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November 10, 2008

**TO: Church Treasurers & Participants of The Wesleyan Pension Fund, Inc.  
Retirement Plan**

**RE: New IRS Regulations Effecting Pension Plans**

Greetings from Wesleyan Pension Fund:

The IRS has adopted new 403(b) regulations which go into effect January 1, 2009 that can affect your church. The purpose of the new regulations is to insure that all churches are covered by an approved retirement plan, and that the rules and regulations for church pension plans are being followed. This letter is intended to highlight the change, and includes two different communication pieces that go into more detail.

**First, you need to know that if your church is participating in Wesleyan Pension Fund (WPF) and all eligible church employees are covered with a 12% employer contribution to WPF, then you can disregard this letter and the enclosed contents (however, take note of the next paragraph to see if it applies to you). Your church is fully covered by WPF and you need to take no further action relating to the new regulations.**

There is one area that may require your attention if you are fully participating with WPF as outlined above. The new regulations require that contributions should be deposited in an "administratively feasible period," typically within 15 days after the end of the payroll period which they relate to. Some churches have been holding contributions for months before submitting them. This practice is not allowed under the new regulations, and contributions should be made on a more-timely basis.

If your church is not making contributions of 12% of salary, housing and utilities to WPF on behalf of all eligible employees (clergy and lay) at your church, or you are making retirement payments to another investment vehicle or organization other than WPF, then your church is not covered by the WPF Plan Document, and you will have to hire legal and tax counsel to prepare your own plan document for your retirement plan. You are not covered by the WPF Plan Document, and you will have to formally establish your own IRS approved retirement plan for your individual church.

Attached are some highlights and FAQ's for the new IRS 403(b) regulations. The Wesleyan Pension Fund is here to serve you. If you need to enroll employees or transfer funds to WPF from other retirement plans in order to comply with these new regulations, please feel free to contact the office at 1-800-595-4131.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Craig A. Dunn', written over a horizontal line.

Craig A. Dunn, CEO  
Wesleyan Pension Fund, Inc.