participate in the Plan, once they meet the Eligibility and Participation requirements.

The Plan Administrator shall have full and complete discretion to determine eligibility for participation and benefits under this Plan, including, without limitation, the determination of those individuals who are deemed Employees (or any controlled group member.) The Plan Administrator's decision shall be final, binding, and conclusive on all parties having or claiming a benefit under this Plan.

Eligibility Requirements:

You will be eligible to participate in the Plan on the first Entry Date after your date of hire or the date of ordination to the Diaconate. You are mandated into the plan on the January 1st following your ordination to the Presbyterate.

The "Eligibility Computation Period" is the 12 month period that begins with the date you were hired and each subsequent period begins on the anniversary of the date you were hired.

Entry Dates:

For the purpose of Employer Contributions, your Entry Date will be the first day of the Plan Year (January 1st) coincident with or immediately following employment.

Article IV

CONTRIBUTIONS

Employer Contribution:

You will be eligible to receive an allocation of Employer Contributions regardless of the Hours of Service you earn in any given Plan Year so long as you were employed and participating in the Plan on any day during the Plan Year.

The amount of the Employer's contribution shall be 12.00% of each eligible Presbyter's participant's compensation.

Notwithstanding the above, a Presbyter serving a parish shall be entitled to a minimum allocation equal to \$500.00.

The contribution made on behalf of other employees of individual churches, synodical boards and deacons who have applied and been accepted by the individual employing agency may vary from the amount listed above but in no event shall be greater than 12.00%.

Such contributions are irrevocable once transferred to the Treasurer of the Board of Pensions & Relief of the Reformed Episcopal Church.

Additional Contribution:

Should there be a gifting from an unrelated individual (arms distance transaction), a member of the Church, or a trust fund for the benefit of a Participant's retirement funds, such amount will be immediately transferred to the Trustee and deposited into the trust fund in accordance with the designation.

Contributions may be made by the employer for the benefit of any participant in addition to the 12% listed above.

Allocation Date for Employer Contribution:

The Employer contribution will be allocated to your account as of each March 31st, June 30th, September 30th and December 31st.

Article V

VESTING

The term "vesting" refers to the percentage of your Employer Contribution account that you are entitled to receive in the event of your termination of employment.

If you terminate employment as a result of Normal Retirement, Late Retirement, Early Retirement, Disability Retirement, or Death, you are 100% vested in your Account balance. Otherwise, your Account balance will be subject to the following vesting schedule, based upon your Years of Vesting Service (see Article VI), as follows:

Vesting Schedule:

Years of Vesting Service	Percent Vested
Less than 1	0%
1 but less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

See Article IX for additional information on retirement, disability or death.

Article VI

SERVICE RULES

Year of Service:

You will earn a Year of Service for purposes of Eligibility if you are credited with 12 months of Service in an Eligibility Computation Period. You will earn a Year of Service for Vesting if you are credited with 12 months of service in a Vesting Computation Period. An ordained individual will begin earning Vesting Service from the date of ordination to the Diaconate regardless of income. You cannot earn more than one Year of Service credit during any period used to determine a Year of Service for any purpose. If you terminate employment and are later rehired by the Employer, your Years of Service after reemployment may be added to the Years of Service you had accumulated when you left, if you did not receive a distribution of your vested Employer Account, or if you repay the full amount of the distribution within five years of the first date on which you are subsequently reemployed by the Employer.

Hours of Service:

You will be credited with Hours of Service based on the Elapsed Time Method. Instead of requiring you to be credited with a certain number of Hours of Service your service requirement is met by a period of continuous service that does not count hours.

Break in Service Rules:

The elapsed time method of counting service counts periods of service not hours of service. Under the elapsed time method the term "period of severance" is substituted for the term "break in service".

For purposes of eligibility to participate under the elapsed time method of crediting service, an Employee who has severed from service by reason of a quit, discharge or retirement may be entitled to have a period of time of 12 months or less taken into account by the Employer or Employers maintaining the Plan if the Employee returns to service within a certain period of time and performs an Hour of Service. In general, the period of time during which the Employee must return to service begins on the date the Employee severs from service as a result of a quit, discharge or retirement and ends on the first anniversary of such date. However, if the Employee is absent for any other reason (e.g., layoff) and then quits, is discharged or retires, the period of time during which the Employee may return and receive credit begins on the Severance from Service Date and ends one year after the first day of absence (e.g., first day of layoff). As a result of the operation of these rules, a severance from service (e.g., a quit), or an absence (e.g., layoff) followed by a severance from service, never results in a period of time of more than one year being required to be taken into account after an Employee severs from service or is absent from service. A Period of Severance means the period of time commencing on the date a

Participant severs from service and ends on the date on which the Employee again performs an Hour of Service.

When fractional Years of Service are aggregated they are aggregated using the calendar month if the Employee is credited with an Hour of Service in the month and rounded to the nearest one twelfth (1/12th) of a year.

When you incur a one-year period of severance, you will have a Break in Service for Plan eligibility purposes. When you incur a one-year period of severance, you will have a Break in Service for Plan Vesting purposes. When you incur a one-year period of severance, you will have a Break in Service for purposes of Employer Contribution allocation. A period of severance is explained in a previous paragraph.

Article VII

COMPENSATION

Throughout this Summary Plan Description, the words "compensation" and "pay" are used to define contribution amounts. "Pay" or "Compensation" means the amount actually paid or accrued by the church or agency during the plan year, including Housing Allowance or utilities and the Fair Market Rental Value of church provided housing (normally set at ten percent (10%) of the market value of the house or established rental rates of similar housing in the area). Compensation shall not include any other nontaxable allowance or benefit provided to the Presbyterian, or any amount which is contributed by the Employer pursuant to a salary reduction agreement.

In no event shall Compensation in excess of \$285,000 (as adjusted by the Secretary of the Treasury each year for increases in the cost of living under section 415(d) of the Internal Revenue Code) be taken into account for any Participant in this Plan. The Plan Administrator will tell you upon request what the limit is for any particular Plan Year.

Compensation Computation Period:

The Compensation Computation Period is the interval of time used in calculating Compensation for purposes of allocating the Employer Contribution. The Compensation Computation Period for your Plan is defined by the Plan Year.

Compensation for a Participant's initial year of participation shall be determined from the first day of the Compensation Computation Period ending in the initial Plan Year of Participation.

Article VIII

PARTICIPANT ACCOUNTS

Under the Profit Sharing Plan, your Employer Contributions are placed into investment accounts, which are credited with gains and losses on each Valuation Date. The Valuation Date for your plan occurs four times during a Plan Year, on the last day of the third, sixth and ninth months of the Plan Year and on the last day of the Plan Year.

While it is expected that the Trust Fund will be valued only on the Valuation Date(s) described above, the Plan Administrator may, in good faith, require a "special" valuation at any time. This may be done when a sizeable distribution is about to occur if extraordinary circumstances significantly affect the value of the Trust Fund since the last Valuation Date. For example, this may be done to prevent an overstated distribution due to a large market value decrease, not otherwise recognized since the last Valuation Date, which would adversely affect other Participants. If a special valuation is done, it is binding on all persons.

Forfeitures:

In addition to contributions, the Employer Contribution account is credited with forfeitures if they occur. "Forfeitures" are amounts which could not be paid to terminated participants because they were not 100% vested when they separated from service with the Employer.

In order to share in the allocation of Forfeitures, you must be eligible to share in Employer Contributions for the Plan Year. If you are eligible to share in the forfeiture allocation, your portion will be credited to your account as of the last day of the Plan Year. Your share of the Forfeitures of Employer Contributions will be allocated in proportion to your Account Balance.

Rollover Accounts:

Rollovers are permitted only if you are a participant.

Direct transfer rollovers are permitted from a qualified plan described in Code sections 401 (a) or 403(a), excluding after-tax employee contributions, an annuity contract described in Code sections 403(b), excluding after-tax employee contributions, and an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

You may rollover an eligible distribution from a qualified plan described in Code sections 401 (a) or 403(a), excluding after-tax employee contributions, an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, and an Individual Retirement Account or Annuity described in Code sections 408(a) or (b) that is eligible to be rolled over, limited to amounts that would otherwise be includible in gross income.

In-kind rollovers are not permitted.

Investments:

All the money deposited into the Plan by your Employer will be invested by the Trustees.

Crediting your accounts with gain or loss:

Each investment account is credited with investment gain or loss as of each Valuation Date. Earnings or losses are allocated on the basis of the ratio your Account balance as of the prior Valuation Date bears to the total Account balances of all Participants in the same investment plus any adjustments for transactions since the last Valuation Date. You are then credited with that percentage of earnings or losses. If you receive a distribution from the Plan as of any date other than a Valuation Date the value of your Account will be the value as of the next following Valuation Date. (See Article II for Valuation Date.)

Article IX

BENEFITS UNDER YOUR PLAN

In-Service Distributions:

An In-Service Distribution is one that you receive while you are actively employed. The primary purpose of the Plan is to provide benefits to you upon your retirement. In order to apply for an In-Service distribution you must be 100% vested in all your Accounts. You may request an In-Service Distribution of all or a portion of your Employer Account or your Rollover Account provided you have reached your Early Retirement Age (ERA). An in-service withdrawal is available only once every five years after reaching ERA.

Rectory Allowance:

Subject to the approval of The Board of Pensions and Relief of the Reformed Episcopal Church, a retired Ordained Clergy may make an irrevocable election to return a portion of his Normal Retirement Benefit to the Board of Pensions and Relief of the Reformed Episcopal Church. This amount will then be used as a Rectory Allowance. Once requested, approved and transferred these funds are not recoverable. See Appendix A.

Procedure for Distributions on account of Retirement, Death, Disability, and In-Service Distributions:

Distributions due to Retirement, Death or Disability and In-Service distribution will be processed as soon as administratively feasible, the following provides guidelines:

- First submit an executed written request to the Plan Administrator.
- Upon approval by the Plan Administrator, the required "Distribution" paperwork will then be sent to you. The paperwork must be completed and signed by you and your spouse's signature must be notarized (if your distribution request is in excess of \$15,000.00) and the original should be returned to the Plan Administrator.
- Upon receipt of the completed paperwork, a check will be issued.
- All distribution requests received between January 1 and March 31 will be paid based on the March 31 valuation and will be distributed in the month of April
- All distribution requests received between April 1 and June 30 will be paid based on the June 30 valuation and will be distributed in the month of July
- All distribution requests received between July 1 and September 30 will be paid based on the September 30 valuation and will be distributed in the month of October
- All distribution requests received between October 1 and December 31 will be paid based on the December 31 valuation and will be distributed in the month of January of the following year

Procedure for Distributions on account of Termination of employment or discharge:

Distributions due to termination of employment or discharge will be available to be requested following a break in service (an amount of time where you work less than 3 months).

- First submit an executed written request to the Plan Administrator.
- Upon approval by the Plan Administrator, the required "Distribution" paperwork will then be sent to you. This paperwork must be completed and signed by you and your spouse's signature must be notarized (if your distribution request is in excess of \$15,000.00) and the original should be returned to the Plan Administrator.
- Upon receipt of the completed paperwork, a check will be issued.
- All distribution requests received between January 1 and March 31 will be paid based on the March 31 valuation and will be distributed in the month of April
- All distribution requests received between April 1 and June 30 will be paid based on the June 30 valuation and will be distributed in the month of July
- All distribution requests received between July 1 and September 30 will be paid based on the September 30 valuation and will be distributed in the month of October
- All distribution requests received between October 1 and December 31 will be paid based on the December 31 valuation and will be distributed in the month of January of the following year

How to Request a Distribution:

Send an executed written request to the Plan Administrator. Upon receipt of that request a determination will be made regarding the approval of the distribution. You will then be sent paperwork that must be completed and signed and, if applicable, your spouse's signature must be notarized. The timing of all distribution requests is enumerated above.

Normal Retirement Benefits:

You will reach the Plan's Normal Retirement Age when you reach age 65.

Your Normal Retirement Date is the first day of the month coincident with or next following the date you reach Normal Retirement Age.

At your Normal Retirement Age, you will be fully vested in your Employer Contribution Account. Payment of your benefits will begin as soon as is administratively feasible following the next Plan Valuation Date.

Normal Form of Distribution:

Unless otherwise elected by the Participant or his spouse, a Participant's vested Account Balance shall be distributed in a single lump sum payment, an annual distribution or an annual distribution paid in equal quarterly installments.

Early Retirement Benefits:

You are eligible for Early Retirement Benefits on the date you reach age 59 ½ and are fully vested in your account.

You will be 100% vested in your Employer discretionary Account on your Early Retirement Date. If you retire on or after your Early Retirement Date, payment of your Early Retirement benefits will commence as enumerated above.

Late Retirement Benefits:

If you decide to work past your Normal Retirement Date, you can defer payment of your benefits until your actual Retirement Date. Payment of your Retirement benefits will commence as soon as practicable following your late retirement date.

Death Benefits:

Should you die before termination of your employment, your spouse or Beneficiary will be entitled to 100% of your Account balance.

If you are married at the time of your death, your spouse will be the Beneficiary of your death benefits, unless you otherwise elect in writing on a form to be furnished to you by the Plan Administrator. **IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE AS YOUR BENEFICIARY, YOUR SPOUSE MUST CONSENT TO WAIVE HIS/HER RIGHT TO RECEIVE DEATH BENEFITS UNDER THE PLAN. YOUR SPOUSE'S CONSENT MUST BE IN WRITING AND WITNESSED BY A NOTARY PUBLIC.**

If your spouse has consented to a valid waiver of any rights to the death benefit, or your spouse cannot be located, or you are single at the time of your death, then your death benefit will be paid to any Beneficiary you may choose. The Plan Administrator will supply you with a Beneficiary designation form.

Since your spouse has certain rights under your Plan, you should immediately inform the Plan Administrator of any changes in your marital status.

Disability Benefits:

A Participant, who terminates employment due to being disabled, shall be entitled to his vested and non-forfeitable Account Balance as of his Disability Retirement Date. Such Participant shall be 100% vested in his Account balance.

The Disability Retirement Date is the date the Participant is determined to be disabled by the Social Security Administration or the Plan Administrator.

Benefits upon Termination:

If your employment is terminated for any reason other than those set out above, you will be entitled to that portion of your Employer Accounts in which you are vested.

"Vesting" refers to the percentage of your Account balance you are entitled to at any point in time. For each year you remain a Participant in the Plan, you may become vested with a higher percentage of your Employer account balance. (See *Vesting, Article V.*)

If you terminate employment you may request a distribution following a break in service defined above.

Can the Employer ever force me to take a distribution from the Plan?

Yes. If your account balance after you stop working for the Employer is less than \$5,000 and you do not submit a distribution form telling the Plan Administrator how you would like your balance distributed, the Plan Administrator will force a distribution from the Plan. If the total amount of the distribution is less than \$5,000, the Plan Administrator must roll the balance over to an IRA established in your name. This mandatory distribution will be invested in an IRA designed to preserve principal and provide a reasonable rate of return and liquidity. The \$30 fee related to the establishment of the IRA will be paid out of the account balance. The \$45 fee incurred annually for the IRA account's maintenance will be paid out of the account balance. For further information concerning the Plan's automatic rollover provisions, the IRA provider and the fees and expenses attendant to the individual retirement plan please contact the Plan Administrator.

Your rollover account balance (if any) will be included when determining if your account balance will be forced out.

The Plan Administrator will force a distribution of your account balance when you reach your Required Beginning Date (see below for what your Required Beginning Date is).

Distributions Due To A Domestic Relations Order:

In general, contributions made by you or your Employer for your retirement are not subject to alienation. This means they cannot be sold, used as collateral for a loan, given away or otherwise transferred. They are not subject to the claims of your creditors. However, they may be subject to claims under a Qualified Domestic Relations Order (QDRO).

The Administrator may be required by law to recognize obligations you incur as a result of court ordered child support or alimony payments. The Administrator must honor a "Qualified Domestic Relations Order," which is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, child or other dependent. If a QDRO is received by the Administrator, all or portions of your benefits may be used to satisfy the obligation. It is

the Plan Administrator's responsibility to determine the validity of a QDRO.

Distributions pursuant to a Qualified Domestic Relations Order are permitted on or after the date a Domestic Relations Order is determined to be a Qualified Domestic Relations Order, even if the Participant continues to be employed and has not attained the "earliest possible retirement age" pursuant to section 414(p) of the Internal Revenue Code.

For this purpose, the "earliest possible retirement age" under the Plan means the earlier of: (a) the date on which the Participant is entitled to a distribution under the Plan, or (b) the later of the date the Participant attains age 50, or the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

Participants and Beneficiaries can obtain, from the Plan Administrator, without charge, a copy of the Plan's procedures governing Qualified Domestic Relations Orders.

Taxation of Distributions:

The benefits you receive from the Plan will be subject to ordinary income tax in the year in which you receive the payment, unless you defer taxation by a "rollover" of your distribution into another qualified plan or an IRA. Also, in certain situations, your tax may be reduced by special tax treatment such as "10-year forward averaging."

VERY IMPORTANT NOTE: Under most circumstances, if you receive a distribution from this Plan, twenty percent (20%) of your distribution will be withheld for federal income tax purposes, unless you instruct the trustees of this Plan to transfer your distribution **DIRECTLY** into another qualified plan or an IRA. You must give these instructions to the trustees no more than 90 days before the date you receive the payment. Also, unless you sign a waiver form, the trustees must wait at least 30 days after receiving your instructions before making the payment, to allow you time to change your decision, unless you waive the waiting period. If you waive the 30-day waiting period, payment can begin prior to the end of the 30-day period but you will have the right to revoke the waiver prior to commencement of payment or, if later, within seven (7) days after the receipt of a written explanation of your waiver options. The Plan Administrator can provide you with the waiver form.

In addition to ordinary income tax, you may be subject to a 10% tax penalty if you receive a "premature" distribution. If you receive a distribution upon terminating employment before age 55 and you don't receive the payment as a life annuity, you will be subject to the 10% penalty unless you roll over your payment. But, there is no penalty for payments due to your death or disability.

As the rules concerning "rollovers" and the taxation of benefits are complex, please consult your tax advisor before making a withdrawal or requesting a distribution from the Plan. As required by law, the Plan Administrator will provide you with a brief explanation of the rules concerning "rollovers."

Article X

BENEFIT PAYMENT OPTIONS

Other than as described in this document, the forms of payment available under your Plan are: a lump-sum distribution of your total Account Balance or a partial distribution which can be paid to you as an annual distribution or an annual distribution paid in equal quarterly installments..

The Plan Administrator may delay payment to you for a reasonable time for administrative convenience. However, unless you choose to defer receipt of your distribution, the Plan must begin your payments within 60 days after the close of the Plan Year following the latest of:

- (a) the date on which you reached your Normal Retirement Age;
- (b) the 10th anniversary of the year in which you became a Participant in the Plan; or
- (c) the date you terminated employment with the Employer.

Under certain circumstances, the law requires that your distributions begin no later than April 1 of the year following the date you reach age 70-1/2 (the date six months after your 70th birthday). Your Plan Administrator will contact you if you are affected by this requirement.

Article XI

TOP-HEAVY RULES

A Plan becomes Top-Heavy when the total of the Key Employees' Account balances makes up more than 60% of the total of all Account balances in the Plan. Key Employees are certain highly compensated officers or owners/shareholders.

If your Plan is Top-Heavy, Plan participants but excluding Participants who are "Key Employees" must receive a minimum contribution. This minimum contribution is the smaller of the percentage of pay contributed by the Employer to Key Employees, or 3% of your Compensation. If the Employer Contribution allocated to your Account for the Top-Heavy year is equal to or more than this minimum contribution, no additional Employer Contribution would be needed to meet the Top-Heavy rules.

Article XII

MISCELLANEOUS

Protection of benefits:

Except for the requirements of a Qualified Domestic Relations Order, your Plan benefits are not subject to claims, indebtedness, execution, garnishment or other similar legal or equitable process. Also, you cannot voluntarily (or involuntarily) assign your benefits under this Plan. See Distributions due to a Domestic Relations Order in Article IX.

Loans:

Loans are not permitted under this Plan.

Amendment and Termination:

The Employer has reserved the right to amend or terminate your Plan. However, no amendment can take away any benefits you have already earned. If your Plan is terminated, you will be entitled to the full amount in your Account as of the date of termination, regardless of the percent you are vested at the time of termination.

Claims:

When you request a distribution of all or any part of your account, you will contact the Plan Administrator who will provide you with the proper forms to make your claim for benefits. Your claim for benefits will be given a full and fair review. However, if your claim is denied, in whole or in part, the Plan Administrator will provide a written notice of its decision.

Setting Every Community Up for Retirement Enhancement (SECURE) Act:

Effective January 1, 2020, certain provisions in this Plan have been affected by the passage of the SECURE Act which was signed into law on December 20, 2019.

The adverse benefit notice will include the following:

- (a) the specific reason(s) for the denial,
- (b) reference to the specific plan provisions on which the denial is based,
- (c) a description of any additional documentation to perfect your claim and an explanation of why such information is necessary,
- (d) a description of the appeals procedure's applicable time limits,
- (e) In the case of an adverse benefit determination by a plan providing disability benefits,
 - (1) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the claimant upon request; or
 - (2) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.
- (f) The following additional benefit claim review standards shall apply if the disability determination is made by the Plan Administrator instead of outside the Plan by, for instance, the Social Security Administration or a Long Term Disability Plan of the Employer,
 - (1) Provide for a review that does not afford deference to the initial adverse benefit determination and that is conducted by an appropriate named Fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual,
 - (2) Provide that, in deciding an appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, the appropriate named Fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment,
 - (3) Provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your or your Beneficiary's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - (4) Provide that the health care professional engaged for purposes of a consultation under paragraph (2) of this section shall be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

This notice will be provided to you within a reasonable period of time, but no later than 90 days after the date of your claim for benefits was received.

The Plan Administrator may extend this deadline by up to 90 days if there are special circumstances beyond the control of the Plan that require additional time to process the claim. If a delay occurs, you will be notified in writing before the end of the initial 90-day period and be given a date by which a final determination will be made (not more than 180 days after the receipt of your claim.)

Exception to the 90-Day Notification Deadline

An exception to the 90-day notification deadline applies if your claim is for disability benefits. In this case, the plan Administrator shall notify you or your Beneficiary within a reasonable period of time, but not later than 45 days after the date your claim was received.

The Plan Administrator may extend this deadline by up to 30 days if there are special circumstances beyond the control of the Plan that require additional time to process the claim. If a delay occurs, you will be notified in writing before the end of the initial 45-day period.

If, prior to the end of the first 30-day extension period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be made within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Plan Administrator notifies you or your Beneficiary, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Plan expects to render a decision.

In the case of any extension under a claim for disability benefits, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. Further, you will be given at least 45 days within which to provide the specified information.

If you or your beneficiary does not file an appeal within the 60-day period, the denial will stand. If you do file an appeal within the 60 days, your Employer will review the facts and hold hearings, if necessary, in order to reach a final decision. Your Employer's decision will be made within 60 days of receipt of the notice of your appeal, unless an extension is needed due to special circumstances. In any event, your Employer will make a decision within 120 days of the receipt of your appeal.

Appendix A Rectory Allowance

To qualify you must:

1. Be an ordained minister;
2. Be retired – the issue of whether or not clergy are retired can be complicated. Ultimately you should consult with your tax advisor. To be considered retired you must have had a meaningful break in service or significant change in work duties. If you are 70.5 or older and are delaying receipt of a required minimum distribution, the IRS may not regard you as retired. If you are receiving retirement benefits from your plan and contributions are still being made to your account, the IRS may not regard you as retired. The REC/APA Plan does recognize that retired clergy may be asked to serve a parish in a part-time or interim capacity. The plan allows for contributions to be made to your pension account for that service provided you have had a meaningful break in service and/or significant change in work duties. If you are receiving a rectory allowance from another source, you may not elect to receive a rectory allowance from your pension account;
3. Have enough money in your pension account to fund the allowance you are requesting
4. Provide the Board of Pensions and Relief with a written request to designate a specific withdrawal as a rectory allowance for the coming year or portion thereof (note: a rectory allowance cannot be retroactive).

The amount of the rectory allowance may be the lesser of the following:

- a. The amount actually used to provide a home
- b. The amount officially designated as a housing allowance
- c. The fair rental value (FRV) of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities, etc.

For example, the following expenses qualify subject to the limitations set forth in a,b and c above.

Down payment on a home
Rent or mortgage payments including interest and principal
Real estate taxes
Property insurance
Utilities
Furnishings
Structural repairs and improvements
Maintenance items
Home association dues

Cleaning services, food, domestic help, second or vacation homes and home equity loan payments for anything other than housing expenses do not qualify.

You will be required to report any excess housing allowance as taxable income on your income taxes.

The board has authorized the Rev. Dr. Jon W. Abboud to review and approve any request for a rectory allowance distribution from your pension account. His actions will be reviewed by the Board and designations will be recorded in the minutes of the Board meetings.

Upon approval, your request will be forwarded to our Third Party Administrator for processing. You will receive one rectory allowance distribution approval for the year. You will also receive a form 1099-R for the year in which the distribution is received in accordance with the IRS instructions. You may still have to receive a required minimum distribution if the amount of the designated rectory allowance does not satisfy IRS Regulations.

APPENDIX B – MINIMUM CONTRIBUTION ELECTION

The Board of Pensions and Relief of the REC and APA
200 Glen Gary Drive, Havertown, PA 19083

I _____ hereby stipulate effective ___/___/___ that I am voluntarily releasing _____ (parish name) from the requirement to make more than the minimum \$500.00 annual contribution to my REC and APA pension account. I further stipulate that my spouse and I are releasing the Board of Pensions and Relief from any obligation to collect more than the minimum required contribution on my behalf. I acknowledge that the growth and cumulative value of my pension account will be lessened by my decision and the Board of Pensions and Relief has no further pension obligation to myself or my heirs as a result of my decision.

Participants Signature _____ / ___ / ___

Spouse's Signature _____ / ___ / ___

Notary

On behalf of the Wardens and Vestry of _____ I certify the request made above by _____ (name) was received by the board and that it has been moved and approved that from henceforth, the Parish is obligated to make only the minimum \$500.00 annual contribution to the pension account of the individual named above. The parish agrees to participate in the mandatory Denominational Life and Disability program subject to the carrier's underwriting. Future eligible clergy will be enrolled according to actions established by the General Council of the Reformed Episcopal Church in America or the Anglican Province in America. We further understand it is the responsibility of the Parish to make the required contributions by the 15th Day of January of the year following eligibility.

_____/___/___
Secretary

A brief explanation with respect to the above form.

The pension benefit afforded the clergy mandated into our plan and offered voluntarily to others is a true benefit and is 100% funded by the employer. It is not based upon a salary reduction or any contribution by the named participant. In the case of both the REC and the APA our councils have made participation by our PARISHES mandatory. Thus, our clergy and their beneficiaries have a right to expect a retirement benefit or death benefit commensurate with the provisions of the plan.

It is recognized, that in some cases, a clergyman serving a parish may not need or desire a pension contribution be made on their behalf and or the parish may not be able to make the full contribution. In that case, the board will allow the mandated clergy and participating parish to opt out of all but the \$500.00 minimum contribution. The normal contribution is 12% of cash salary and housing allowance or fair rental value of the rectory, with a minimum contribution of \$500. To opt out of the 12% provision the clergyman and his spouse (or designated beneficiary) must both sign and return the above form. Their signatures must be notarized. In addition, the vestry of the parish must adopt a motion approving said action, which must be certified by the secretary to the board.

This action is necessary to protect the parish and the larger church from legal action should a spouse or beneficiary make a claim based on the 12% contribution benefit.

The minimum contribution is necessary to demonstrate that the pension program is a true benefit provided by the employer and not a salary reduction program. This action satisfies participation requirements.

In extraordinary circumstances, a parish may elect to abstain from participation, however, once elected, this action will be permanent and will release the board and the larger church from any obligation to provide benefits or relief of any kind to the parish, its clergy or their beneficiaries.

If such an election is made, a formal resolution signed by the priest, wardens and vestry and approved by the Bishop Ordinary must be filed with the board. If any funds are being held by the board, the individual must request a rollover of vested monies into a self-directed IRA under a severance of relationship agreement.