



WESLEYAN CHURCH PENSION PLAN

SUMMARY PLAN DESCRIPTION

*The Wesleyan Pension Fund, Inc.
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*Wesleyan Pension Fund, Inc.
Summary Plan Description
Effective 1/01/2009
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WESLEYAN CHURCH

PENSION PLAN

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WESLEYAN CHURCH PENSION PLAN

SUMMARY PLAN DESCRIPTION

INTRODUCTION

In order to assist its employees in ensuring that they have enough funds set aside for their retirement years, the Wesleyan Church established the Wesleyan Pension Fund, Inc. (“WPF”). The WPF established a pension plan (the “Plan”) for all eligible ministers, missionaries and lay employees of the Wesleyan Church. This Plan allows your employer to set funds aside for your retirement. In addition, it enables you to set aside a portion of your earnings in a tax-advantaged manner during your working years.

The Plan is a church retirement income account program described in section 403(b)(9) of the Internal Revenue Code. The Internal Revenue Code permits denominations and churches to set up retirement plans designed to provide current tax savings on plan contributions and plan earnings to be paid in the form of pension benefits during retirement. The Plan provides these tax savings, while at the same time providing you with investment vehicles through which your retirement funds can grow.

The Plan is intended to be adopted by eligible Wesleyan Church employers. By adopting this Plan, your employer can establish its own 403(b) plan, separate from the 403(b) plan of any other eligible employer.

You are encouraged to read this booklet carefully to understand how your Plan works.

This Booklet is a Summary of the Plan

The term “Plan,” as used in this summary, refers to the retirement income account program administered by the WPF, which your employer has adopted. This booklet provides a summary of only that Plan and its investment options. This summary does not describe any other agreements that your employer may have with providers of other 403(b) arrangements.

You should refer to this booklet first when you have a question about the Plan. The booklet highlights the main provisions of the Plan and includes important information. Because this description is just a summary, it cannot describe how the Plan works under every conceivable set of circumstances. In all cases, your rights under the Plan are governed by the Plan’s legal document. In the event that this summary is inconsistent with the Plan document, the Plan document will control. In addition, as indicated above, this summary does not describe any other 403(b) arrangements that your employer may offer.

A copy of the Plan document describing the retirement income account program administered by the WPF can be obtained from WPF.

Be Prepared!

We are all familiar with the story of Joseph in Genesis 41 where, through a dream, Joseph warns Pharaoh of the upcoming seven years of abundance, followed by seven years of famine. We also are familiar with Solomon's admonition in Proverbs 6: 6-11 to consider the hard-working ant's lying in of provisions in anticipation of coming need. And, although the New Testament parables about the Kingdom of God focus on the necessity of our living in a state of readiness for Christ's return, they also communicate the practical truth of preparation today for coming events.

The Plan is an Important Part of Your Financial Security

The Wesleyan Church Pension Plan exists to be part of the provision of retirement income in your retirement years. The contributions to your account (both yours and your employer's) are an important part of your financial security in your retirement. Additionally, Social Security (if you have not elected out of it), personal savings, any other retirement savings, and home ownership also contribute to your financial security at retirement.

At retirement, your total account, that is, all contributions made to the Plan by you or on your behalf plus investment earnings, form the basis for calculating your retirement benefits, which can be paid to you in the form of installment payments, in a lump sum, or as a monthly annuity.

The Plan is a Defined Contribution Plan

The Plan is a defined contribution plan. Plan contributions come from employer contributions and contributions you make. All contributions are credited to your account in the Plan. The tax laws limit the amount of contributions which both you and your employer can make to the Plan on your behalf. The WPF will assist in the calculation of that limit upon request. However, in performing any calculations, the WPF will rely on you to provide the necessary data. Therefore, you may want to consult with a tax advisor to ensure that you are providing the WPF with accurate and complete information.

Plan Administrator

The WPF administers the Plan. However, the WPF may from time to time contract with outside vendors to perform certain administrative services associated with the Plan. The WPF has contracted with Principal Financial Group to provide some investment services to the Plan. If you have any questions about the Plan you can contact a representative of the WPF or Principal Financial Group at the addresses and telephone numbers below:

Wesleyan Pension Fund, Inc.
P.O. Box 50434
Indianapolis, IN 46250-0434

(800) 595-4131
or
(317) 774-3954

Principal Financial Group
711 High Street
Des Moines, IO 50392

(800) 547-7754

You can also get more information about the Plan by going to the WPF web site at www.wesleyanpensionfund.com.

ELGIBLE EMPLOYERS

Employers whose employees are eligible to participate in the Plan include:

- Wesleyan Church Corporation,
- any district or local church,
- any board, agency, auxiliary or subsidiary organization, or institution of the Wesleyan Church, district or local church, and
- certain other denominational church groups, districts or local churches and other church-related organizations that share common religious bonds and convictions with the Wesleyan Church and that are approved by the WPF.

If you have any questions about whether a particular Church-related employer is eligible to participate in the Plan, please call the WPF for additional information.

In addition, in some cases, the employers of ministers with licensed credentials and employers of chaplains may make contributions to the Plan even though such employers are not affiliated with a Church.

ELGIBLE EMPLOYEES AND ENROLLMENT

All ordained and commissioned or licensed ministers of the Wesleyan Church are eligible to participate in the Plan. Clergy who are serving outside the Church as chaplains or who are self-employed ministers also are eligible to participate in the Plan. In addition, the following employees are eligible to participate in the Plan, provided they are working at least 20 hours a week:

- Missionaries and lay missionaries of the Church
- Lay employees of the Church
- Wesleyan World Headquarters employees or home office employees

If you are eligible to participate in the Plan, you may enroll by completing an application form and returning it to the WPF. You may obtain an enrollment packet by contacting the WPF at the address and telephone number below:

Wesleyan Pension Fund, Inc.
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or
(317) 774-3954

C CONTRIBUTIONS

Types of Contributions

There are two types of contributions that may be made to the Plan. The first is Employer Contributions. Although there is no requirement that your employer contribute to the Plan, all Church employers are strongly encouraged to contribute an amount equal to 12% of your gross salary. You should check with your employer to find out whether you are eligible to receive Employer Contributions and, if so, how much those contributions will be.

One-twelfth of the Employer Contribution (typically 1% of your gross salary) is used by the WPF to purchase disability and death protection for you and for such other purposes as the WPF board may from time to time determine. (See page 20 for a description of the disability and death protection benefits.) The rest is invested in your account in the Plan. If your employer provides you with a parsonage, your actual salary is hypothetically increased by 30% in calculating the amount of contributions that will be made to the Plan on your behalf.

The second type of contributions is Salary Reduction Contributions which are made by you by means of payroll salary reduction. All eligible employees are permitted to make Salary Reduction Contributions to the Plan, whether or not they are eligible to receive Employer Contributions. This type of contribution allows you to contribute a certain portion of your compensation to the Plan on a pre-tax basis. You may choose how much you want to contribute up to the Internal Revenue Code maximum for this type of contribution (this limit is described on page 6 in the “How Much to Contribute” section of the booklet). This type of contribution reduces your currently taxable income by the amount of your contribution, saving you current tax dollars. The idea is that, since you are not actually receiving a portion of your salary now, you are also not taxed on it now. However, non-ordained employees do pay Social Security taxes on their salary reduction contributions.

If you are participating in another retirement plan, or if you have been contributing to another 403(b) tax-sheltered annuity provider through your employer, you may also be able to make a Rollover Contribution or a Transfer Contribution to this Plan. A Rollover Contribution is a direct rollover of a distribution made from another retirement plan into your account in this Plan. You can now roll contributions over from a variety of different retirement plans, including 403(b) plans, 401(a) plans, 401(k) plans, governmental 457(b) plans and IRAs. A Transfer Contribution is a transfer directly from another 403(b) annuity provider to the WPF. There are a number of restrictions that apply to direct rollover or transfer contributions. Therefore, if you are a participant in another retirement plan, you should check with the administrator or the provider for that plan, as well as with the WPF, to determine if you can make a Rollover Contribution or Transfer Contribution.

You should understand that this Plan is not intended to be a liquid savings account. Rather, it is a long-term retirement account. It is expected that all contributions made to the Plan will

remain in the Plan until you retire at age 62 or terminate employment. If you terminate employment before you attain age 62, there is a five-year waiting period from the date of termination before you are permitted to take a distribution from the Plan. In addition, the Plan does not permit partial or lump sum distributions until retirement for individuals who remain ordained, commissioned or licensed ministers of The Wesleyan Church or of other approved denominations.

Note: The tax laws limit the amount of contributions (not including Rollover or Transfer Contributions) that may be contributed on an employee's behalf, as described below under "How Much to Contribute." If you are participating in another retirement plan, contributions made on your behalf to that other plan may need to be taken into account when determining the maximum contribution limits under this Plan. Because determining these limits depends on your own financial circumstances, the WPF cannot be responsible for complying with them; that must be your responsibility. However, the WPF will provide you with information regarding these limits and assist you in determining them, upon request.

How Much To Contribute

How much can you contribute to the Plan? The determination of how much you can contribute each year is an extremely complex area of the tax laws, and you should consult your tax adviser about this.

Basic Limits: There are essentially two limits on the amount of contributions that can be made to your account. One limit only applies to your voluntary Salary Reduction Contributions. The other one applies to all contributions made to the Plan on your behalf. **You cannot exceed either of these limits.**

- **Limit on Salary Reduction Contributions:** The first limit on contributions is that your voluntary Salary Reduction Contributions (not counting any Employer Contributions) cannot exceed the statutory dollar limit. This limit is \$17,500 in 2014. The Internal Revenue Service ("IRS") may increase this dollar limit from time to time to account for cost-of-living increases.
- **Limit on Total Contributions:** The second limitation on how much you can contribute is that the total of your Salary Reduction and Employer Contributions in a calendar year cannot exceed 100% of your compensation or the statutory dollar amount, whichever is less. For 2014, the statutory amount is \$52,000. The IRS may increase the \$52,000 limit from time to time to account for cost-of-living increases. Please note that, for this purpose, "compensation" cannot include any tax-exempt housing allowance (if you are a minister).

Note: Rollover Contributions and Transfer Contributions do not count towards either of these two basic limits.

Catch-Up Contribution Limits. There are also two special “catch-up” contribution limits that apply in limited cases.

- **Age-50 Catch-Up Contributions.** Under the “age-50” catch-up contribution limit, beginning in the year you turn 50, you can make additional Salary Reduction Contributions of up to \$5,500 each year. These additional Salary Reduction Contributions do not count for purposes of either of the two main contribution limits discussed above. That means that if you turn 50 in 2014, you can make Salary Reduction Contributions up to \$17,500, plus an additional \$5,500 in “age-50” catch-up contributions (so that your total Salary Reduction Contributions in 2014 could be as much as \$23,000.) The IRS may increase this age-50 catch-up limit from time to time to account for cost-of-living increases.
- **15 Years of Service Catch-Up Contributions.** The second special “catch-up” limit allows an employee with at least 15 years of service with the Wesleyan Church to make a special 403(b) catch-up contribution (with a maximum amount determined by a complicated formula). For example, the \$17,500 limit on your Salary Reduction Contributions can be increased by up to \$3,000 if you have 15 years of service with the Church and have not contributed up to the maximum salary reduction contribution limit in prior years. **Note:** The maximum lifetime amount that can be contributed under this second special “catch-up” contribution limit is \$15,000; and the IRS does not ever increase this amount to account for cost-of-living increases.

The IRS has adopted a rule for coordinating the two types of catch-up contributions where employees are eligible to make both types of contributions. Any Salary Reduction Contributions in excess of the basic Salary Reduction Contribution limit described above will first be treated as contributions under the 15-years-of-service catch-up limit. Once the 15-years-of-service catch-up contribution is made in full for a year, the age-50 catch-up contribution may be made, up to the annual limit.

If you would like more information about how to determine your maximum contributions, or assistance with that determination, please contact the WPF. Again, the WPF will rely on you to provide it with accurate information in order to assist you in calculating your maximum contributions. Therefore, you may want to consult with a tax advisor to ensure that you are providing the WPF with correct and complete information.

Examples of Application of Contribution Limits

Example One: In 2014, Mary Smith receives a \$30,000 salary. Mary’s employer sends \$3,600 to the WPF (which is 12% of Mary’s compensation). Of that contribution, \$300 (or one percent of Mary’s compensation) is used to purchase disability and death protection for Mary and her beneficiaries. The remainder, \$3,300, is contributed to the Plan as an Employer Contribution on Mary’s behalf. Mary also contributes \$5,000 in Salary Reduction Contributions.

Plan Contributions in 2014:

Employer Contributions:	\$3,300
Salary Reduction Contributions:	<u>\$5,000</u>
Total Contributions:	\$8,300

Annual Limit on Salary Reduction Contributions for 2014: \$17,500

Annual Limit on Total Contributions for 2014:

Lesser of: \$50,000 or 100% of taxable compensation.

Mary's taxable compensation is \$30,000.

That means that the maximum annual limit on total contributions is \$30,000.

Conclusion:

Mary's Salary Reduction Contributions are \$5,000, which is less than the annual limit on Salary Reduction Contributions; and the total contributions made to her Account (both Salary Reduction and Employer Contributions) are \$8,300, which is less than the annual limit on total contributions. So Mary and her employer can each make the contributions described in this Example.

Example Two: Pastor Miller is 45 years old and receives a salary of \$30,000, of which \$20,000 is eligible as tax-excludible housing allowance. Pastor Miller's employer sends \$3,600 to the WPF (which is 12% of Pastor Miller's compensation). Of that contribution, \$300 (or one percent of Pastor Miller's compensation) is used to purchase disability and death protection for Pastor Miller and his beneficiaries. The remainder, \$3,300, is contributed to the Plan as an Employer Contribution on Pastor Miller's behalf. In addition, Pastor Miller contributes \$8,000 in Salary Reduction Contributions.

Plan Contributions:

Employer Contributions:	\$3,300
Salary Reduction Contributions:	<u>\$8,000</u>
Total Contributions:	\$11,300

Annual Limit on Salary Reduction Contributions for 2014: \$17,500

Annual Limit on Total Contributions for 2014:

Lesser of: \$50,000 or 100% of taxable compensation.

Pastor Miller's taxable compensation is \$10,000 (\$30,000 in salary minus \$20,000 housing allowance = \$10,000). That means that the maximum annual limit on total contributions is \$10,000.

Conclusion:

Although Pastor Miller's total contributions do not exceed the \$17,500 annual limit on Salary Reduction Contributions, his total contributions (\$11,300) are more than the annual limit on total contributions. Pastor Miller must reduce his Salary Reduction Contributions even though he has not exceeded the annual limit for these contributions, because he has exceeded the annual limit for total contributions. Pastor Miller must reduce his Salary Reduction Contributions to \$6,700 so that the total contributions made to his Account in the Plan will be \$10,000 (\$6,700 in Salary Reduction Contributions plus \$3,300 in Employer Contributions = \$10,000).

Example Three: The facts are the same as for Example Two, except that now Pastor Miller is 62 years old. He still wants to make Salary Reduction Contributions in the amount of \$8,000, in addition to the \$3,300 Employer Contributions that his employer makes.

Plan Contributions:

Employer Contributions:	\$3,300
Salary Reduction Contributions:	<u>\$8,000</u>
Total Contributions:	\$11,300

Annual Limit on Salary Reduction Contributions for 2014:

<i>Basic limit:</i>	\$17,500
<i>Age 50 Catch-Up Contribution Limit:</i>	<u>\$5,500</u>
<i>Total Salary Reduction Contribution Limit \$</i>	22,500

Annual Limit on Total Contributions for 2014:

Lesser of: \$50,000 or 100% of taxable compensation.

Pastor Miller's taxable compensation is still \$10,000 (\$30,000 in salary minus \$20,000 housing allowance = \$10,000). That means that the maximum annual limit on total contributions is \$10,000.

Conclusion:

Although the total contributions to the Plan are \$1,300 more than Pastor Miller's taxable compensation, Pastor Miller is entitled to make additional Salary Reduction Contributions because he is over age 62. These catch-up contributions are in addition to the annual limit on total contributions. Thus, Pastor Miller can treat \$1,300 of his Salary Reduction Contributions as special age 50 catch-up contributions. As such, the remaining contributions equal \$10,000, which is equal to 100% of Pastor Miller's taxable compensation. Therefore, Pastor Miller's total contributions to the Plan are within the legal limits.

January 1, 1999 Account Balances

In addition to the contributions that you and your employer can make to this Plan on an ongoing basis, your account in this Plan will include any account balance attributable to contributions made for your benefit to this Plan prior to January 1, 1999.

Vesting

All contributions to the Plan credited to your account, including any January 1, 1999 account balance, are 100% vested and nonforfeitable. Your Plan account stays with you if you change Church employers. All contributions and investment earnings are yours. In other words, you are fully vested from the first day of participation. In case of your death, your spouse or named beneficiary will receive your entire account.

Federal and State Income Tax Information

You do not pay federal income taxes on the contributions at the time Salary Reduction or Employer Contributions are made. All taxes are deferred until benefits are paid to you or your beneficiary, generally in retirement.

The way in which your Plan benefits will be taxed under most state and local income tax laws will be similar to the way in which they are taxed for federal tax purposes. However, you should consult a tax advisor about taxation of your benefits under state and local tax laws, if you are subject to such taxes.

The contributions which are made by your employer are not subject to Social Security taxes or creditable toward Social Security benefits. However, if you are not a minister, your Salary Reduction Contributions are subject to Social Security taxes. Salary Reduction Contributions made by clergy are not subject to Social Security (or SECA) taxes.

Housing Allowance

If you are a retired minister of the gospel, all or a portion of your annual pension may be designated as available for housing allowance, pursuant to Internal Revenue Service Ruling 75-22. However, the amount actually excludable as housing allowance cannot exceed:

- *The fair rental value of the furnished home plus the cost of utilities, furnishings and maintenance; or*
- *The actual expenses of operating a home; or*
- *The amount designated by the WPF as a housing allowance.*

P LAN ACCOUNTS

All contributions made on your behalf, along with earnings on those contributions, will be credited to an account and sub-accounts under the Plan in your name. As of the end of each business day, the WPF will determine the fair market value of your account, allocating investment earnings and losses to that account. You will receive semi-annual statements of your account balance that reflects all contributions to your account made since the preceding statement, including Rollover and Transfer Contributions, all amounts paid to you from your account during that period, if any, and all earnings and losses credited to your account. All quarterly statements are posted online under the History tab in your account. To receive information on your account balance, you can call Principal Financial Group at (800) 547-7754 or access your account information on the WPF web site at www.wesleyanpensionfund.com. You can also write the WPF at P.O. Box 50434, Indianapolis, IN 46250-0434 or call (800) 595-4131. If you are local, you can call (317) 774-3954.

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INVESTMENT OPTIONS

The Plan allows you to choose how you invest your retirement funds. All amounts credited to your account under the Plan will be invested at your direction in one or more investment options selected by the WPF.

Each investment option is different and has its own specific investment objective. It is up to you to decide in which of the investment options you want to invest and how much of your Plan contributions and assets you want to invest in each one. The choice of how to invest is entirely up to you.

Remember: The WPF may add, eliminate, or otherwise change the investment options offered under this Plan at any time. However, if it does so, it will notify participants of any change.

Before you select any of the investment options, you should review the available investment information carefully before you choose the investment option or options in which to invest the contributions made to the Plan on your behalf. In addition, you should carefully read the information in the section below on **Investment Strategy**.

Investment Strategy

There are two different approaches to investment: Target Date Retirement Portfolios and Single Fund Investment Options. You can invest all or a portion of your account in any of the Single Fund Investment Options. You can also invest a portion of your account in one or more of the Target Date Retirement Portfolio models and the rest of your account in one or more Single Fund Investment Options.

You should have received a packet of information with a more detailed description of the Target Date Retirement Portfolios and the Single Fund Investment Options. (New participants should have received this packet when they enrolled in the Plan.) This packet has useful information to help you in making your Plan account investment decisions. If you did not receive this packet, or if you want more detailed information about available investment options, please call the WPF at (800) 595-4131. If you are local, you can call (317) 774-3954. You can also get more information on each of the investment funds by going to “Your Investment Options” on the WPF web site at www.wesleyanpensionfund.com. You can also receive information about available investment options from Principal Financial Group by calling (800) 547-7754.

The investment option or combination of options in which you choose to invest depends on your personal investment goals and objectives. These objectives and goals will be determined by, among other things, how long your money will be invested, how much risk you are willing to take with your investments, and how much money you think you will need

for retirement. Some participants may be willing to accept a significant risk of fluctuation in the value of their investment in order to receive a high rate of return. Other participants, particularly those close to retirement, may want to invest in options that provide a low or modest rate of return but have less risk and short-term fluctuation in value. You need to examine each of the investment options in light of your individual concerns and investment goals.

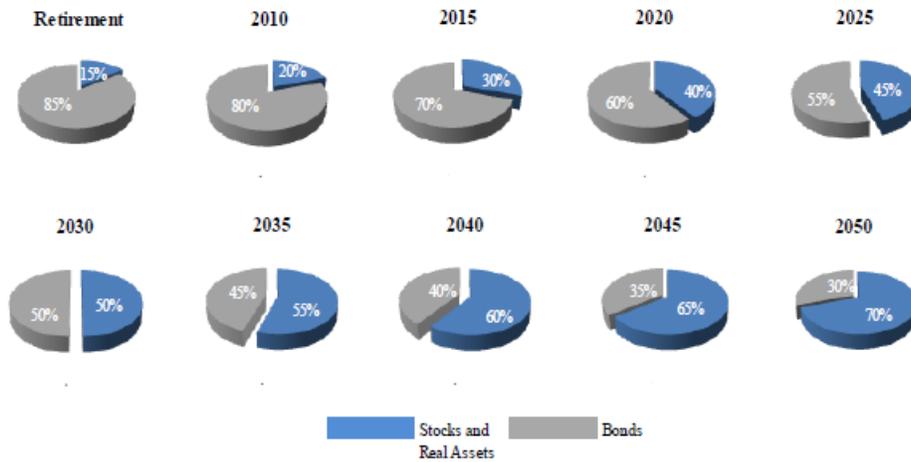
Target Date Retirement Portfolios

WPF has contracted with Ronald Blue & Co., a Christian financial advisory firm, to help it create special Target Retirement Portfolios designed for each participant's needs. These Target Retirement Portfolios have been constructed to assist you with complex retirement decisions by automatically adjusting your investment allocation according to your targeted retirement age.

Instead of filling out a lengthy questionnaire that could misrepresent your true risk tolerance, this simpler alternative is based on your retirement timeline. If you want to use this option, simply select the Target Date Retirement Portfolio that most closely matches your projected retirement date. Over time, your portfolio allocations will automatically shift from being more equity-oriented to more fixed income-oriented - therefore becoming more conservative to protect your capital as your retirement date approaches.

Because these portfolios are tailored to your particular retirement date, you can quickly identify the model with the appropriate risk/reward ratio for you. The pie graphs below illustrate the new portfolio allocations. For example, a participant expecting to retire in 2020 could select the "2020 Portfolio." In 2014, this portfolio consists of 40% equities and 60% fixed income. However, the percentage of equity automatically decreases and the allocation to fixed income increases as the 2020 target date approaches. You should check the WPF web site at www.wesleyanpensionfund.com to determine the actual allocation for each of these Target Date Retirement Portfolios.

Target Date Retirement Portfolio Models



Note: The above charts reflect 2014 allocations. For more current information, please go to www.wesleyanpensionfund.com.

Single Fund Investment Options

In addition to Target Date Retirement Portfolio models described above, you may also invest among several different Single Fund Investment Options. A complete list of the Single Fund Investment Options, along with a description of each, can be found at www.wesleyanpensionfund.com.

I NVESTMENT CHOICE PROCEDURES

Incoming Contributions

To select investment funds for incoming contributions, you must complete the election form which is included in the form you complete when you first enroll in the Plan.

If you do not file the appropriate election form with the WPF, all contributions made on your behalf will be invested in a default investment fund selected by the WPF that corresponds with your projected retirement date.

You may change your investment options at any time without charge. Any change in investment of incoming contributions can be made either through your online account or by calling Principal Financial Group at 800-547-7754. You do not need to file a new election form with WPF. No transactional charges are made in connection with changes in investment in the different funds.

Transfers of Existing Accumulations Between Funds

You may elect to transfer amounts held on your behalf in any investment fund to one or more other investment funds. You can transfer all or a portion of such amount, and you can do so in any percentage increment you want. To make a transfer, you must go online to your account using the “make changes” tab or call Principal Financial Group at 800-547-7754 to speak to a representative.

PAYMENT OF BENEFITS

Normal Retirement Benefits

You are entitled to a retirement distribution upon attaining age 62, whether or not you continue your employment. In order to receive your benefits, you must file an election (on a form provided by the WPF) designating the form and time of benefit payment. All benefit payments must be approved by the WPF. Your benefit payments will begin as soon as is administratively practical immediately following the date on which the WPF receives your written election.

Pre-Retirement Termination Benefits

If you terminate service with your employer before your 62nd birthday, you are entitled to the Retirement Benefits described above when you reach age 62. Members may take their retirement funds prior to age 62 after a five year waiting period after separation of service (including surrendering of credentials), and that the five year waiting period begin at the end of service (employment) and (if ordained) the surrendering of credentials to the General Secretary of The Wesleyan Church, whichever date is later. This waiting period shall apply to all funds in the retirement account that were not voluntarily contributed by the member. The voluntary funds that have been contributed by the member prior to age 62, have a 12 month waiting period after separation of service (including surrendering of credentials), and that the 12 month waiting period begin at the end of service (employment) and (if ordained) the surrendering of credentials to the General Secretary of The Wesleyan Church, whichever date is later. In order to receive Pre-Retirement Termination Benefits, you must file an election form with the WPF.

Pre-Retirement Death Benefits

If you die prior to the time you receive payment of any of your retirement benefits under this Plan, your designated beneficiary will be entitled to receive the balance of your account. If your beneficiary is your spouse, he or she may choose to have payment made in the form of installments, a single life annuity, or a lump sum distribution. Your spouse may choose to postpone beginning to receive payments under any payment option until April 1 of the year following the year in which you would have turned 70½. If your designated beneficiary is not your spouse, he or she is entitled to receive the payment of your retirement benefits only in the form of a single lump sum distribution. Payment to a non-spouse beneficiary must be made within five years after your death.

If you have not designated a beneficiary, the lump sum distribution will be made to your estate. To designate a beneficiary, you must complete the appropriate forms provided by the WPF.

In What Form Will My Pension Be Paid at age 62 or older?

Four basic forms of pension payments are available under the Plan and are described below. You may elect the form that best meets your needs. The four basic forms of pension payments are available only if you are age 62 or older. If you terminate employment prior to reaching age 62 and elect to be paid your Pre-Retirement Termination Benefits described earlier, you will only be entitled to receive a lump sum payment, following approval by the WPF of such distribution.

Subject to the approval of the WPF, you are permitted to elect more than one form of benefit payment prior to the time your pension distributions begin. If you select more than one form of payment, you must specify how much of your account balance you wish to have applied to each different form of payment you choose. You must choose the form or forms of pension payment before any retirement distribution is made to you. If you choose an annuity form of pension payment, you cannot change this form of payment after pension distributions begin.

1. Installment Form

This form of benefit provides you with installment payments for a designated number of years which you specify. However, federal regulations provide that you may not have payments made over a period that is longer than your life expectancy or the joint life expectancy of you and your designated beneficiary. These regulations also require that payments must begin under this form of benefit no later than the calendar year following either the year in which you retire from all paid service with the Wesleyan Church or the year in which you attain age 70½, whichever occurs later. The WPF will work with you to ensure that you comply with these regulations.

If you elect the installment form of payment, any amount remaining in your account after you die will be paid in a lump sum to your designated beneficiary, or to your estate, if there is no designated beneficiary.

2. Lump Sum Form

Under this form of payment, you may choose to receive payments from the Plan as a single distribution of the total value of your account on a date which you specify. The date you choose must be no later than April 1 of the calendar year following either the year you turn 70½ or the year you retire from paid service with the Church, whichever occurs later.

3. Joint and Survivor Annuity

A joint and survivor annuity is an annuity with monthly payments for your life with the possibility of a survivor annuity to be paid to your surviving spouse over his or her lifetime. Payments must begin by the calendar year following either the year in which you retire from all paid service with the Wesleyan Church or the year in which you reach 70½, whichever occurs later.

4. Single Life Annuity

If you are not married, you may select a single life annuity form of payment. A single life annuity is a series of fixed payments paid monthly for as long as you live. Annuity payments must begin by the calendar year following either the year in which you retire from all paid service with the Church or the year in which you reach 70½, whichever occurs later.

Note: If you select either a joint and survivor or single life annuity option, the WPF has the option of providing that annuity directly or purchasing an annuity for you from a commercial insurance company. If an annuity contract is to be purchased from a commercial insurance company, the WPF will provide you with quotes from at least two different insurance companies describing each company's annuity purchase rates. You will then be allowed to select which insurance company's annuity product you want the WPF to purchase to provide your annuity benefits under the Plan. See the "Limitation of Liability" section on page 21 of this Summary for more information on annuity benefits.

What Determines the Amount of Your Pension

If your benefits are paid in the form of an annuity, the monthly pension to which you are entitled will be based on the balance in your account at the time your monthly pension commences. In addition, depending on the form of annuity benefit payment you choose, your age and your spouse's age at the time of retirement and actuarial assumptions currently in effect may also affect the amount of the monthly pension you will receive.

What Is The Difference In The Amount of Pension Under The Different Forms of Payment?

Depending on which form of benefit you choose, you will receive a slightly different pension payment. For example, the monthly payment you will receive if you choose a joint and survivor annuity will be less than the amount you will receive if you choose a single life annuity. Also, if you choose the installment option, you can tailor the number and the size of your benefit payments. Your payments will be larger if you choose to have only a few installments than if you choose to have numerous installments. For more detailed information about the different amounts you will receive under each of the various options, you can contact the WPF at (800) 595-4131 or, if you are local, you can call (317) 774-3954.

Cash-Out of Small Accounts

The WPF may, in its discretion, make a lump sum benefit payment to you if you separate from service with the Church and if the balance in your account is less than \$1,000.

Can I Transfer My Account to Another Retirement Plan?

No. Except as provided in the “Direct Rollover” section of this Booklet on page 22, you cannot transfer any portion of your account to another 403(b) plan or any other retirement plan.

Group Death and Disability Benefits

You are entitled to receive a death benefit if you die prior to retirement while you are an active participant in the plan. You are also entitled to disability benefits if you become disabled while you are an active participant in the Plan. This death benefit and disability benefit are paid from plans that are separate from and not a part of the Plan. This section of the Summary Booklet only provides a summary of your death and disability benefits. In the event of any conflict between the terms and provisions of such plans (or other underlying insurance policies) and this Summary, the terms and provisions of the plans (or such policies) shall control.

Both your death and disability benefits are based on your salary as determined by the WPF based on your employer’s pension assessment. For purposes of determining the amount of your death and disability benefits, your “salary” includes cash salary plus, if you are a minister, any additional amounts you receive for housing and utilities.

The WPF assumes that the contributions to the Plan it receives on your behalf are based on 12% of your salary (as defined in the preceding paragraph), and the WPF uses this salary figure for both death and disability benefit purposes. For example, if your employer contributes \$2,100 to the Plan on your behalf, the WPF will calculate your total salary to be \$17,500 ($\$17,500 \times 12\% = \$2,100$), and your death and disability benefits will be based on this amount of \$17,500, regardless of what your actual salary is. **Therefore, in order for you to receive the maximum death or disability benefits available, it is important that your employer’s contributions to the Plan be based on your actual cash salary and, in the case of clergy, any additional housing and utilities.**

The formula for determining the life insurance benefit for individuals age 30 and younger is 4.0 times your salary, determined as described in the preceding paragraph, rounded up to the next higher multiple of \$1,000. The salary multiple drops 0.1 for each year of age past age 30, leveling out at 1.0 times your salary at age 60. This benefit is only available before retirement. Once you retire, you will no longer be covered under the WPF group death benefit plan. The maximum amount of life insurance benefit is \$550,000.

The amount of disability benefits equals 60% of your salary, determined as described above. The maximum amount of disability benefits to which you are entitled is \$10,000 per month. Your disability coverage is coordinated with any Social Security and/or Workers Compensation benefits you receive. In other words, any disability payments you receive

from Social Security or Workers Compensation reduce the disability benefits payable under the WPF disability plan.

In order to receive disability benefits, you must be an active participant in the Plan. You are considered an active participant if contributions have been made to the Plan on your behalf during the previous 12 months. If you are classified as an inactive participant, you may become an active participant if contributions are made on your behalf. In this event, you may become eligible for disability benefits after 12 months of active participation, as long as contributions to the Plan continue to be made.

In order to receive disability benefits, you must also provide proof of your disability. For purposes of the WPF disability plan, you are considered to be disabled if:

1. *you cannot perform each of the material duties of your regular occupation; and after you have received disability benefits for 24 months, you cannot perform each of the material duties of any gainful occupation for which you are reasonably fitted by training, education or experience; or*
2. *you are unable to perform all of the material duties of your regular occupation on a full-time basis, but you are:*
 - *performing at least one of the material duties of your regular occupation or another occupation on a full-time or part-time basis; and*
 - *earning currently at least 20% less per month than your indexed pre-disability earnings due to your disability.*

If you are determined to be disabled by UNUM Insurance Company, your benefits will commence following a 6-month waiting period, and will continue for as long as you are disabled up to age 65. If you are age 60 or over when your disability benefits first commence, you are entitled to receive disability benefits beyond age 65, provided you continue to be disabled. The number of payments which you are entitled to receive after age 65 depends on your age at the time disability payments begin.

You should understand that your retirement benefits may not necessarily be the same amount as your disability benefits. Your disability benefits are based on your salary prior to the date you become disabled, while your retirement benefits are based on the amount in your Plan account when you retire.

Your death and disability benefits are provided through the UNUM Insurance Company. You can obtain more information on the WPF death and disability plans and how to apply for death or disability benefits from the WPF.

DIRECT ROLLOVERS

If you are entitled to receive a distribution under the Plan which is an “eligible rollover distribution,” you may roll over all or a portion of it, either directly or within 60 days after receipt, into another eligible retirement plan. An eligible rollover distribution is generally any cash distribution in excess of \$200. However, an eligible rollover distribution does not include any annuity payments or any distributions that are part of a series of substantially equal payments payable over a period of ten years or more. An eligible rollover distribution also does not include any portion of a distribution that is a required minimum distribution as defined under federal laws. An eligible rollover distribution will be subject to a mandatory 20% federal withholding tax unless it’s rolled over directly into another retirement plan or IRA.

If you have the eligible rollover distribution paid directly to you, then the Plan must withhold 20% on the taxable portion of the distribution even if you intend to roll over the money into another retirement plan or into an IRA within 60 days. To avoid this mandatory withholding, you must instruct the WPF to roll over the money for you directly into an eligible retirement plan or IRA.

In addition to IRAs, the following plans are “eligible retirement plans” which can accept a rollover from this Plan:

- another 403(b) plan
- a qualified 401(a) plan (including a 401(k) plan)
- a governmental 457(b) plan

Please contact the WPF if you would like further information about the types of plans to which you can rollover your distributions.

C LAIMS PROCEDURE

When you retire, you need to file an application for retirement benefits in order to receive benefits from the Plan. To receive a copy of this application, you can call the WPF at (800) 595-4131 or, if you are local, you can call (317) 774-3954.

From time to time you may have questions about your claims for benefits. The WPF will try to answer your questions on an informal basis. However, if you continue to have concerns, you may file a formal claim for benefits in writing with the WPF.

If a claim for benefits is wholly or partially denied, the WPF will provide you with a written notice of the denial within 60 days. This notice will include:

- *the specific reasons for the denial;*
- *references to the provisions in the Plan upon which the denial is based;*
- *a description of any additional information needed to complete the claim along with an explanation of why such information is necessary; and*
- *an explanation of the Plan's claim procedure.*

You have 60 days from the receipt of a notice of denial in which to submit a written request for review by the WPF.

The WPF will provide you with a written decision on the review within 60 days after receiving your request for review. This decision will include the specific reasons for the decision. The decision by the WPF following review is final and binding. All decisions and denials of claims by the WPF shall be afforded the maximum deference permitted by law.

ADMINISTRATIVE PROVISIONS

Limitation of Liability

If you decide to receive your plan benefits in the form of an annuity, the WPF reserves the right to provide you with an annuity benefit directly or purchase an annuity contract for you from a commercial insurance company. If the WPF will provide annuity payments directly, the WPF will set aside funds in the Plan to back up payments under that annuity. The WPF will invest these reserve funds in a manner that is designed to provide sufficient funds to pay for your monthly annuity. However, these annuity payments will be backed only by the Plan's benefits-paying ability; they are not guaranteed by the WPF or the Plan and will only be made to the extent there are Plan assets sufficient to provide for payment. If an annuity contract is purchased for you from a commercial insurance company, that insurance company (and not the Plan or the WPF) will be responsible for payments to you under the annuity contract. You should also note that the WPF is not liable for the failure of any employer to enroll you as a participant in this Plan.

Amendment and Termination

While it is expected that this Plan will continue indefinitely, the WPF may modify, amend or terminate the Plan at any time, subject to the approval of the General Board of the Wesleyan Church. In addition, your employer has the right to terminate its participation in the Plan. If the Plan is terminated, or if your employer ceases to participate in the Plan, the WPF has the right to decide to pay all benefits to which you are entitled under this Plan in the form of a lump sum, to the extent permitted by law.

Responsibilities of Parties

The WPF shall be responsible for all matters relating to the administration and management of the Plan with respect to contributions that it receives. The WPF is not responsible for any matters relating to the administration and management of any other 403(b) plan or 403(b) provider to which your employer permits you to make contributions.

Notification of Mailing Address

It is very important for you to keep the WPF informed of your current address and the current address of any beneficiaries you may designate under the Plan. When you or a beneficiary becomes entitled to benefits, the WPF will contact you or the beneficiary. If the WPF does not have your current address, it will try to locate you. However, the WPF is not under any obligation to search for you or ascertain the whereabouts of you or your beneficiaries. Therefore, you should be sure to provide the WPF, in writing, with any change of the post office address for you or any beneficiary. Any check representing any payment due under this Plan, and any communication forwarded to you at the last known address as

indicated by the records of the WPF, shall constitute adequate payment to you and shall be binding on you for all purposes of the Plan. This notification requirement applies in all respects to any of your beneficiaries who may be entitled to benefits under this Plan.

DEFINITION OF TERMS USED IN THIS BOOKLET

Church	The Wesleyan Church
Employer Contributions	Contributions made by your employer to the Plan. (Employer Contributions are discussed on page 7 of this booklet.)
Plan	The Wesleyan Church Pension Plan. The term “Plan” as used in this booklet refers to the retirement income account program maintained and administered by the WPF. The term “Plan” does not include any other 403(b) plans or arrangements that your employer may sponsor.
Rollover Contributions	A contribution made by you to this Plan after you have received a distribution from an IRA or another eligible retirement plan. (Rollover Contributions are discussed on page 7 of this booklet.)
Salary Reduction Contributions	Contributions you choose to make to the Plan on a “before tax” basis by way of a salary reduction agreement. (Salary Reduction Contributions are discussed on page 7 of this booklet.)
Transfer Contributions	A contribution made to this Plan by way of a transfer directly from another 403(b) provider, without the transferred amount having been first distributed to you. (Transfer Contributions are discussed on page 7 of this booklet.)
WPF	Wesleyan Pension Fund, Inc.