

Page Number: Page 1 of 1

Suggested Title: Retirement Plan for General Agencies

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Amend and restate in the form of Exhibit A attached hereto the Retirement Security Program for General Agencies of The United Methodist Church, effective on a date specified by the General Board of Pension and Health Benefits (with at least 6 months' advance notice to plan sponsors) that is as soon as systems can reasonably be reconfigured to administer the restated plan, which date is not later than January 1, 2010.

SUBMITTED BY: Barbara A. Boigegrain, General Secretary

X _____

Bishop Ben R. Chamness, Chairperson

X _____

TELEPHONE: (847) 866-4200-; FAX: (847) 328-9521 ; E-MAIL: Barbara_Boigegrain@gbophb.org

Retirement Plan for General Agencies

A Church Retirement Benefits Plan of
The United Methodist Church

As Adopted by the 2008 General Conference

Retirement Plan for General Agencies

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
1	Introduction	1
1.1	Defined Terms	1
1.2	History	1
1.3	The Plan.....	1
1.4	Plan Subdivisions	2
1.5	Type of Plan	3
1.6	Funding.....	4
1.7	Exclusive Benefit.....	6
1.8	Plan Sponsors	6
2	Definitions and Rules of Interpretation	8
2.1	Account.....	8
2.2	Account Balance.....	8
2.3	Accountholder	8
2.4	Accounting Date.....	8
2.5	Accrued Benefit.....	8
2.6	ACP Contributions	8
2.7	ACP Test	8
2.8	Active Participant	9
2.9	Active Plan	9
2.10	Actual Contribution Amount.....	9
2.11	Actual Contribution Percentage	9
2.12	Actuarial Equivalent or Actuarially Equivalent	9
2.13	Administrator.....	9
2.14	Adoption Agreement	9
2.15	Affiliate.....	9
2.16	Agency Affiliate	10
2.17	Aggregate Account Balance.....	10
2.18	Alternate Payee.....	10
2.19	Annual Additions.....	10
2.20	Annuity Starting Date.....	11
2.21	Application for Benefits	11
2.22	Appoint or Appointment.....	11
2.23	Approved Service Years.....	11
2.24	Beneficiary	11
2.25	Bishop.....	11
2.26	Church Funds Agency	11
2.27	Church Plan	12
2.28	Claimant	12
2.29	Clergy Employee	12
2.30	Clergyperson.....	12
2.31	Code.....	12
2.32	Common Funding Pool.....	12
2.33	Compensation	13

2.34	Conference.....	13
2.35	Conference Member	13
2.36	Consolidated DB Plan	13
2.37	Contingent Annuitant	13
2.38	Contingent Annuity	13
2.39	Contribution.....	14
2.40	Contribution Rate	14
2.41	CPI.....	14
2.42	Credit	14
2.43	CRSP	14
2.44	Debit	14
2.45	Default Beneficiary	14
2.46	Designated Beneficiary	14
2.47	Determination Year	15
2.48	Disabled or Disability.....	15
2.49	Discipline.....	15
2.50	Disclaim.....	15
2.51	Distribution Calendar Year.....	15
2.52	Due Date	15
2.53	Early Retirement Date	16
2.54	Effective Date.....	16
2.55	Eligible Employee	16
2.56	Eligible Rollover Distribution	17
2.57	Employee.....	17
2.58	Entry Date.....	18
2.59	ERISA.....	18
2.60	15-Year Catch-Up Contributions	18
2.61	Final RSP Account Balance	18
2.62	Five-Year Distribution Option	18
2.63	Form	19
2.64	415 Affiliate.....	19
2.65	415 Compensation.....	19
2.66	415 Suspense Account.....	21
2.67	Full-Time	21
2.68	Funding Policy.....	21
2.69	Funding Pool	21
2.70	Gap Period.....	21
2.71	General Agency	21
2.72	General Agency Benefit Trust.....	22
2.73	General Board.....	22
2.74	General Conference	22
2.75	HCE	22
2.76	Highly Compensated Level	23
2.77	Highly Compensated ACP	23
2.78	Incapacity Leave.....	23
2.79	Includible Compensation.....	23

2.80	In Pay Status	23
2.81	IRA	23
2.82	Late Retirement Date.....	23
2.83	Lay Employee.....	24
2.84	Leased Employee.....	24
2.85	Leave of Absence	24
2.86	Liabilities	25
2.87	Life Expectancy	25
2.88	LifeStage.....	25
2.89	Lifetime Distribution Option.....	25
2.90	Limitation Year	25
2.91	Look-Back Year	25
2.92	LTD Plan Disabled or LTD Plan Disability	26
2.93	Matching Contribution	26
2.94	Matching Contribution Account.....	26
2.95	Maximum ACP.....	26
2.96	Non-HCE.....	26
2.97	Non-Highly Compensated ACP	26
2.98	Non-Matching Contribution	26
2.99	Non-Matching Contribution Account.....	27
2.100	Non-QCCO.....	27
2.101	Normal Retirement Date.....	27
2.102	Notice	27
2.103	Participant.....	28
2.104	Participant Contributions	28
2.105	Part-Time	28
2.106	Permanent.....	28
2.107	Plan	28
2.108	Plan Sponsor.....	28
2.109	Plan Sponsor Liability	29
2.110	Plan Year	29
2.111	QCCO	29
2.112	QDRO.....	29
2.113	QNEC	29
2.114	QNEC Account.....	29
2.115	Recipient.....	30
2.116	Reemployed or Reemployment	30
2.117	Regulation.....	30
2.118	Relinquish.....	30
2.119	Representative Contribution Rate.....	30
2.120	Required Beginning Date	30
2.121	Retire or Retirement	30
2.122	Retirement Date.....	31
2.123	RSP	31
2.124	RSP Core Defined Benefit Plan	31
2.125	RSP Core Defined Contribution Plan.....	31

2.126	Section	31
2.127	Separate Funding Pool.....	31
2.128	Service	32
2.129	Single-Life Annuity.....	32
2.130	Single-Life with 10-Year Certain Annuity.....	32
2.131	Spouse.....	32
2.132	SPP	33
2.133	SRBP	33
2.134	STD Plan Disabled or STD Plan Disability	33
2.135	Supplement	33
2.136	Supplement One	33
2.137	Supplement Two.....	33
2.138	10-Year Certain Annuity	33
2.139	Terminated Participant	33
2.140	Termination of Conference Relationship	33
2.141	Termination of Employment	34
2.142	Top-Paid Group.....	34
2.143	Trust.....	35
2.144	Trust Agreement.....	35
2.145	Trustee	35
2.146	UMPIP	35
2.147	USERRA	35
2.148	USPF.....	35
2.149	USPF Adjustment.....	35
2.150	USPF Compensation	36
2.151	USPF Formula Benefit	36
2.152	USPF Normal Form of Benefit.....	37
2.153	USPF Participant	37
2.154	USPF Pension Benefit	37
2.155	USPF Plan Sponsor	37
2.156	USPF Revised Adjustment	37
2.157	USPF Revised Formula Benefit	38
2.158	USPF Standard Form.....	38
2.159	Valuation Account Balance	39
2.160	Valuation Calendar Year	39
2.161	Vested.....	39
3	Participation	40
3.1	Eligibility for Participation.....	40
3.2	Determination of Entry Date	40
3.3	Determination of Eligibility	41
3.4	Cessation and Resumption of Participation.....	41
3.5	Omission of Eligible Employee.....	41
3.6	Inclusion of Ineligible Person.....	42
4	Amount and Allocation of Contributions	44
4.1	Plan Sponsor Contributions.....	44
4.2	Allocation and Deposit of Contributions.....	46

4.3	Late Contributions	46
4.4	Ineligible Participants	47
4.5	Transfer of RSP Benefit	47
4.6	Participant Contributions	47
5	Limits on Contributions	48
5.1	Limit on Annual Additions	48
5.2	Maximum Benefits	52
5.3	Annual Additions for Disabled Persons	52
5.4	ACP Test for Non-QCCOs	53
5.5	Other Limitations for Non-QCCOs	57
5.6	Limitations Applicable to Defined Benefit Plans	57
5.7	Purpose of Limitations; Authority of Administrator	57
6	Investments and Plan Accounting	58
6.1	Accounts	58
6.2	Investment Fund Accounting	58
6.3	Investment of Accounts	58
7	Vesting and Forfeiture	60
7.1	Full Vesting	60
7.2	Forfeitures	60
8	Payment of Benefits	61
8.1	Methods of Benefit Payment	61
8.2	Distributions	62
8.3	Payments After an Accountholder's Death	63
8.4	Required Minimum Distributions	64
8.5	Direct Rollovers	69
8.6	Unclaimed Benefits	70
8.7	Payment with Respect to Incapacitated Accountholders	71
8.8	Limitation on Liability for Distributions	71
8.9	In-Service Withdrawals	71
8.10	Disclaimer	71
8.11	Trailing Account Balances	71
8.12	Beneficiary	72
9	Adoption of Plan	75
9.1	Eligible Plan Sponsors	75
9.2	Completion of Adoption Agreement	75
9.3	Form of Adoption Agreement	75
9.4	Acceptance of Adoption Agreement	75
9.5	Termination of Adoption Agreement	75
10	Plan Administration	76
10.1	General Fiduciary Standard of Conduct	76
10.2	Allocation of Responsibility Among Fiduciaries	76
10.3	Administrator	76
10.4	Powers and Duties of Administrator	76
10.5	Records and Reports	78
10.6	Duties of Each Plan Sponsor	78
10.7	Fees and Expenses	79

10.8	Attorney Fees and Costs.....	79
10.9	Delegation of Authority.....	80
10.10	Indemnification by Plan Sponsors.....	80
10.11	Claims Procedure.....	80
10.12	Qualified Domestic Relations Orders.....	83
11	Amendment and Termination of Plan	85
11.1	Amendment	85
11.2	Termination of Plan.....	85
12	General Provisions	86
12.1	Rules and Forms	86
12.2	Non-Alienation of Benefits	86
12.3	Non-Reversion.....	86
12.4	Construction	87
12.5	Limitation of Liability	87
12.6	Alternative Dispute Resolution	88
12.7	Titles and Headings	88
12.8	Number and Gender	88
12.9	USERRA	89
12.10	Participant, Beneficiary, and Accountholder Duties	89
12.11	Adequacy of Evidence.....	89
12.12	Notice to Other Parties	89
12.13	Waiver of Notice	89
12.14	Successors.....	89
12.15	Severability.....	89
12.16	Supplements	89
12.17	Change in Classification.....	90
	 SUPPLEMENT ONE – THE UNIFORM STAFF PENSION FUND	 91
S1.1	The Plan	91
S1.1.1	History	91
S1.1.2	USPF.....	91
S1.2	USPF Eligibility	92
S1.2.1	Pension Benefits Eligibility	92
S1.2.2	Vesting.....	92
S1.3	USPF Pension Benefits	93
S1.3.1	Pre-93 Benefits	93
S1.3.2	1993-94 Election	93
S1.3.3	Payment of Benefits	93
S1.3.4	Survivor Benefits.....	93
S1.4	USPF Funding	95
S1.4.1	USPF Assets	95
S1.4.2	USPF Accounting.....	95
S1.4.3	Contributions	95
S1.4.4	Investment of Assets.....	95

**SUPPLEMENT TWO - RETIREMENT SECURITY PROGRAM FOR
GENERAL AGENCIES**

96

S2.1	The Plan	96
	S2.1.1 History	96
	S2.1.2 Frozen Plan.....	96
	S2.1.3 RSP Core Defined Benefit Plan	97
S2.2	Transfer of Benefits	98
	S2.2.1 Transfer of Frozen Benefits.....	98
	S2.2.2 Termination of Supplement Two.....	98

Note: The Retirement Plan for General Agencies is a church plan that is not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or State securities laws. Similarly, the Administrator and the Trustee of the Plan and the entities maintaining any investment funds under the Plan are not subject to those provisions of those Acts or laws. Therefore, Plan participants and beneficiaries will not be afforded the protection of those provisions.

Retirement Plan for General Agencies

SECTION 1 – INTRODUCTION

- 1.1 Defined Terms.** As used in this Plan, capitalized terms, including acronyms, have the meanings set forth in Section 2. When not set forth in that Section, capitalized terms have the meanings set forth in predecessor plans or the meanings given to them in the Discipline or a dictionary of general usage.
- 1.2 History.** Although the Plan bears a different name, it is an amendment and restatement of RSP (as further described in Supplements One and Two). The Plan was effective on the Effective Date, as approved by General Conference 2008. General Conference authorized the establishment of the original predecessor of the Plan, USPF, effective January 1, 1974. USPF was a defined benefit plan that was partially frozen and merged into SPP, effective January 1, 1985, at the direction of General Conference. SPP was a defined contribution plan that preserved USPF as supplement one to SPP. Effective January 1, 1993, General Conference directed that SPP be amended and restated as SRBP, and participants with a USPF benefit were given the option of retaining benefits measured by one of two defined benefit formulas or converting their defined benefit accrued benefits into an equivalent lump sum that would be added to their SRBP account balance. Those participants who retained the USPF defined benefit accrued benefit were covered in supplement one to SRBP and later supplement one to RSP. USPF benefits are now covered by Supplement One to this Plan. Effective January 1, 1998, General Conference authorized the amendment of SRBP to move participant contributions to another plan (the Personal Investment Plan, later succeeded by UMPIP), leaving only General Agency contributions in SRBP and successor plans. Effective January 1, 2007, as approved by General Conference 2004, SRBP was amended and restated as RSP. SRBP was frozen as of December 31, 2006, and participant accounts were transferred to RSP participant accounts. These RSP participant accounts were transferred to Accounts in the Plan as of the Effective Date as provided in Supplement Two.
- 1.3 The Plan.** The Plan, as approved by General Conference 2008 and as applied to any Plan Sponsor, consists of the following subdivisions, plus any others that may be added to the Plan (and minus any subdivisions that may be removed from the Plan) from time to time:
- (a) The Active Plan;
 - (b) Supplement One, also known as USPF and formerly known as supplement one to RSP;
 - (c) Supplement Two, also known as RSP; and
 - (d) The Adoption Agreement for that Plan Sponsor.

The Plan applies to an Employee, a Participant, a Terminated Participant, a Beneficiary, a Contingent Annuitant, a Recipient, or an Accountholder as of the earlier of the date such person first became eligible for the Plan or first had a benefit, an Accrued Benefit, or an Account and remains applicable, as the Plan exists from time to time, until such person

no longer has a benefit, an Accrued Benefit, or an Account under the Plan. If any issue under the Plan arises or applies after such person's benefit or Accrued Benefit has been completely paid or Account has been completely distributed, then the terms of the Plan as they existed on the date of such final payment or distribution will apply to such person. In the case of an Employee, a Beneficiary, or any other person who does not have a benefit, an Accrued Benefit, or an Account according to Plan records, but who claims a benefit under the Plan, the terms of the Plan as they existed at the time or times such person would have been entitled to a benefit, an Accrued Benefit, or an Account if such claim were upheld will govern.

1.4 Plan Subdivisions.

- (a) *Subplans.* For the purpose of the nomenclature of the Plan, there are four subplans within the Plan:
 - (i) The Active Plan;
 - (ii) USPF, which is composed of Supplement One, applicable provisions of Sections 1, 2, 10, 11, and 12 of the Active Plan, Supplement Two (to the extent necessary to participate in the Consolidated DB Plan), and any Adoption Agreement executed by a USPF Plan Sponsor (although USPF Plan Sponsors were not required to execute an Adoption Agreement to be USPF Plan Sponsors);
 - (iii) The RSP Core Defined Benefit Plan, which is composed of applicable portions of Supplement Two, applicable provisions of Sections 1, 2, 10, 11, and 12 of the Active Plan, and applicable provisions of the Adoption Agreement for any Plan Sponsor; and
 - (iv) The RSP Core Defined Contribution Plan, but only until its assets have been transferred to the Active Plan, at which point it will cease to exist as a separate subplan.

- (b) *Separate Funding.* For the purpose of separate funding, there are three subplans within the Plan:
 - (i) The Consolidated DB Plan;
 - (ii) The Active Plan; and
 - (iii) The RSP Core Defined Contribution Plan, but only before its assets have been transferred to the Active Plan.

The assets for each of these three plans will be separately accounted for in the Trust, whether or not they are commingled or transferred, except as otherwise specifically provided in the Plan (such as in Supplement Two). Assets from one of these plans will not be used to fund another of these plans (except as otherwise specifically provided in the Plan). Each of these three subplans will be treated as a

separate single plan for funding purposes within the meaning of Regulation §1.414(l)-1(b)(1). Separate accounting in USPF for certain purposes described in Supplement One will not prevent USPF assets from being available to pay Core DB Plan benefits and vice versa if necessary. Further, separate accounting for the RSP Core Defined Contribution Plan will not prevent the merger of that funding with the Active Plan as provided in Supplement Two. Within each subplan there may be further separate accounting by Plan Sponsor, and asset commingling among Plan Sponsors may be permitted and limited as otherwise provided in the Plan.

- (c) *Frozen Benefits.* USPF and the RSP Core Defined Benefit Plan are frozen as to further Service, but benefits accrued by:
- (i) USPF Participants may be increased in accordance with increases in their USPF Compensation and the Consumer Price Index as provided in Supplement One; and
 - (ii) RSP Core Defined Benefit Plan Participants may be increased in accordance with increases in their Compensation and any Annual Benefit Increases applicable to their monthly benefits as provided in Supplement Two.

Further Contributions under the RSP Core Defined Contribution Plan are frozen as of the Effective Date (except as otherwise provided in Supplement Two). RSP Core Defined Contribution Plan Account Balances for each Participant are transferred from Supplement Two to the Participant's Active Plan Account Balance as further described in Supplement Two.

1.5 Type of Plan. The Plan is intended to be a program of one or more church-sponsored retirement income accounts within the meaning of Code §403(b)(9), with the Consolidated DB Plan being a defined benefit plan, as that term is defined in Code §414(j), and the plans listed in Sections 1.4(b)(ii) and (iii) being defined contribution plans, as that term is defined in Code §414(i). The Consolidated DB Plan is a grandfathered pre-August 14, 1982 defined benefit Code §403(b) plan under Code §403(b)(9) in accordance with §251(e)(5) of the Tax Equity and Fiscal Responsibility Act of 1982. For the purpose of Statement of Financial Accounting Standards Number 158, the Consolidated DB Plan is a multi-employer plan. For the purposes of Code §§401(a)(4) and 403(b)(12), the Plan is intended to be a multiple employer plan involving more than one Plan Sponsor. Plan Sponsors may or may not be Affiliates of one another. For the purpose of Code §414(e), the Plan Sponsors are each intended to be a church, a convention or association of churches (within the meaning of Code §414(e)(3)(C)), or an organization controlled by or associated with a church or a convention or association of churches (within the meaning of Code §414(e)(3)(D)). Accordingly, the Plan Sponsors are intended to be one employer solely for the purpose of Code §414(e) (and separate employers for other purposes, except as may otherwise be specifically provided in the Plan). Further, the Plan is intended to meet the requirements of a "church plan" as that term is defined in Code §414(e) and ERISA §3(33) and to be exempt from ERISA as a

Church Plan (that has not made a Code §410(d)(1) election) to the extent permitted under applicable ERISA sections (including, but not limited to, ERISA §§4(b)(2) and 4021(b)(3)) and any other applicable law.

1.6 Funding. Contributions to fund the benefits provided under the Plan are made by the Plan Sponsors as provided in the Plan.

- (a) *The Trust.* To receive such Contributions, the General Board has established the Trust pursuant to the Trust Agreement. All benefits under the Plan will be provided exclusively by distributions from the Trust. The Trustee has the powers and duties specified in the Trust Agreement. The General Board has the authority to replace the Trustee of the Trust at any time, or to establish additional Trusts to fund benefits under the Plan.
- (b) *Insurance Contracts.* Benefits under the Plan may also, at the General Board's discretion, be provided by the purchase of insurance contracts, and, in such event, the term Trust will also include the Plan's interest, if any, in such insurance contracts. Such insurance contracts may be entered into by the General Board or by the Trustee in accordance with the General Board's direction.
- (c) *Separate Accounts.* The Administrator will maintain separate accounting for each of the Regulation §1.414(l)-1(b)(1) subplans identified in Section 1.4(b), for each Plan Sponsor's Contributions under each such subplan (subject to Section 1.6(d)), and for each Participant, Beneficiary, or Accountholder under the subplans in Sections 1.4(b)(ii) and (iii). Such accounting will reflect Contributions, Credits, Debits, earnings, losses, forfeitures, transfers, distributions, and any other relevant events necessary to keep accurate accounts.
- (d) *Defined Benefit Funding.* Benefits payable under the Consolidated DB Plan will be funded from the Common Funding Pool in the case of Church Funds Agency Plan Sponsors and from the Separate Funding Pool of each Plan Sponsor that is not a Church Funds Agency. On the Effective Date if there are already sufficient assets available from these sources (based on the Funding Policy), no further Contributions to fund the Consolidated DB Plan will be required from any Plan Sponsor. If, at any time, either the Common Funding Pool or any Separate Funding Pool does not have sufficient assets, based on the Funding Policy, then the further provisions of this Section 1.6(d) will apply.
 - (i) Except as provided in Section 1.6(d)(ii), each Plan Sponsor will be responsible to fund its Plan Sponsor Liability to the extent required by the Funding Policy. The funding for each constituent subplan of the Consolidated DB Plan will be accomplished as provided in Supplements One and Two by each Plan Sponsor making Contributions to:
 - (A) in the case of a Church Funds Agency Plan Sponsor, the Common Funding Pool; or

- (B) in the case of a Plan Sponsor that is not a Church Funds Agency, its Separate Funding Pool;

to the extent required by the Funding Policy. Subject to any rules or limitations established by the Plan Administrator:

- (1) all assets in the Common Funding Pool are available to pay all benefits attributable to Church Funds Agency Plan Sponsors under the Consolidated DB Plan; and
 - (2) all assets in a Plan Sponsor's Separate Funding Pool are available to pay all benefits attributable to that Plan Sponsor under the Consolidated DB Plan.
- (ii) If the Common Funding Pool does not have or is actuarially projected not to have sufficient assets to pay Consolidated DB Plan Church Funds Agency Plan Sponsor Liabilities as they come due, each Church Funds Agency Plan Sponsor will be liable to make further Contributions to the Common Funding Pool according to the Funding Policy. If any Church Funds Agency Plan Sponsor is not able to or does not make the further Contributions required of it by the Funding Policy, the Administrator will account for any delinquent Contributions (including market rate interest thereon) and will take reasonable steps to attempt to collect the delinquent amounts, including offsetting against any amounts that such delinquent Church Funds Agency Plan Sponsor may have on deposit with the Administrator. Meanwhile, the Common Funding Pool will pay all benefits of the Consolidated DB Plan attributable to such Church Funds Agency Plan Sponsor as they come due. All other Church Funds Agencies will remain obligated to make needed Contributions required by the Funding Policy, which may include a portion of the Contributions due from the delinquent Church Funds Agency Plan Sponsor. But the delinquent Church Funds Agency Plan Sponsor will continue to owe such Contributions to the Common Funding Pool in accordance with the Funding Policy, plus interest on delinquent Contributions at a market rate to be determined by the Administrator from time to time. If the Common Funding Pool does not have sufficient assets, the Administrator is authorized to reduce benefits payable under such Common Funding Pool as may be required by the level of funding available.
 - (iii) If the Separate Funding Pool of a Plan Sponsor that is not a Church Funds Agency does not have sufficient assets to pay Consolidated DB Plan benefits as they come due, such Plan Sponsor will be liable to make further Contributions to its Separate Funding Pool according to the Funding Policy. If such a Plan Sponsor does not make sufficient Contributions, the Administrator is authorized to reduce benefits payable under such Separate Funding Pool as may be required by the level of funding available.

- (iv) In addition to or instead of making some or all of the Contributions specified in Sections 1.6(d)(ii) or (iii) above, a Plan Sponsor may have access to the General Agency Benefit Trust, to the extent provided therein, to fund its Plan Sponsor Liability under the Consolidated DB Plan.
- (e) *Reversion from a Funding Pool.* No Plan Sponsor may receive a reversion of assets in a Funding Pool except as provided in Section 12.3.

1.7 Exclusive Benefit. The Plan is for the exclusive benefit of Recipients and Accountholders. No portion of the funds contributed to the Plan will revert to or be applied for the benefit of the Plan Sponsors, except as specifically permitted herein.

1.8 Plan Sponsors.

- (a) A Church Funds Agency is the Plan Sponsor of the Plan with respect to Participants who are or were:
 - (i) Eligible Employees of that Church Funds Agency;
 - (ii) Employees or former Employees of that Church Funds Agency, when such Employees or former Employees are LTD Plan Disabled;
 - (iii) Employees or former Employees of that Church Funds Agency, when such Employees or former Employees are STD Plan Disabled; and
 - (iv) entitled to Contributions under USERRA and who last served the Church Funds Agency specified in Section 1.8(a)(i).

Each such Church Funds Agency will complete an Adoption Agreement in accordance with Section 9 covering such Participants with respect to the Plan, but the failure to complete an Adoption Agreement will not change a Church Funds Agency's status as a Plan Sponsor.

- (b) A General Agency that is not a Church Funds Agency and that has adopted the Plan under an Adoption Agreement in accordance with Section 9 is a Plan Sponsor of the Plan with respect to Participants who are or were:
 - (i) Eligible Employees of that Plan Sponsor;
 - (ii) Employees or former Employees of that Plan Sponsor who are LTD Plan Disabled;
 - (iii) Employees or former Employees of that Plan Sponsor who are STD Plan Disabled; and
 - (iv) entitled to Contributions under USERRA and who last served that Plan Sponsor.

(c) No other entity may be a Plan Sponsor of the Plan.

SECTION 2 - DEFINITIONS AND RULES OF INTERPRETATION

As used in this Plan, capitalized terms have the meanings set forth below.

- 2.1 Account.** Each of the separate accounts maintained according to the books and records of the Active Plan, Supplement One, or the RSP Core Defined Contribution Plan for the purpose of recording contributions made to the Plan by a Plan Sponsor for the benefit of a Participant, an Alternate Payee, or a Beneficiary as provided in Sections 6, S1.2.2(b), S1.4.2, S2.1.2, S2.2.1, and any other Accountholder account in the Plan, adjusted for Credits and Debits allocated thereto.
- 2.2 Account Balance.** The total amount held for an Accountholder in his or her Account (or in the specific separate Account referred to), as determined on the coincident or immediately preceding Accounting Date in accordance with the provisions of the applicable Plan.
- 2.3 Accountholder.** A Participant, Terminated Participant, Alternate Payee, or Beneficiary who has an Account under the Active Plan or Supplement Two.
- 2.4 Accounting Date.** The last business day of each calendar year and each other date upon which Contributions to, distributions from, or transfers to or from Account Balances are made or upon which Account Balances are valued or adjusted in accordance with the provisions of the applicable Plan.
- 2.5 Accrued Benefit.** An accrued benefit computed under the RSP Core Defined Benefit Plan in accordance with the terms of RSP on the day before the Effective Date.
- 2.6 ACP Contributions.** The sum of:
- (a) Matching Contributions made for;
 - (b) matching contributions under UMPIP made for;
 - (c) conditional contributions under UMPIP made for;
 - (d) QNECs, if any, and if elected to be included by the Plan Sponsor, made under this Plan or UMPIP for; and
 - (e) after-tax contributions under UMPIP made by
- a Participant or former Participant in a Plan Year.
- 2.7 ACP Test.** A comparison of the ACP Contributions of the HCEs of a Plan Sponsor (or an Agency Affiliate named on the Plan Sponsor's Adoption Agreement) for a Determination Year to the ACP Contributions of the Non-HCEs of the Plan Sponsor (or such Agency Affiliate) for the Look-Back Year (or Determination Year, if so elected by the Plan Sponsor in accordance with Regulations), requiring the Actual Contribution Percentage of the HCEs to be no greater than the Maximum ACP for the Determination Year in order

to pass the ACP Test. As permitted or required by Regulations, a Plan Sponsor's Agency Affiliate will be aggregated with or disaggregated from such Plan Sponsor, as elected by such Plan Sponsor when such Regulations so permit.

2.8 Active Participant. Any Employee who:

- (a) participates or is qualified to participate in the Plan as provided in Section 3, while he or she remains an Employee; and
- (b) is not:
 - (i) a Terminated Participant;
 - (ii) a Retired Participant; or
 - (iii) on a Leave of Absence.

2.9 Active Plan. The Plan without any benefits or other provisions in the Supplements.

2.10 Actual Contribution Amount. The total dollar amount of ACP Contributions and QNECs allocated to a Participant with respect to a Plan Year. If a Participant was eligible to receive any such contributions under any other 403(b) plan maintained by a Plan Sponsor or an Affiliate (other than a plan that cannot be aggregated with the Plan under §§410(b) and 414(l) of the Code) for the Plan Year, his or her Actual Contribution Amount will include the contributions as determined under such other plan.

2.11 Actual Contribution Percentage. The Actual Contribution Amount allocated to a Participant's Accounts with respect to a Plan Year, expressed as a percentage of such Participant's 415 Compensation (or, if the Plan Sponsor so elects, any other compensation allowed under Regulation §1.401(m)-5) for such Plan Year and calculated to the nearest 1/100th of a percentage point. The Actual Contribution Percentage of a Participant who receives no such Actual Contribution Amount will be zero.

2.12 Actuarial Equivalent or Actuarially Equivalent. Providing a benefit having the same value as another benefit after adjusting for mortality, the time value of money, and other actuarial assumptions, using generally accepted actuarial methods and assumptions selected by the Administrator from time to time.

2.13 Administrator. The General Board or any successor.

2.14 Adoption Agreement. An agreement executed by each Plan Sponsor and accepted by the Administrator that is a part of this Plan and is the means by which a Plan Sponsor adopts the Plan and specifies any optional provisions that are a part of this Plan with respect to that Plan Sponsor.

2.15 Affiliate. Any entity that is:

- (a) a corporation that is a member of the same controlled group of corporations, as defined in Code §414(b), as a Plan Sponsor;
- (b) a trade or business, whether or not incorporated, that is under common control with a Plan Sponsor within the meaning of Code §414(c);
- (c) a member of the same affiliated service group, as defined in Code §414(m), as a Plan Sponsor; or
- (d) otherwise required to be aggregated with a Plan Sponsor pursuant to Regulations issued under Code §414(o),

but that is not itself a Plan Sponsor.

2.16 Agency Affiliate. Any entity that is owned or controlled by a Plan Sponsor, such as a separately incorporated Affiliate, that has employees who are not common law employees of the Plan Sponsor.

2.17 Aggregate Account Balance. The sum of an Accountholder's:

- (a) Vested Account Balance in this Plan; plus
- (b) vested account balances in all other plans administered by the Administrator; plus
- (c) the sum of all amounts that are the Actuarially Equivalent lump sums of each accrued benefit, defined benefit, or annuity benefit due to such Accountholder under each plan administered by the Administrator.

2.18 Alternate Payee. A Spouse, former Spouse, child, or other dependent of a Participant entitled to receive a portion of such Participant's Accrued Benefit or Account under a QDRO.

2.19 Annual Additions. The sum of the following with respect to a Participant for a Limitation Year:

- (a) Matching and Non-Matching Contributions made by a Plan Sponsor (and any other employer contributions made under any other §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate);
- (b) any before-tax, salary-deferral contributions made on behalf of such Participant under any other §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate;
- (c) any after-tax contributions made on behalf of such Participant under any other §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate;
- (d) reallocated forfeitures, if any; and

- (e) any amounts allocated to an individual medical account, as defined in Code §415(l)(2), that is part of a pension or annuity plan maintained by a Plan Sponsor; amounts derived from contributions that are attributable to post-retirement medical benefits, allocated to the separate account of a key employee, as provided in Code §419A(d); required employee contributions to a defined benefit plan; and amounts allocated to a simplified employee pension that is maintained by the Plan Sponsor,

that are credited to such Participant's Account or such other §403(b) defined contribution plan, individual medical account, or other plan maintained by the Plan Sponsor or a 415 Affiliate that is aggregated with this Plan for the purpose of Section 5.1. Catch-up contributions under Code §414(v), distributed excess deferrals, plan loan repayments, repayment of previously distributed benefits, restorative payments to correct situations that could reasonably result in federal or state fiduciary liability, direct transfers of benefits from one plan to another, and rollover contributions under Code §§402(c) or 408(d) made to a Plan Sponsor's or a 415 Affiliate's plan and adjustments to investment earnings due to late or erroneous contributions are not included in Annual Additions. Annual additions to Code §401(a), §457, or other non-§403(b) plans are subject to separate limitations under Code §415(c) and Regulation §1.415-8(d)(1).

- 2.20 Annuity Starting Date.** The first day of the month for which an amount is payable as an annuity or a monthly benefit, or, in the case of a benefit not payable in such form, the day coinciding with the completion of all events that entitle the Participant or Accountholder to such benefit. In the case of a deferred annuity, the Annuity Starting Date will be the date on which the annuity payments are scheduled to begin.
- 2.21 Application for Benefits.** A Form established by the Administrator from time to time upon which a Participant, Terminated Participant, other Accountholder, or other Recipient officially applies for benefits under a Plan.
- 2.22 Appoint or Appointment.** Officially appointed by a Bishop to a ministry with a Plan Sponsor pursuant to ¶¶430 through 435 of the Discipline.
- 2.23 Approved Service Years.** As used in Supplement One, a Participant's years and fractions of years of Service rendered before January 1, 1985, with pension coverage in USPF, as evidenced by the Participant's record maintained by the Administrator, which record will be subject to correction in accordance with the records of the Participant's Plan Sponsor.
- 2.24 Beneficiary.** An Accountholder's or Recipient's Designated Beneficiary or Default Beneficiary.
- 2.25 Bishop.** A bishop of The United Methodist Church elected in accordance with ¶406 of the Discipline and continuing to serve under Section III of Chapter Three of Part V of the Discipline.
- 2.26 Church Funds Agency.** Any General Agency (including the General Council on Finance

and Administration itself) that receives general United Methodist Church funds through the General Council on Finance and Administration (or its successor) or otherwise, as provided in ¶810.2 of the Discipline.

2.27 Church Plan. A plan qualifying under Code §414(e) or ERISA §3(33) that has not made an election under Code §410(d).

2.28 Claimant. A person who makes a claim for benefits under the Plan or who appeals the denial of such a claim, or such person's representative.

2.29 Clergy Employee. An Employee who, at the time this definition is applied, is:

- (a) a Clergyperson;
- (b) Appointed to a Plan Sponsor; and
- (c) an active Conference Member.

Persons who, in accordance with the Discipline, have been elected Bishop by a jurisdictional or central conference will not be treated as Clergy Employees.

2.30 Clergyperson. One of the following persons:

- (a) an elder in full connection within the meaning of ¶¶306-309 of the Discipline;
- (b) a deacon in full connection within the meaning of ¶¶306-309 of the Discipline;
- (c) a local pastor within the meaning of Section IV of Chapter Two of Part V of the Discipline (¶¶315-320);
- (d) a probationary member within the meaning of ¶324 of the Discipline;
- (e) an associate member within the meaning of ¶¶321, 322, or 368.1 of the Discipline; or
- (f) a clergyperson of another denomination within the meaning of ¶¶346.2 or 346.3 of the Discipline,

but not including a missionary within the meaning of ¶1302.3 of the Discipline or a Bishop.

2.31 Code. The Internal Revenue Code of 1986, as now in effect or as hereafter amended, and any regulation, ruling, or other administrative guidance issued pursuant thereto by the Internal Revenue Service.

2.32 Common Funding Pool. The account in the name of all Church Funds Agency Plan Sponsors under the Consolidated DB Plan that holds Contributions from Church Funds Agency Plan Sponsors under the Consolidated DB Plan and Debits and Credits thereon.

2.33 Compensation. In a Plan Year, for a Participant, the sum of the following:

- (a) the Participant's 415 Compensation;
- (b) in the case of a Participant who is a Clergy Employee, cash received from a Plan Sponsor (or such Plan Sponsor's Agency Affiliate) and excluded from taxable cash salary pursuant to Code §107(2); and
- (c) in the case of a Participant who is a Clergy Employee, when a parsonage is provided to the Participant as part of his or her compensation, 25% of the sum of:
 - (i) the Participant's 415 Compensation; and
 - (ii) cash excluded from taxable cash salary pursuant to Code §107(2) as provided in Section 2.33(b) above;

but excluding any Includible Compensation earned outside of such Plan Year. The "Compensation" of each Participant who is employed by a Non-QCCO that is taken into account for any Plan Year beginning after December 31, 2006, may not exceed \$225,000, as adjusted for cost-of-living increases in accordance with Code §401(a)(17)(B). The "Compensation" described above in terms of a Plan Year may also be divided into portions of a Plan Year, such as a payroll period, and still be treated as Compensation, when the context so requires.

2.34 Conference. Any annual conference, provisional conference, or missionary conference that is described in the Discipline and is located in a jurisdictional conference, central conference, or the Puerto Rico Methodist Church.

2.35 Conference Member. A member of any conference within the meaning of ¶¶581.1, 586.4, or 602.1 of the Discipline.

2.36 Consolidated DB Plan. The aggregation of the following:

- (a) the portion of RSP Core Defined Benefit Plan that, in accordance with Supplement Two, continues to pay a defined benefit (in accordance with Section S2.1.3(a)); and
- (b) USPF.

2.37 Contingent Annuitant. The person named by a Participant, a Terminated Participant, or the Plan to receive the survivor portion of a Contingent Annuity. Such person may be the Participant's or Terminated Participant's Spouse or another person, but not the Spouse of an Alternate Payee.

2.38 Contingent Annuity. A monthly annuity for the life of a Participant or Terminated Participant, beginning on such Participant's or Terminated Participant's Annuity Starting Date, payable as long as he or she lives, and, upon his or her death, payable to his or her surviving Contingent Annuitant, if any, in an amount that is not less than one-half of, nor

greater than (except for Annual Benefit Increases, USPF Adjustments, or USPF Revised Adjustments), the amount of the annuity payable during the joint lives of the Participant or Terminated Participant and his or her Contingent Annuitant, and ending with the payment made on the first of the month in which such Contingent Annuitant dies, or, if such deceased Participant or Terminated Participant is not survived by his or her Contingent Annuitant, then ending with the payment made on the first of the month in which such Participant or Terminated Participant dies and no longer payable to anyone thereafter. The Contingent Annuity may be expressed with a percentage, such as a 70% Contingent Annuity, which indicates that the Contingent Annuitant will receive a monthly benefit that is 70% of the monthly benefit payable during the joint lives of the annuitants.

- 2.39 Contribution.** An amount contributed to the Plan by a Plan Sponsor or other responsible party in accordance with Sections 1.6(d), 4.1, S1.4.3, and any other Section that calls for funding the benefits provided for by the Plan.
- 2.40 Contribution Rate.** With respect to a Non-HCE of a Non-QCCO:
- (a) the sum of all Matching Contributions under this Plan, all matching contributions and conditional contributions under UMPIP, and all QNECs under this plan or UMPIP made with respect to the Non-HCEs (and used in the ACP Test) for a given Plan Year; divided by
 - (b) such Non-HCE's 415 Compensation (or, if the Plan Sponsor so elects, any other definition of compensation allowed under Regulation §1.401(m)-5) for such Plan Year.
- 2.41 CPI.** The Consumer Price Index, Urban ("CPI-U"), U.S. City Average, All Items, Not Seasonally Adjusted, published from time to time by the U. S. Department of Labor's Bureau of Labor Statistics (or any successor index).
- 2.42 Credit.** Any adjustment to an Account reflecting any applicable interest, earnings, gains, forfeitures credited, transfers in, corrections, unrealized appreciation, and/or other addition to an Account.
- 2.43 CRSP.** The Clergy Retirement Security Program.
- 2.44 Debit.** Any adjustment to an Account reflecting any applicable withdrawals, distributions, expenses, fees, forfeitures charged, losses, transfers out, corrections, unrealized depreciation, and/or other reduction to an Account.
- 2.45 Default Beneficiary.** The person(s) (including an estate) specified in Section 8.12, or elsewhere in the Plan, to receive benefits that are payable at the death or disappearance of an Accountholder or a Recipient when there is no Designated Beneficiary or when the Plan so provides.
- 2.46 Designated Beneficiary.** The person(s) (including a trust or other entity), designated by an Accountholder or a Recipient, as set forth in Section 8.12, elsewhere in the Plan, or in

Code §401(a)(9) and Regulation §1.401(a)(9)-4, who is receiving, entitled to receive, or at the death or disappearance of an Accountholder or a Recipient will be entitled to receive the residual interest under the Plan that is payable following such Accountholder's or Recipient's death or disappearance.

2.47 Determination Year. The Plan Year for which the ACP Test is performed with respect to a Plan Sponsor.

2.48 Disabled or Disability. Any of the following with respect to an Employee:

- (a) determined to be disabled by the Social Security Administration;
- (b) being LTD Plan Disabled;
- (c) being STD Plan Disabled; or
- (d) placed on Incapacity Leave.

(See also the definitions of LTD Plan Disabled, STD Plan Disabled, and Incapacity Leave.)

2.49 Discipline. *The Book of Discipline of The United Methodist Church 2004*, the body of church law established by General Conference, as amended and restated from time to time. Cited paragraphs or other subdivisions are deemed to refer to successor provisions when an amendment or restatement of the *Discipline* causes a change in location or citation.

2.50 Disclaim. To refuse or waive a benefit before receiving it such that, in the case of the Core DC Plan, it passes to another person under the terms of the Plan, such as a successor Beneficiary.

2.51 Distribution Calendar Year. A calendar year for which a minimum distribution is required under Code §401(a)(9). For distributions beginning before a Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after a Participant's death, the first Distribution Calendar year is the calendar year in which distributions are required to begin under Section 8.4(c), and the comparable year under Supplements One and Two. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

2.52 Due Date. The day specified by the Administrator from time to time on which Contributions for a particular Plan are due, after any grace periods have passed. The Due Date may be different from subplan to subplan or from Contribution type to Contribution type.

2.53 Early Retirement Date. The first day of the month coinciding with or next following:

- (a) in the case of a Clergy Employee, the later of:
 - (i) the date specified in the Clergy Employee's Plan Sponsor's early retirement policy that complies with ¶714.3 of the Discipline; or
 - (ii) the age or service completion date specified:
 - (A) in ¶359.2*b* of the Discipline; or
 - (B) for a Clergy Employee who retires in accordance with ¶¶359.2*a* or 359.3 of the Discipline or who is a Terminated Participant, age 62;
- (b) in the case of a Lay Employee, the date specified in the Lay Employee's Plan Sponsor's early retirement policy that complies with ¶714.3 of the Discipline; or
- (c) in the case of a Terminated Participant, the later of:
 - (i) his or her 62nd birthday; or
 - (ii) the Administrator's acceptance of the Terminated Participant's Application for Benefits;

provided that such day is before the Clergy Employee's or Lay Employee's Normal Retirement Date.

2.54 Effective Date. The Plan in its restated form is generally effective (except as otherwise specifically stated) on a date specified by the Administrator (with at least 6 months' advance notice to the Plan Sponsors) that is as soon as systems can reasonably be reconfigured to administer the restatement, which date may not be sooner than the close of General Conference 2008 and may not be later than January 1, 2010.

2.55 Eligible Employee. A Permanent Employee who:

- (a) in the case of Non-Matching Contributions is:
 - (i) a Full-Time Employee;
 - (ii) an LTD or STD Plan Disabled Employee (who was a Full-Time Employee just before becoming an LTD or STD Plan Disabled Employee); or
 - (iii) on a paid Leave of Absence; or
- (b) in the case of Matching Contributions is:
 - (i) a Full-Time or a Part-Time Employee;
 - (ii) an LTD or STD Plan Disabled Employee; or

- (iii) on a paid Leave of Absence;

but in either case is not:

- (1) any such Employee who is Retired, unless such person is Reemployed;
- (2) a Clergy Employee who has been placed on Incapacity Leave;
- (3) a Leased Employee; or
- (4) a person classified by his or her Plan Sponsor as a lay or clergy missionary or a person who is a missionary within the meaning of ¶1302.3 of the Discipline.

An Employee who is not Permanent or not Full-Time at the start of a Plan Year, but who later qualifies as Permanent and/or Full-Time by rendering at least 1,000 hours of Service in the Plan Year, will retroactively be an Eligible Employee as of the start of such Plan Year eligible for Matching and/or Non-Matching Contributions as specified above and in Section 4.1.

2.56 Eligible Rollover Distribution. Any distribution of all or any portion of the balance to the credit of a distributee covered under Section 8.5 or any comparable Section, except that the term “Eligible Rollover Distribution” does not include:

- (a) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or Life Expectancy) of such distributee or the joint lives (or joint Life Expectancies) of such distributee and such distributee’s Beneficiary or for a specified period of 10 years or more;
- (b) any distribution to the extent such distribution is required under Code §401(a)(9); or
- (c) any other excluded distribution described in Code §402(c)(4), Regulations thereunder, or any other provision of the Code or Regulations.

2.57 Employee. Any person who is currently employed (in the common law sense) by:

- (a) a Plan Sponsor, or who is a Leased Employee with respect to a Plan Sponsor, but such term excludes:
 - (i) any person who is employed as or through an independent contractor, and
 - (ii) any nonresident alien who receives no earned income (as defined in Code §911(d)(2)) from a Plan Sponsor that constitutes income from sources within the United States (as defined in Code §861(a)(3)); or
- (b) an Agency Affiliate of a Plan Sponsor and is specified (by name or class of person) on the Plan Sponsor’s Adoption Agreement as being covered by the Plan as though such person were:

- (i) a common law employee of the Plan Sponsor; and
- (ii) in the case of a Clergy person, Appointed to the Plan Sponsor.

Such a person will be treated as an Employee of the Plan Sponsor for the purposes of this Plan.

Each Employee is either a Clergy Employee or a Lay Employee.

2.58 Entry Date. The date upon which an Eligible Employee becomes a Participant in the Active Plan.

2.59 ERISA. The Employee Retirement Income Security Act of 1974, as now in effect or as hereafter amended, and any regulation, ruling, or other administrative guidance issued pursuant thereto by the Internal Revenue Service, the Department of Labor, or the Pension Benefit Guaranty Corporation.

2.60 15-Year Catch-Up Contributions. Participant Contributions made to UMPIP under that name or similar contributions made to another Code §403(b) plan in accordance with Code §402(g)(7).

2.61 Final RSP Account Balance. The last Account Balance of a Participant (or other Account holder) in RSP on the day before the Effective Date just before such Account Balance was transferred to the Active Plan in accordance with Supplement Two and Section 4.5, composed of:

- (a) such Participant's Account Balance on the day before the Effective Date from the RSP Core Defined Contribution Plan; plus
- (b) in the case of any Participant whose RSP Core Defined Benefit Plan Accrued Benefit was not In Pay Status on the day before the Effective Date, the Actuarial Equivalent of such Participant's RSP Core Defined Benefit Plan Accrued Benefit, expressed as a lump sum in accordance with Section S2.1.3(b) and transferred in accordance with Section S2.2.1.

Any Contributions to be credited to RSP by the day before the Effective Date that are received by the Administrator or Trustee after the day before the Effective Date will be treated as though they had been timely received in accordance with rules and procedures adopted by the Administrator. Any imputed earnings in accordance with Section S2.2.1(c) and any Debit or Credit adjustments after the day before the Effective Date because of a delay in transferring the RSP Account Balance to the Active Plan will be treated as though they were part of a Participant's RSP Account Balance on the day before the Effective Date.

2.62 Five-Year Distribution Option. A form of distribution that may be elected by a Beneficiary that distributes a Participant's entire interest in a Plan by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

- 2.63 Form.** Any means that is acceptable to the Administrator of recording and conveying an authenticated election or other authenticated information to the Administrator or Plan Sponsor.
- 2.64 415 Affiliate.** An entity that either is an Affiliate, or would be an Affiliate if Code §414 were modified in the manner provided by Code §415(h).
- 2.65 415 Compensation.** All Includible Compensation paid or made available by a Plan Sponsor (or such Plan Sponsor's Agency Affiliate or 415 Affiliate) to an Employee in exchange for services rendered, including:
- (a) the Employee's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Plan Sponsor (or such Plan Sponsor's Agency Affiliate or 415 Affiliate) to the extent that the amounts are includable in gross income (including, but not limited to, bonuses, fringe benefits, and reimbursements or other expense allowances, but excluding severance pay that would not have been paid but for a severance from employment);
 - (b) amounts received in connection with accident or sickness and described in Code §§104(a)(3), 105(a), and 105(h) (including paid sick leave, salary continuance during a work absence on account of illness or injury, and short-term disability benefits), but only to the extent that these amounts are includable in the gross income of the Employee;
 - (c) amounts includible in the gross income of the Employee:
 - (i) paid for, or as reimbursements of, moving expenses;
 - (ii) under Code §409A, Code §457(f)(1)(A), or the doctrine of constructive receipt; and
 - (iii) as gain under a Code §83(b) election; and
 - (d) any elective contributions excluded from income under Code §125 (relating to cafeteria plans), Code §132(f) (relating to qualified transportation fringe benefits), Code §402(e)(3) (relating to 401(k) plans), Code §402(h) (relating to simplified employee pension plans), Code §403(b) (relating to tax-sheltered annuity plans), or compensation deferred under a plan qualified under Code §457; and
 - (e) any of the following compensation earned before, but paid within the 2½ months after, a Termination of Employment or Retirement: sick leave, accrued sick leave, vacation pay, accrued vacation pay, regular pay, overtime pay, bonuses, or other compensation that would normally have been paid in the normal course of employment. Notwithstanding the foregoing, the following payments, when paid after a Termination of Employment or Retirement, are not 415 Compensation:

severance pay, unfunded nonqualified deferred compensation, and parachute payments.

For the purpose of Section 2.65(a), “415 Compensation” includes foreign earned income (as defined in Code §911(b)), whether or not excludable from gross income under Code §911. Compensation described in Section 2.65(a) above is to be determined without regard to the exclusions from gross income in Code §§872(b), 893, 894, 911, 931, and 933 (dealing with income from sources outside of the United States). The term “415 Compensation” does not include:

- (1) Contributions made by a Plan Sponsor to the Plan, or distributions from a plan of deferred compensation, regardless of whether such amounts are includable in the gross income of the Employee when distributed. However, any amounts received by an Employee pursuant to an unfunded nonqualified plan will be considered as “415 Compensation” in the year the amounts are includable in the gross income of the Employee;
- (2) Imputed investment earnings deposited to a Participant’s Account by the Administrator, Plan Sponsor, Agency Affiliate, or 415 Affiliate because of late or erroneous Contributions to the Plan;
- (3) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includable in the gross income of the Employee) or housing allowance excludable under Code §107; or
- (4) Amounts paid after severance from employment, except that “415 Compensation” does include:
 - (A) Amounts paid under Section 2.65(a) above that are paid after severance from employment but within the Limitation Year in which services were rendered or within 2½ months following such Limitation Year;
 - (B) Amounts paid under Section 2.65(b) above that are paid after severance from employment but within the Limitation Year in which such accident or sickness existed or within 2½ months following such Limitation Year; and
 - (C) Amounts received pursuant to an unfunded nonqualified deferred compensation plan that are paid after severance from employment, but only to the extent that such amounts:
 - (I) would have been paid at the same time had there been no severance from employment;
 - (II) are included in the Employee’s gross income; and

(III) are paid within the Limitation Year in which severance occurred or within 2½ months following such Limitation Year.

- 2.66 415 Suspense Account.** An account in the name of a Plan Sponsor used to temporarily hold Contributions that exceed the limits of Section 5 until they can be reallocated to Participant Accounts as provided in Section 5. A 415 Suspense Account will not be deemed an Account, and earnings and losses will not be credited or debited to a 415 Suspense Account.
- 2.67 Full-Time.** Scheduled to be, reasonably expected to be, or actually employed by a Plan Sponsor (or an Agency Affiliate) for at least 1,000 hours per Plan Year. In the case of an Employee who is not scheduled or reasonably expected to be employed for at least 1,000 hours in a Plan Year but who, in fact, does complete 1,000 hours in that Plan Year, will retroactively be treated as Full-Time, and Non-Matching and Matching Contributions will be retroactively credited as described in Section 4.1.
- 2.68 Funding Policy.** A plan based on reasonable actuarial methods and assumptions determined by the Administrator from time to time to assure sufficient Contributions to the Common Funding Pool and each of the Separate Funding Pools to fund the Consolidated DB Plan to provide all benefits due under the Consolidated DB Plan by the time they become due.
- 2.69 Funding Pool.** A Common Funding Pool or a Separate Funding Pool.
- 2.70 Gap Period.** The period between the end of a Determination Year and the date that excess Contributions are refunded to a Participant.
- 2.71 General Agency.** Any of the following agencies of The United Methodist Church (or their successors):
- (a) General Council on Finance and Administration;
 - (b) General Council on Ministry before December 28, 2004;
 - (c) General Board of Church and Society;
 - (d) General Board of Discipleship;
 - (e) General Board of Global Ministries;
 - (f) General Board of Higher Education and Ministry;
 - (g) General Commission on Christian Unity and Interreligious Concerns;
 - (h) General Commission on Religion and Race;
 - (i) General Commission on the Status and Role of Women;

- (j) General Commission on Archives and History;
- (k) General Commission on United Methodist Men;
- (l) General Commission on Communication;
- (m) General Board of Pension and Health Benefits; and
- (n) The United Methodist Publishing House.

General Conference may add or remove organizations as general agencies.

- 2.72 General Agency Benefit Trust.** The General Agency Benefit Trust of The United Methodist Church, as established December 31, 1996 and amended from time to time thereafter, or its successor.
- 2.73 General Board.** General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois.
- 2.74 General Conference.** The General Conference of The United Methodist Church, the highest legislative body in the denomination, as described in Section I of Chapter Four of Part V of the Discipline.
- 2.75 HCE.** An acronym for “highly compensated employee,” namely, each Employee who performed services for a Plan Sponsor (or an Agency Affiliate named on the Plan Sponsor’s Adoption Agreement) during the Determination Year and who received 415 Compensation from the Plan Sponsor or such Agency Affiliate during the Look-Back Year that was greater than or equal to the Highly Compensated Level, subject to the following special rules:
- (a) A former Employee will be treated as an HCE if he or she was an HCE either:
 - (i) when he or she became a Terminated Employee or Retired Employee; or
 - (ii) at any time after attaining age 55.
 - (b) A nonresident alien who receives no earned income (within the meaning of Code §911(d)(2)) that constitutes income from sources within the United States (within the meaning of Code §861(a)(3)) from a Plan Sponsor, Agency Affiliate, or Affiliate during any Plan Year will not be considered an HCE for any purpose of this Section 2.75.
 - (c) If the Plan Sponsor so elects on its Adoption Agreement, in addition to having 415 Compensation that was greater than the Highly Compensated Level, each Employee must also have been a member of the Top-Paid Group for the Look-Back Year in order to be an HCE in the Determination Year.

- (d) Instead of 415 Compensation, a Plan Sponsor may elect to use any other definition of compensation permitted under Regulations under Code §403(b) (or any other applicable Code provisions or Regulations).

The purpose of this Section 2.75 is to conform to the definition of “highly compensated employee” set forth in Code §414(q), as in effect on the Effective Date or as thereafter amended, which is incorporated herein by this reference. To the extent that this Section 2.75 is inconsistent with Code §414(q), either by excluding employees who would be classified as “highly compensated employees” thereunder or by including employees who would not be so classified, the provisions of Code §414(q) will govern and control. The Administrator may make any elective adjustment to the definition of HCE permitted by Code §414(q) in accordance with Regulations or other guidance issued thereunder.

- 2.76 Highly Compensated Level.** 415 Compensation equal to \$100,000 in 2007, as indexed in later years in accordance with Code §414(q)(1). Instead of 415 Compensation, a Plan Sponsor may elect to use any other definition of compensation permitted under Regulations under Code §403(b) (or any other Code provisions or Regulations cited in such Regulations).
- 2.77 Highly Compensated ACP.** The arithmetic average of the Actual Contribution Percentages of all HCEs who are Active Participants for a Plan Year or any portion of a Plan Year, including those whose Actual Contribution Percentage is zero.
- 2.78 Incapacity Leave.** A conference relationship specified in ¶358 of the Discipline applicable to Clergypersons. A Clergy Employee must be placed on Incapacity Leave by his or her conference, and not by a Plan Sponsor. (See also the definitions of LTD Plan Disabled, STD Plan Disabled, and Disabled.)
- 2.79 Includible Compensation.** For any Limitation Year, an Employee’s compensation as determined under Code §415(c)(3)(E), Code §403(b)(3), and Regulations thereunder:
 - (a) In the case of a Full-Time Employee who was paid for the entire Limitation Year, such compensation received by the Employee from his or her Plan Sponsor during a Limitation Year; and
 - (b) In the case of a Full-Time Employee who was not paid for the entire Limitation Year or a Part-Time Employee, such compensation received by the Employee from his or her Plan Sponsor and any other entity that is controlled by or associated with The United Methodist Church (or otherwise satisfies Code §414(e)(3)(B)) during the most recent period that constitutes a year of service under Code §403(b)(4) and applicable Regulations.
- 2.80 In Pay Status.** Receiving a periodic pension benefit under the Plan.
- 2.81 IRA.** An individual retirement account or annuity qualified under Code §408 (other than an endowment contract).
- 2.82 Late Retirement Date.** The first day of the month coinciding with or next following:

- (a) In the case of a Participant, the Participant's actual Retirement Date after having reached his or her Normal Retirement Date, but, in the case of a Clergy Employee, not later than the mandatory retirement date specified in ¶¶359.1 or 714.3 of the Discipline (if any); or
- (b) In the case of a Terminated Participant, the date of the Administrator's acceptance of the Terminated Participant's Application for Benefits after having reached his or her Normal Retirement Date, but not later than his or her Required Beginning Date.

2.83 Lay Employee. Any Employee who is not a Clergy Employee. An Employee who is a Clergy person who is not an active Conference Member and who is not Appointed to a Plan Sponsor is a Lay Employee.

2.84 Leased Employee. Any person who, in accordance with an agreement between a Plan Sponsor or Agency Affiliate and any other person ("leasing organization") has performed services for the Plan Sponsor or Agency Affiliate (or for the Plan Sponsor or Agency Affiliate, and (in either case) related persons determined in accordance with Code §414(n)(6)) on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the Plan Sponsor or Agency Affiliate. Contributions or benefits provided to a Leased Employee by the leasing organization that are attributable to services performed for the Plan Sponsor or Agency Affiliate will be treated as provided by the Plan Sponsor or Agency Affiliate.

A Leased Employee will not be considered an Employee of a Plan Sponsor or Agency Affiliate if the following requirements are met:

- (a) Such employee is covered by a tax-qualified money purchase pension plan providing:
 - (i) a non-integrated employer contribution rate of at least 10% of compensation (as defined in Code §415(c)(3), but including amounts contributed by the employer under a salary-reduction agreement that are excludible from the employee's gross income under Code §§125, 402(e)(3), 402(h)(1)(B), or 403(b));
 - (ii) immediate participation; and
 - (iii) full and immediate vesting; and
- (b) Leased Employees do not constitute more than 20% of all non-highly compensated (within the meaning of Code §414(q)) Employees (excluding the Leased Employees) of all Affiliates (including affiliates within the meaning of Code §144(a)(3)).

2.85 Leave of Absence. An Employee's period of absence from performing his or her duties for a Plan Sponsor or Agency Affiliate without receiving Compensation:

- (a) in accordance with ¶352 of the Discipline or any Plan Sponsor leave policy relating to sabbatical leaves;
- (b) in accordance with ¶354 of the Discipline or any Plan Sponsor leave policy relating to leaves of absence;
- (c) in accordance with ¶355 of the Discipline or any Plan Sponsor leave policy relating to family leaves;
- (d) in accordance with ¶356 of the Discipline or any Plan Sponsor leave policy relating to maternity or paternity leaves;
- (e) in accordance with ¶357 of the Discipline (relating to transitional leaves, which will be treated as a leave from the last previous Plan Sponsor or Agency Affiliate);
- (f) because of an Incapacity Leave;
- (g) that is covered by USERRA (or applicable prior law); or
- (h) to which the Employee is entitled under the Family and Medical Leave Act of 1993 or any comparable applicable state law;

provided, however, that the Employee Retires or returns to work for a Plan Sponsor or Agency Affiliate within the time specified in his or her Leave of Absence (or, if applicable, within the period during which his or her re-employment rights are protected by law).

- 2.86 Liabilities.** Amounts, as determined by the Administrator, due from, or already on deposit in, the Funding Pool of one or more Plan Sponsor(s) to the Consolidated DB Plan that, in the aggregate, are intended to fund benefits accrued to date under such plan.
- 2.87 Life Expectancy.** Life expectancy as computed by use of the Single Life Table or Uniform Lifetime Table, as applicable, in Regulation §1.401(a)(9)-9.
- 2.88 LifeStage.** LifeStage Investment Management Service, an asset allocation and investment direction service that may be offered by the Administrator directly or through a contractor.
- 2.89 Lifetime Distribution Option.** A form of distribution that may be elected by a Beneficiary (other than a Beneficiary that is an estate or a trust) that distributes a Participant's entire interest in a Plan over the Life Expectancy of the Beneficiary.
- 2.90 Limitation Year.** The twelve-month period used by the Plan for the purpose of applying the limitations of Code §415, which is the Plan Year.
- 2.91 Look-Back Year.** The 12-month period immediately preceding the Determination Year.

- 2.92 LTD Plan Disabled or LTD Plan Disability.** Receiving disability benefits under a long-term disability benefit plan (if any) provided by an Employee's Plan Sponsor or Agency Affiliate, as determined by the Administrator. (See also the definitions of Disabled, STD Plan Disabled, and Incapacity Leave.)
- 2.93 Matching Contribution.** A type of Plan Sponsor Contribution made to a Participant's Matching Contribution Account in proportion to Participant Contributions made to UMPIP for such Participant, based on the formula found in Section 4.1(b).
- 2.94 Matching Contribution Account.** The Account established for an Accountholder on the books and records of the Plan for the purpose of recording any Matching Contributions made pursuant to Section 4.1(b), adjusted for any applicable Debits or Credits attributable to such Contributions.
- 2.95 Maximum ACP.** To pass the ACP Test for a Determination Year, the maximum permissible Highly Compensated ACP for the Determination Year, based upon the Non-Highly Compensated ACP for the Look-Back Year in accordance with the following:
- (a) If the Non-Highly Compensated ACP is 2% or less, the Maximum ACP is the Non-Highly Compensated ACP multiplied by 2;
 - (b) If the Non-Highly Compensated ACP is greater than 2% but less than 8%, the Maximum ACP is the Non-Highly Compensated ACP plus 2 percentage points; and
 - (c) If the Non-Highly Compensated ACP is 8% or more, the Maximum ACP is the Non-Highly Compensated ACP multiplied by 1.25.

In this Section 2.95 a Plan Sponsor may elect, in accordance with Regulations, to use the Determination Year instead of the Look-Back Year to determine the Non-Highly Compensated ACP. To determine the Maximum ACP for the first Determination Year that it is a Plan Sponsor, a new Plan Sponsor may elect:

- (1) to use an imputed Non-Highly Compensated ACP of 3%; or
 - (2) to compute the Non-Highly Compensated ACP using the Determination Year.
- 2.96 Non-HCE.** Each Employee who for any Plan Year is not an HCE.
- 2.97 Non-Highly Compensated ACP.** The arithmetic average of the Actual Contribution Percentages of all Non-HCEs who are Active Participants for a Plan Year (or any portion of a Plan Year), including those whose Actual Contribution Percentage is zero, but, to the extent that Code §401(m)(5)(C) applies, excluding those who have not met the minimum age and service requirements of Code §410(a)(1)(A).
- 2.98 Non-Matching Contribution.** A type of Plan Sponsor Contribution made to a Participant's Non-Matching Contribution Account as a percentage of the Participant's Compensation, whether or not Participant Contributions are made on behalf of the

Participant to UMPIP, based on the formula found in Section 4.1(a).

2.99 Non-Matching Contribution Account. The Account established for an Accountholder on the books and records of the Plan for the purpose of recording any Non-Matching Contributions made pursuant to Section 4.1(a), adjusted for any applicable Debits or Credits attributable to such Contributions.

2.100 Non-QCCO. Any Plan Sponsor, Agency Affiliate, or the combination of the two (as may be required or permitted by Regulations) that:

- (a) is not a QCCO; and
- (b) is deemed to be the employer or entity sponsoring the Plan for the purpose of qualifying under any nondiscrimination requirements under Section 5 or Code §403(b)(12).

2.101 Normal Retirement Date.

- (a) In the case of a Participant, the first day of the month coinciding with or next following the earlier of:
 - (i) the Participant's 65th birthday; or
 - (ii) the date on which the Participant attains 40 years of service to The United Methodist Church as described in ¶714.3 of the Discipline.
- (b) In the case of a Terminated Participant, the first day of the month coinciding with or next following the Terminated Participant's 65th birthday.

2.102 Notice. Any means of officially conveying Plan-related information to an Employee, an Accountholder, a Participant, a Beneficiary, the Administrator, a Plan Sponsor, or any other entity related to the Plan, including, but not limited to, the following:

- (a) A paper communication (including a telephonic facsimile or fax);
- (b) An internet or extranet communication;
- (c) An e-mail or other electronic communication;
- (d) An interactive voice response recorded statement; and
- (e) An oral communication that is recorded and, when reasonably required, otherwise verifiable as to the originator of the communication;

provided that any such communication complies with any applicable laws, Regulations, or other governmental rules. When proof that a communication has been delivered is needed, the method of communication must be susceptible of reasonable proof, such as the fact that such communication was issued in the normal course of business. When a

communication would reasonably be acceptable only if signed, notarized, or otherwise authenticated (or when a rule adopted by the Administrator so requires), it must be signed, notarized, or otherwise authenticated. An unrecorded oral communication will not qualify as a Notice unless the Administrator has established a written rule allowing such an oral communication to qualify as a Notice.

2.103 Participant.

- (a) As used in the Active Plan, an Eligible Employee who has become a participating Employee as provided in Sections 3.1 and 3.2, including such an Employee who has Retired;
- (b) As used in Supplement One, a USPF Participant; and
- (c) As used in Supplement Two, an eligible employee as defined in RSP who, on the day before the Effective Date either had an Account Balance under RSP or was receiving or was entitled to a monthly benefit from the RSP Core Defined Benefit Plan.

2.104 Participant Contributions. Contributions to UMPIP by a Plan Sponsor in accordance with a Participant’s Salary-Reduction Agreement, that are any of the following types:

- (a) Before-Tax Contributions (including Catch-Up Contributions);
- (b) After-Tax Contributions; or
- (c) Roth Contributions (including Catch-Up Contributions);

as the terms “Salary-Reduction Agreement,” “Before-Tax Contributions,” “Catch-Up Contributions,” “After-Tax Contributions,” and “Roth Contributions” are used in UMPIP.

2.105 Part-Time. Employed by a Plan Sponsor (or an Agency Affiliate) on other than a Full-Time basis.

2.106 Permanent. Employed for the indefinite future and not on a temporary, limited purpose, or seasonal basis. Being an employee at will does not change the permanence of a person’s employment. A temporary, limited purpose, or seasonal Employee will retroactively be treated as Permanent in any Plan Year that he or she works at least 1,000 hours.

2.107 Plan. This Retirement Plan for General Agencies, i.e., the aggregate of the subdivisions, subplans, Active Plan, Supplements, and Adoption Agreements described in Section 1.3, as they may be amended from time to time.

2.108 Plan Sponsor. With respect to those of its Employees described in each subplan, any General Agency that:

- (a) is a Church Funds Agency; or

- (b) is not a Church Funds Agency but executes (or has executed) an Adoption Agreement adopting such subplan.

A Plan Sponsor has been known as an “Employer” in SRBP and by other names in other predecessor plans.

2.109 Plan Sponsor Liability. The liability for the payment of Consolidated DB Plan benefits to Participants, Terminated Participants, Beneficiaries, Contingent Annuitants, and any other persons from a given Funding Pool that is attributable to a particular Plan Sponsor (or such Plan Sponsor’s Agency Affiliate). A Participant’s or Terminated Participant’s benefit is attributable to a Plan Sponsor (or such Plan Sponsor’s Agency Affiliate) to the extent that he or she performed services for that Plan Sponsor (or such Plan Sponsor’s Agency Affiliate), and a Beneficiary’s, Contingent Annuitant’s, or other person’s Consolidated DB Plan benefits are attributable to a Plan Sponsor (or such Plan Sponsor’s Agency Affiliate) to the extent that such person is entitled to a benefit through or in connection with a Participant or Terminated Participant who performed services for that Plan Sponsor (or such Plan Sponsor’s Agency Affiliate).

2.110 Plan Year. The calendar year.

2.111 QCCO. Any:

- (a) church, convention or association of churches, or church-related elementary or secondary school, within the meaning of Code §3121(w)(3)(A); or
- (b) qualified church-controlled organization within the meaning of Code §3121(w)(3)(B).

2.112 QDRO. A qualified domestic relations order in accordance with Code §414(p), approved by the Administrator in accordance with Section 10.12.

2.113 QNEC. A qualified non-elective contribution made by a Plan Sponsor in a Determination Year to the Account of a Non-HCE in accordance with Section 5.4 for the purpose of passing the ACP Test for such Determination Year that meets the following conditions:

- (a) Such contribution is 100% Vested;
- (b) Such contribution is a Plan Sponsor Contribution; and
- (c) Such contribution may not be distributed to such Non-HCE except in accordance with:
 - (i) the rules of this Plan relating to distributions of Plan Sponsor Contributions; and
 - (ii) the conditions enumerated in Code §§401(k)(2)(B) and (C).

2.114 QNEC Account. The Account established for an Accountholder on the books and

records of the Plan for the purpose of recording any QNECs made pursuant to Section 5.4, adjusted for any applicable Debits or Credits attributable to such Contributions.

2.115 Recipient. A Participant, Terminated Participant, Beneficiary, Contingent Annuitant, or Alternate Payee who has an Accrued Benefit under, or who is receiving or is entitled to receive all or a portion of a benefit due under, the Consolidated DB Plan or any of its components.

2.116 Reemployed or Reemployment. Becoming an Employee after having first Retired or incurred a Termination of Employment.

2.117 Regulation. Any applicable regulation, including proposed and temporary regulations, issued by the Department of the Treasury or Internal Revenue Service that is codified at Title 26 of the Code of Federal Regulations. Where a reference is made to temporary or proposed regulations, such reference will include any permanent regulations, modified proposed regulations, or temporary regulations issued in lieu thereof.

2.118 Relinquish. The permanent renunciation of a benefit by a Recipient or an Accountholder so that it does not pass to a Beneficiary or successor. Relinquished benefits are forfeited under Section 7.2.

2.119 Representative Contribution Rate. With respect to a Non-QCCO, the greater of:

- (a) the lowest Contribution Rate of any eligible Non-HCE among any group of Non-HCEs that comprises half of all eligible Non-HCEs of the Non-QCCO; or
- (b) the lowest Contribution Rate of any eligible Non-HCE from the group of all eligible Non-HCEs who were employed by the Non-QCCO on the last day of the Plan Year.

2.120 Required Beginning Date. April 1 of the calendar year following the later of:

- (a) the calendar year in which a Participant Retires or:
 - (i) in the case of a Lay Employee, incurs a Termination of Employment; or
 - (ii) in the case of a Clergy Employee, incurs both a Termination of Employment and a Termination of Conference Relationship; or
- (b) the calendar year in which the Participant attains the age of 70½.

2.121 Retire or Retirement. In the case of:

- (a) a Clergy Employee, either:
 - (i) being placed in the retired relation in accordance with ¶359 of the Discipline; or

- (ii) incurring a Termination of Conference Relationship and simultaneously incurring a Termination of Employment on or after his or her Early Retirement Date;
- (b) a Lay Employee, the earliest of:
 - (i) the date such Lay Employee incurs a Termination of Employment on or after his or her Early Retirement Date;
 - (ii) in the case of a Disabled Lay Employee, with respect to a subplan within the Plan, electing on or after his or her Early Retirement Date to begin his or her benefits under that subplan; or
 - (iii) in the case of a Lay Employee on an approved Leave of Absence who does not return to work at the scheduled end of a Leave of Absence, the date the Leave was scheduled to end if such date is on or after his or her Early Retirement Date; or
- (c) a Terminated Participant, applying for a distribution under the RSP Core Defined Benefit Plan on or after such Terminated Participant's 62nd birthday.

2.122 Retirement Date. A Participant's or Terminated Participant's Early, Normal, or Late Retirement Date.

2.123 RSP. The Retirement Security Program for General Agencies, the predecessor to the Active Plan.

2.124 RSP Core Defined Benefit Plan. Part B of RSP, frozen since the Effective Date and found in applicable portions of Supplement Two, applicable provisions of Sections 1, 2, 10, 11, and 12 of the Active Plan, and applicable provisions of the Adoption Agreement for any Plan Sponsor. Benefits due under the RSP Core Defined Benefit Plan include annuities payable under SRBP, as provided in supplement two to RSP. Some of the benefits in the RSP Core Defined Benefit Plan are converted to an Account Balance under Supplement Two and transferred to the Active Plan, at which point they cease to be RSP Core Defined Benefit Plan benefits.

2.125 RSP Core Defined Contribution Plan. Part C of RSP, frozen since the Effective Date and transferred from Supplement Two to the Active Plan, at which point they cease to be RSP Core Defined Contribution Plan benefits.

2.126 Section. Any article, section, subsection, paragraph, subparagraph, clause, or other portion of this Plan.

2.127 Separate Funding Pool. The account in the name of a General Agency that is not a Church Funds Agency under the Consolidated DB Plan that holds Contributions from such General Agency Plan Sponsor under the Consolidated DB Plan and Debits and Credits thereon.

2.128 Service. A period of time during which an Employee satisfies the following rules:

- (a) *General Rule.* Except as provided in Section 2.128(c), a period for which such Employee is directly or indirectly paid or entitled to payment by a Plan Sponsor (or such Plan Sponsor's Agency Affiliate) for the performance of duties.
- (b) *Periods during which No Services Are Performed.* Except as provided in Section 2.128(c), a period for which an Employee is paid, or entitled to payment, (not including severance pay) by a Plan Sponsor (or such Plan Sponsor's Agency Affiliate) on account of which period no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence.
- (c) *Back Pay.* Each period for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by any Plan Sponsor (or such Plan Sponsor's Agency Affiliate). Such period will be credited to the Employee for the period (or periods) to which the award, agreement, or payment pertains rather than the period (or periods) during which the award, agreement, or payment was made.

2.129 Single-Life Annuity. An Early, Normal, or Late Retirement benefit payable as a monthly annuity to a Participant or Terminated Participant, beginning at such Participant's or Terminated Participant's Annuity Starting Date and ending with the payment made on the first of the month in which he or she dies, with no further benefit payable to anyone thereafter.

2.130 Single-Life with 10-Year Certain Annuity. A monthly annuity to a Participant, beginning at such Participant's Annuity Starting Date and:

- (a) in the case of a Participant who receives at least 120 monthly payments on or after his or her Annuity Starting Date, ending with the payment made on the first of the month in which he or she dies, with no further benefit payable to anyone thereafter; or
- (b) in the case of a Participant who, as of the date of his or her death, received fewer than 120 monthly payments on or after his or her Annuity Starting Date, a continuing monthly annuity following the Participant's death to the Participant's Beneficiary, starting with the payment due on the first of the month following the Participant's death and ending with the payment due on the first of the month that is the 119th month following the Participant's Annuity Starting Date, with no further benefit payable to anyone thereafter;

whichever annuity ends later.

2.131 Spouse. The husband or wife or surviving husband or wife of a Recipient or an Accountholder who is legally married to such Recipient or Accountholder, or was so legally married on the date of the Recipient's or Accountholder's death, under the laws of the jurisdiction where the Recipient or Accountholder resides or resided. Notwithstanding

the foregoing, the term “Spouse” does not include common law spouses, even in states that recognize common law marriage.

- 2.132 SPP.** The Staff Pension Plan, a predecessor to the Plan.
- 2.133 SRBP.** The Staff Retirement Benefits Program, a predecessor to the Plan.
- 2.134 STD Plan Disabled or STD Plan Disability.** Receiving disability benefits under a short-term disability benefit plan (if any) provided by an Employee’s Plan Sponsor or Agency Affiliate, as determined by the Administrator. (See also the definitions of Disabled, LTD Plan Disabled, and Incapacity Leave.)
- 2.135 Supplement.** Supplement One, Supplement Two, or any other supplement to this Plan.
- 2.136 Supplement One.** A restated and partially frozen portion of USPF, a predecessor plan to SRBP, which was merged into SRBP as supplement one to SRBP, and which has been restated and preserved as Supplement One to the Plan.
- 2.137 Supplement Two.** A restated and frozen portion of RSP, which has been restated and preserved as Supplement Two to the Plan.
- 2.138 10-Year Certain Annuity.** A monthly annuity payable to a Beneficiary (and a successor Beneficiary if necessary) for 120 months (and no longer) with monthly payments that equal the monthly benefits payable using the USPF Formula Benefit or the USPF Revised Formula Benefit (whichever was elected as provided in Section S1.3.2) under the Single-Life Annuity form. For example, if the USPF Formula Benefit, payable to a USPF Participant in the Single-Life Annuity form were \$100 per month for the USPF Participant’s life, then the 10-Year Certain Annuity payable to the USPF Participant’s Beneficiary is \$100 per month for 120 months (with a successor Beneficiary collecting the balance of the 120 months’ worth of payments if the initial Beneficiary dies before receiving 120 monthly payments).
- 2.139 Terminated Participant.** A person who has been a Participant, but who has incurred a Termination of Employment.
- 2.140 Termination of Conference Relationship.** A Participant who is a Clergy Employee ceasing to be a member of any Conference, including by reason of:
- (a) being honorably located within the meaning of ¶360 of the Discipline;
 - (b) his or her withdrawal within the meaning of ¶361 of the Discipline;
 - (c) the surrender of his or her ministerial credentials within the meaning of ¶¶361.2 and 2719.2 of the Discipline;
 - (d) the surrender of his or her Local Pastor’s license within the meaning of ¶320 of the Discipline; or

- (e) a penalty assessed by a trial court within the meaning of ¶2711.3 of the Discipline.

2.141 Termination of Employment.

- (a) *General Rule.* An Employee will be deemed to have incurred a Termination of Employment with a Plan Sponsor as a result of his or her:
 - (i) resignation or dismissal for any reason (whether or not it qualifies as a Retirement);
 - (ii) the end of a Clergy Employee's Appointment to a Plan Sponsor that results in the Employee's severance from employment with the Plan Sponsor as both a Clergy Employee and as a Lay Employee;
 - (iii) death;
 - (iv) failure to return to work promptly upon the request of the Plan Sponsor at the end of a layoff;
 - (v) failure to return to work within the period required under USERRA or any other law pertaining to veterans' reemployment rights after having started an authorized Leave of Absence for military duty with the armed forces of the United States as defined under such law; or
 - (vi) failure to Retire or return to work at the end of a Leave of Absence;

provided that such resignation, dismissal, end of Appointment, death, failure to return, or failure to Retire involves a severance from employment with all Plan Sponsors.

- (b) *Failure to Return after Leave.* If a Termination of Employment occurs within the meaning of Sections 2.141(a)(iv)-(vi), such termination will be deemed to have occurred on the first day of the layoff or Leave of Absence for which the Employee was not credited with Service, unless the Employee qualifies for Retirement as cited in Section 2.141(a)(vi).
- (c) *Transfers.* A transfer between Plan Sponsors (including a severance of employment with one Plan Sponsor followed promptly by Reemployment with another, even without the knowledge or consent of the Plan Sponsors involved) will not be considered to be a Termination of Employment.

2.142 Top-Paid Group. For any Plan Year, the group consisting of the top 20% of Employees of the Plan Sponsor (including any Employees of an Agency Affiliate included in the Plan Sponsor's Adoption Agreement) when ranked on the basis of 415 Compensation (or any other permissible definition of compensation acceptable under the Regulations for an ACP Test) paid during such Plan Year. For the purpose of establishing the total number of Employees in the previous sentence, the following Employees will be excluded:

- (a) Employees who normally work fewer than 17½ hours of Service per week;
- (b) Employees who have not completed six months of Service;
- (c) Employees who normally work during not more than six months during any Plan Year;
- (d) Employees who have not attained the age of 21; and
- (e) Employees covered by a collective bargaining agreement if such Employees constitute 90% or more of the total number of Employees.

2.143 Trust. The trust or trusts, including the Pension Trust of The United Methodist Church, established to fund benefits provided under the Plan, as provided in Section 1.6. The term “Trust” also includes, as applicable, any insurance contract purchased to fund benefits under the Plan.

2.144 Trust Agreement. The agreement or agreements between the Administrator and the Trustee pursuant to which the Trust is established.

2.145 Trustee. The General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Missouri or any successor.

2.146 UMPIP. The United Methodist Personal Investment Plan or any successor plan.

2.147 USERRA. The Uniformed Services Employment and Re-employment Rights Act of 1994, including pension benefits provided in accordance with Code §414(u).

2.148 USPF. The Uniform Staff Pension Fund, initially effective January 1, 1974, and continued as supplement one to SPP, as supplement one to SRBP, and currently as Supplement One (together with applicable provisions of Sections 1, 2, 10, 11, and 12 of the Active Plan, Supplement Two (to the extent necessary to participate in the Consolidated DB Plan), and any Adoption Agreement executed by a USPF Plan Sponsor).

2.149 USPF Adjustment. An annual adjustment to the monthly annuity payments that are based on the USPF Formula Benefit, in accordance with and subject to the following:

- (a) In any year X associated with a CPI increase as provided below, the monthly annuity payments for year X will be increased as of January 1 of year X by an amount equal to the monthly annuity amount payable in year X-1 (if any), times the percentage difference between:
 - (i) the CPI as of June 1 of year X-1; and
 - (ii) the CPI as of June 1 of year X-2.

- (b) In any year X associated with a CPI decrease as provided below, the monthly annuity payments for year X will be decreased as of January 1 of year X by an amount equal to the monthly annuity amount payable in year X-1 (if any), times the percentage difference between:
 - (i) the CPI as of June 1 of year X-1; and
 - (ii) the CPI as of June 1 of year X-2,
 but not below the monthly annuity amount payable at the Annuity Starting Date.
- (c) Notwithstanding the foregoing, the monthly amount of an annuity will not be adjusted any earlier than the 12th month following the Annuity Starting Date.

2.150 USPF Compensation. The sum of the following for a Plan Year paid or payable in cash by a Participant's Plan Sponsor for the Participant's personal services:

- (a) taxable cash salary or wages paid by the Plan Sponsor for personal services rendered in the course of employment including any housing allowance paid, overtime pay, and bonuses, but not including severance pay or the cash value of taxable fringe benefits;
- (b) amounts contributed in accordance with salary-reduction agreements with respect to employment with the Plan Sponsor:
 - (i) to a plan qualified under Code §125;
 - (ii) to a tax-sheltered annuity described in Code §403(b); and
 - (iii) as a qualified transportation fringe under Code §132(f) ; and
- (c) in the case of a Participant who is a Clergy Employee, when a parsonage is provided to the Participant as part of his or her compensation, 25% of the sum of:
 - (i) the Participant's compensation described in Section 2.150(a) above; and
 - (ii) the Participant's compensation described in Section 2.150(b) above.

The compensation of each Participant who is employed by a Non-QCCO that is taken into account in determining contributions for any Plan Year beginning after December 31, 2006, may not exceed \$225,000, as adjusted for cost-of-living increases in accordance with Code §401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

2.151 USPF Formula Benefit. As used in Supplement One, an annual benefit for a Participant, payable in the USPF Normal Form and adjusted annually by the USPF Adjustment, that is the product of:

- (a) 1%;
- (b) the average of the Participant's USPF Compensation in his or her five highest-paid Plan Years (whether or not consecutive); and
- (c) the Participant's Approved Service Years, if any, before January 1, 1985,

reduced as of the Participant's Annuity Starting Date by the lesser of:

- (i) one-half of 1% per month (or fraction of a month) of the Participant's age that is less than 65 years, determined as of such Annuity Starting Date; or
- (ii) one-half of 1% per month for each month of difference between the assumed date at which the Participant's 40 years of Service would have been completed (had such Participant continued in uninterrupted Service) and such Annuity Starting Date.

2.152 USPF Normal Form of Benefit. A benefit paid under Supplement One in the USPF Standard Form, but revised annually in accordance with either:

- (a) the USPF Adjustment (when the USPF Participant elected the USPF Formula Benefit as specified in Section S1.3.2); or
- (b) the USPF Revised Adjustment (when the USPF Participant elected the USPF Revised Formula Benefit as specified in Section S1.3.2).

2.153 USPF Participant. A participant within the meaning of USPF as of December 31, 1984 and still entitled to a benefit under Supplement One to SRBP as of December 31, 2006, whether entitled to a pension In Pay Status, a Vested terminated participant benefit payable at his or her Early, Normal, or Late Retirement Date, or an active Employee benefit payable at Retirement.

2.154 USPF Pension Benefit. The benefit payable under Section S1.3.

2.155 USPF Plan Sponsor. With respect to USPF Participants who are or were Employees of the appropriate Plan Sponsor, any General Agency that sponsored and made contributions to USPF.

2.156 USPF Revised Adjustment. An annual adjustment to the monthly annuity payments that are based on the USPF Revised Formula Benefit, in accordance with and subject to the following:

- (a) In any year X associated with a CPI increase as provided below, the monthly annuity payments for year X will be increased as of January 1 of year X by an amount equal to the monthly annuity amount payable in year X-1 (if any), times the lesser of:
 - (i) the percentage difference between:

- (A) the CPI as of June 1 of year X-1; and
 - (B) the CPI as of June 1 of year X-2; or
 - (ii) 5%.
- (b) In any year X associated with a CPI decrease as provided below, the monthly annuity payments for year X will be decreased as of January 1 of year X by an amount equal to the monthly annuity amount payable in year X-1 (if any), times the lesser of:
- (i) the percentage difference between:
 - (A) the CPI as of June 1 of year X-1; and
 - (B) the CPI as of June 1 of year X-2; or
 - (ii) 5%,
- but not below the monthly annuity amount payable at the Annuity Starting Date.
- (c) Notwithstanding the foregoing, the monthly amount of an annuity will not be adjusted any earlier than the 12th month following the Annuity Starting Date.

2.157 USPF Revised Formula Benefit. As used in Supplement One, an annual benefit for a Participant, payable in the USPF Normal Form and adjusted annually by the USPF Revised Adjustment, that is the product of:

- (a) 1.1%;
 - (b) the average of the Participant's USPF Compensation in his or her five highest-paid Plan Years (whether or not consecutive); and
 - (c) the Participant's Approved Service Years, if any, before January 1, 1985,
- reduced as of the Participant's Annuity Starting Date by the lesser of:
- (i) one-half of 1% per month (or fraction of a month) of the Participant's age that is less than 65 years, determined as of such Annuity Starting Date; or
 - (ii) one-half of 1% per month for each month of difference between the assumed date at which the Participant's 40 years of Service would have been completed (had such Participant continued in uninterrupted Service) and such Annuity Starting Date.

2.158 USPF Standard Form. For a Participant who has a Spouse on his or her Annuity Starting Date, a 70% Contingent Annuity with such Spouse as the Contingent Annuitant; and for a Participant who does not have a Spouse on his or her Annuity Starting Date, a Single-Life with 10-Year Certain Annuity.

2.159 Valuation Account Balance. The Account Balance as of the last Accounting Date in the Valuation Calendar Year, increased by the amount of any Contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the Valuation Calendar Year after such Accounting Date (if any) and decreased by any distributions made in the Valuation Calendar Year after such Accounting Date. The Valuation Account Balance for the Valuation Calendar Year includes any amounts rolled over or transferred to the Plan, either in the Valuation Calendar Year or in the Distribution Calendar Year if distributed or transferred in the Valuation Calendar Year.

2.160 Valuation Calendar Year. The calendar year immediately preceding the Distribution Calendar Year.

2.161 Vested. The nonforfeitable portion of any Account or benefit, except as provided in Section 7.2 and S1.2.2.

SECTION 3 - PARTICIPATION

3.1 Eligibility for Participation.

- (a) Each Employee will become a Participant in the Active Plan on the Entry Date determined under Section 3.2, provided that he or she satisfies all of the following requirements on the Entry Date:
 - (i) He or she is an Eligible Employee;
 - (ii) He or she is eligible to participate in a Church Plan; and
 - (iii) He or she is:
 - (A) receiving Compensation from his or her Plan Sponsor (or such Plan Sponsor's Agency Affiliate);
 - (B) LTD Plan Disabled (but not a Terminated Participant);
 - (C) STD Plan Disabled; or
 - (D) entitled to participate under USERRA.

After initially becoming a Participant on the Entry Date, an Employee must continue to meet the conditions in Sections 3.1(a)(i), (ii), and (iii) above to remain a Participant eligible for Contributions.

- (b) Although it will not prevent an Eligible Employee from participating in the Active Plan, the Administrator may require the Plan Sponsor of each Eligible Employee who is to become (or has become) a Participant (whether or not such Participant has an Account) to file an application for enrollment in the Active Plan in such Form as may be required by the Administrator or to otherwise provide necessary enrollment information in a manner acceptable to the Administrator.
- (c) An Employee does not need any Service to be eligible for the Active Plan. An Employee who starts a Plan Year classified as not Permanent may become Permanent upon rendering at least 1,000 hours of Service for a Plan Sponsor or Agency Affiliate during a Plan Year. In such a case, such Employee will be treated as Permanent retroactively to the start of the Plan Year, subject to the provisions of Section 4.1.

3.2 Determination of Entry Date. Each Eligible Employee's Entry Date will be the earlier of:

- (a) the Effective Date, if on that date he or she satisfies the requirements of Section 3.1; or

- (b) the first day of any calendar month thereafter on which he or she satisfies the requirements of Section 3.1.

3.3 Determination of Eligibility. Upon receipt of enrollment information from the Plan Sponsor as provided in Section 3.1, the Administrator will accept such information as evidence of eligibility for participation in the Plan. However, the Administrator may from time to time audit such information or obtain additional information, which might result in a determination of ineligibility for someone classified as a Participant or a determination of eligibility for a non-Participant. The Administrator has the final authority to determine the eligibility of any Employee. Such determination will be made pursuant to the provisions of the Plan and the Adoption Agreement and will be conclusive and binding upon all persons.

3.4 Cessation and Resumption of Participation.

- (a) *Cessation of Participation.* A Participant who receives a distribution of his entire Account Balance under the Plan and who no longer qualifies under Section 3.1 will cease to be a Participant in the Plan.
- (b) *Reinstatement.* A person described in Section 3.4(a) who again qualifies under Sections 3.1 and 3.2 will again become a Participant entitled to Contributions.
- (c) *Return to Coverage.* If a Participant ceases to qualify under Sections 3.1 and 3.2 but does not receive a distribution of his entire Account Balance under the Plan and then requalifies under those Sections, he or she will once again be entitled to Contributions under the Plan but will not be entitled to receive distributions under the Plan (except to the extent he or she qualifies under Section 8.2), even for amounts that he or she would have been entitled to receive when he or she previously ceased to qualify under Sections 3.1 and 3.2.
- (d) *Transfer.* A Participant who transfers promptly from one Plan Sponsor to another (or who otherwise transfers promptly under §§346, 347, or 348 of the Discipline such that he or she was covered under the Plan both before and after the transfer) will remain a Participant, but his or her Plan Sponsor will change from the first Plan Sponsor to the second on the date that he or she becomes an Employee of the second.
- (e) *Clergy Reappointment.* If a Clergy Employee is Appointed to an employer who is not a Plan Sponsor, he or she will incur a Termination of Employment. Such a Clergy Employee will no longer receive Contributions but will generally not qualify for a distribution until he or she also incurs a Termination of Conference Relationship (see Section 8.2(c)(i)).

3.5 Omission of Eligible Employee.

- (a) If, in any Plan Year, an Eligible Employee who should have been included as a Participant in the Plan is erroneously omitted from participation and if the discovery of such omission is not made until after one or more Non-Matching

and/or Matching Contributions has been made for such Plan Year, the Plan Sponsor will correct that omission by making one or more replacement contributions to the appropriate Participant's Non-Matching and/or Matching Contributions Account (as the case may be) to substitute for the Non-Matching and/or Matching Contributions that would have been made with respect to the omitted Participant had he or she not been omitted, subject to the limits of Section 5 and the remaining provisions of this Section 3.5 below.

- (b) In the case of Non-Matching and/or Matching Contributions made under Section 3.5(a) above that are past the Due Date, in accordance with any applicable Internal Revenue Service correction program the Plan Sponsor will contribute to the appropriate Non-Matching and/or Matching Contribution Account of the omitted Participant missed earnings on the replacement Contributions based on what would have been earned, credited from the Due Date until the Accounting Date as of which such replacement Contributions were actually credited to the applicable Contribution Account of the omitted Participant. If there would have been a net loss (i.e., a reduction in the value of the replacement contribution) during such period, then the Plan Sponsor will owe only the missed Contribution under Section 3.5(a) above, as reduced by such loss. Notwithstanding the foregoing provisions of this Section 3.5(b), no earnings, losses, or other Credits or Debits will be assessed with respect to an Employee or Participant who retroactively qualifies for Non-Matching and/or Matching Contributions under Sections 4.1(a)(i) and/or Section 4.1(b).
- (c) The corrective contributions made in accordance with Sections 3.5(a) and (b) above may be made in accordance with any simplifying assumptions or streamlining procedures (such as, for instance, adjusting the date as of which corrective contributions need be made to give the Plan Sponsor a reasonable time to compute earnings and make the corrective contributions without having to also grant imputed earnings with respect to the reasonable time itself) that the Administrator deems reasonable and consistent with any applicable IRS self-correction rules or Regulations.
- (d) In connection with this Section 3.5, the Plan Sponsor is subject to one or more administrative charge(s) under Section 10.7(c) to the extent determined by the Administrator.
- (e) In accordance with Revenue Procedure 2003-44 or its successors, replacement contributions made on account of any past Limitation Year will be deemed made in that past Limitation Year for the purpose of Code §415. Further, any Credit or Debit to an Account to reflect imputed earnings or losses attributable to replacement contributions will not be treated as annual additions in any Limitation Year under Code §415.

3.6 Inclusion of Ineligible Person. If, in any Plan Year, any person who should not have been included as a Participant in the Plan is erroneously included and the discovery of such incorrect inclusion is not made until after one or more Non-Matching and/or

Matching Contributions for the Plan Year have been made with respect to such person, any such Contributions will constitute a mistake of fact for the Plan Year in which such Contributions are made and will be returned to the Plan Sponsor (adjusted for any Debits or Credits) if it qualifies under Section 12.3(b). Erroneous Non-Matching and/or Matching Contributions (adjusted for any Debits or Credits) that do not qualify under Section 12.3(b) will be permanently forfeited and will be contributed to the Funding Pool of the Plan Sponsor.

SECTION 4 - AMOUNT AND ALLOCATION OF CONTRIBUTIONS

4.1 Plan Sponsor Contributions.

- (a) *Non-Matching Contributions.* By the Due Date for each payroll period each Plan Sponsor will contribute to the Active Plan on behalf of each of its Full-Time Participants who qualify under Sections 3.1 and 3.2 (and continue to qualify at the end of each such payroll period) Non-Matching Contributions in the amount of 8% of such Participant's Compensation for such payroll period, subject to the following special rules:
- (i) A Participant or non-Permanent Employee who, for a Plan Year, is not scheduled or reasonably expected to be employed for at least 1,000 hours in a Plan Year but who, in fact, does complete 1,000 hours in that Plan Year (thereby qualifying as a Permanent Full-Time Participant) will, within a reasonable time (determined by the Administrator) after Full-Time status is established, be retroactively credited by his or her Plan Sponsor with Non-Matching Contributions (but no earnings thereon) for each payroll period during the Plan Year for which he or she was a Participant in the Active Plan.
 - (ii) A Participant who is scheduled or reasonably expected to satisfy the conditions of Sections 3.1 and 3.2 at the start of a payroll period need not actually satisfy such conditions to earn a Non-Matching Contribution as long as he or she was scheduled or reasonably expected by his or her Plan Sponsor to satisfy such conditions at the start of such payroll period.
- (b) *Matching Contributions.*
- (i) By the Due Date for each payroll period each Plan Sponsor will contribute to the Active Plan on behalf of each of its Full-Time and Part-Time Participants who qualify under Sections 3.1 and 3.2 (and continue to qualify at the end of each such payroll period) Matching Contributions in an amount equal to 100% of the portion of such Participant's Participant Contributions for such payroll period that does not exceed 2% percent of such Participant's Compensation for such payroll period.
 - (ii) An Employee who is not classified as a Permanent Employee as of the start of a Plan Year but who, in fact, does complete 1,000 hours in that Plan Year (thereby qualifying as a Permanent Participant) will, within a reasonable time (determined by the Administrator) after Permanent status is established, be retroactively credited by his or her Plan Sponsor with Matching Contributions (but no earnings thereon) as described in Section 4.1(b)(i) above for each payroll period during the Plan Year for which he or she:
 - (A) was retroactively a Participant in the Active Plan; and

(B) made Participant Contributions.

(c) *Disabled Participants.*

(i) In the case of each LTD or STD Plan Disabled Participant who was a Full-Time Participant on the day before he or she became LTD or STD Plan Disabled, the Plan Sponsor will contribute:

- (1) Non-Matching Contributions under Section 4.1(a) above based on such Participant's rate of Compensation on the day before he or she became LTD or STD Plan Disabled (as adjusted in Section 4.1(c)(ii) below); and
- (2) Matching Contributions under Section 4.1(b) above based on such Participant's Participant Contributions, if any, and his or her rate of Compensation on the day before he or she became LTD or STD Plan Disabled (as adjusted in Section 4.1(c)(ii) below),

to the extent permitted under Code §415(c)(2)(C) and Section 5, from the date such Participant became LTD or STD Plan Disabled until the earliest of:

- (A) the date such Participant ceases to be both LTD Plan Disabled and STD Plan Disabled;
- (B) in the case of a Participant who became LTD Plan Disabled or STD Plan Disabled before age 60, on the earlier of:
 - (I) the date such Participant Retires on an Early Retirement Date; or
 - (II) such Participant's Normal Retirement Date (whether or not he or she actually Retires); or
- (C) in the case of a Participant who became LTD Plan Disabled or STD Plan Disabled on or after age 60, on the earlier of:
 - (I) the date that is the later of:
 - (1) the five-year anniversary of such Participant becoming LTD Plan Disabled; or
 - (2) the five-year anniversary of such Participant becoming STD Plan Disabled; or
 - (II) such Participant's 70th birthday.

- (ii) The rate of Compensation described in Sections 4.1(c)(i)(1) and (2) above upon which Non-Matching Contributions are computed will be increased as of each successive January 1 by an imputed 3% per Plan Year for each Participant who remains LTD or STD Plan Disabled. Notwithstanding the foregoing, there will be no such 3% imputed increase for any Plan Year for which such Participant became LTD or STD Plan Disabled on or after July 1 of such Plan Year.
- (iii) Contributions required of a Plan Sponsor under this Section 4.1(c) may be made directly by such Plan Sponsor or may be made by a disability plan sponsored by such Plan Sponsor if such plan provides for such Contributions. In no event, however, will any Participant be entitled to duplicate Contributions, although non-duplicate Contributions may come partly from one source and partly from another source.
- (iv) Notwithstanding the foregoing provisions of this Section 4.1(c), an LTD or STD Plan Disabled Participant will cease to qualify for further Non-Matching and Matching Contributions on account of periods after he or she became a Terminated Participant.

4.2 Allocation and Deposit of Contributions. All Non-Matching and Matching Contributions will be forwarded to the Administrator by the Plan Sponsor as soon as possible, but in no event later than the Due Date. The Administrator will deposit Contributions in the Trust as soon as possible after receiving them. Each Participant's share of the Non-Matching and/or Matching Contributions will be allocated to the Participant's Non-Matching and/or Matching Contributions Accounts, respectively, as of the Accounting Date coinciding with or next succeeding the date they are deposited in the Trust.

4.3 Late Contributions. If a Plan Sponsor delays in making a Non-Matching and/or Matching Contribution to the Plan on behalf of any Participant until after the Due Date specified in Section 4.2, then the Plan Sponsor will make such delayed Non-Matching and/or Matching Contribution to the Plan as soon as possible thereafter, along with imputed earnings on such delayed Non-Matching and/or Matching Contribution (or adjusted for losses) in accordance with Sections 3.5(b) and (c), credited from the day after such Due Date until the Accounting Date that such Non-Matching and/or Matching Contribution was actually credited to the Participant's Account. For the purpose of Code §415, such replacement Non-Matching and/or Matching Contributions (including imputed earnings) will be treated as specified in Section 3.5(e). Any special services provided by the Administrator in connection with this Section 4.3 are subject to the additional charges provided for in Section 10.7(c). If any Non-Matching and/or Matching Contributions are more than two months overdue, the Administrator may compel payment by the delinquent Plan Sponsor by offsetting against any other amounts the delinquent Plan Sponsor may have on deposit with the Administrator, by bringing the matter to the Judicial Council, or by invoking the provisions of Section 12.6.

4.4 Ineligible Participants. If a Participant ceases to qualify under Section 3.1, is on an unpaid Leave of Absence (except as otherwise required under Section 12.9 (relating to USERRA) or applicable law), is suspended from employment without pay, or is otherwise not earning Compensation for a payroll period for a reason not covered under Section 3.1, but has not Retired or incurred a Termination of Employment, then for any such period the Participant's Accounts will not be credited with any Non-Matching and/or Matching Contributions.

4.5 Transfer of RSP Benefit. As soon as practicable after the Final RSP Account Balance is computed for each Accountholder who formerly participated in RSP, the Administrator will transfer such Accountholder's Final RSP Account Balance from Supplement Two to his or her Non-Matching Contribution Account in this Active Plan. If, after such transfer, a late contribution is received by RSP or there is some other adjustment to a Participant's or Accountholder's RSP Account Balance, the Administrator will make an appropriate equitable adjustment to such Participant's or Accountholder's Non-Matching Contribution Account Balance that reflects the original intention of transferring the Participant's or Accountholder's Final RSP Account Balance to his or her Non-Matching Contribution Account on or about the Effective Date, which equitable adjustment may involve transferring amounts from a Participant's or Accountholder's Non-Matching Contribution Account back to RSP or to Supplement Two. If the Administrator maintains separate Accounts for different Plan Sponsors, then each Accountholder's Final RSP Account Balance will be divided and credited to the Plan Sponsor(s) from which such Final RSP Account Balance arose. If such division cannot be made with precision, then it will be made based on a reasonable equitable division under the circumstances.

4.6 Participant Contributions. Participants may not make:

- (a) direct contributions to;
- (b) salary reduction contributions to;
- (c) Participant-directed transfers into; or
- (d) rollovers into

any Account maintained under this Plan.

SECTION 5 - LIMITS ON CONTRIBUTIONS

5.1 Limit on Annual Additions.

- (a) *Limitation.* Notwithstanding any other provisions of the Plan (except for this Section 5), the amount of Annual Additions for any Limitation Year will not exceed an amount equal to the limit of Section 5.1(a)(i) below, as increased, if at all, by the provisions of Section 5.1(a)(ii) below.
- (i) *Standard Limit.* The limit of this Section 5.1(a)(i) is the lesser of:
- (A) \$45,000 (in 2007 or as indexed under Code §415(d) in later years);
or
 - (B) 100% of the Participant's 415 Compensation for the Limitation Year.
- (ii) *\$10,000 Minimum.* To the extent permitted under Code §415(c)(7)(A) and Regulations, if the amount of Annual Additions allocated to a Participant's Account for any Limitation Year exceeds the limit of Section 5.1(a)(i) above, such limit will be increased, if at all, by the lesser of:
- (A) \$10,000 minus the limit of Section 5.1(a)(i) above as applied to such Participant in such Limitation Year; or
 - (B) \$40,000 minus the aggregate of all previous Annual Additions for all previous Limitation Years made because of the extended limit attributable to Code §415(c)(7)(A)(i).
- This Section 5.1(a)(ii) will be applied, to the extent required under Code §415(c)(7)(A) and Regulations, to the Participant's Account as aggregated for the Limitation Year with his or her account under any other Code §403(b) defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate.
- (b) *Error in Previous Limitation Year.* To the extent permitted by applicable law, an amount credited to a Participant's Account in order to correct an error made in a previous Limitation Year will be treated for the purpose of Section 5.1(a) above as having been credited to such Account in the Limitation Year to which the error relates, rather than the Limitation Year in which such correction contribution was actually contributed, but any reasonable amount of imputed earnings included in any such correction contribution will not be treated as an Annual Addition for either such year.
- (c) *Correction of Excess Annual Additions.* If the amount otherwise allocable to a Participant's Account, or with respect to a Participant in any other Code §403(b) defined contribution plan described in Section 5.1(d) below, in a Limitation Year would exceed the limitation set forth in Section 5.1(a) above, the amount of such

excess will be corrected as soon as is practicable in accordance with any applicable Internal Revenue Service correction program, which correction will be implemented, if permitted:

- (1) as provided in UMPIP, or, if there is a conflict in the application of this Plan and UMPIP or another plan, then according to the plan with the smaller amount of plan sponsor contributions, or, if the foregoing does not correct the excess Annual Additions, then
- (2) by the application of one or more of Sections 5.1(c)(2)(i)-(xi) below in the following order to the extent necessary and to the extent permissible under the Code or Regulations or Internal Revenue Service programs (such as the Employee Plans Compliance Resolution System) thereunder:
 - (i) first, in the case of a Participant eligible to make before-tax elective deferral contributions (including any qualified as 15-Year Catch-Up Contributions) to a Code §403(b) defined contribution plan, by a recharacterization of any such contributions (and any earnings thereon) for the Limitation Year as age 50 catch-up contributions to the extent permissible under Code §414(v) and any such defined contribution plan;
 - (ii) second, in the case of a Participant eligible to make Roth elective deferral contributions (including any qualified as 15-Year Catch-Up Contributions) to a Code §403(b) defined contribution plan, by a recharacterization of any such contributions (and any earnings thereon) for the Limitation Year as age 50 catch-up contributions to the extent permissible under Code §414(v) and any such defined contribution plan;
 - (iii) third, in the case of a Participant eligible to make after-tax participant contributions to a Code §403(b) defined contribution plan, by returning all or a portion of such contributions (and any earnings thereon) for the Limitation Year, except that in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP), such return of after-tax participant contributions will be made only to the extent that they were not pre-requisites to earning matching contributions (including such conditional contributions) and only to the extent permitted by such defined contribution plan;
 - (iv) fourth, by returning all or a portion of the Participant's before-tax elective deferral contributions to a Code §403(b) defined contribution plan (and any earnings thereon) for the Limitation Year, except that in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP), such return of before-tax elective

deferral contributions will be made only to the extent that they were not pre-requisites to earning matching contributions (including such conditional contributions) and only to the extent permitted by such defined contribution plan;

- (v) fifth, by returning all or a portion of the Participant's Roth elective deferral contributions to a Code §403(b) defined contribution plan (and any earnings thereon) for the Limitation Year, except that in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP), such return of Roth elective deferral contributions will be made only to the extent that they were not pre-requisites to earning matching contributions (including such conditional contributions) and only to the extent permitted by such defined contribution plan;
- (vi) sixth, in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP) to a Code §403(b) defined contribution plan, by repeating the following cycle: returning one dollar of after-tax participant contributions (and any earnings thereon) for the Limitation Year to the Participant and forfeiting any corresponding matching contributions (including such conditional contributions) (and any earnings on either) and crediting them to a 415 Suspense Account in the name of the Plan Sponsor or employer, until such excess is corrected or all after-tax participant contributions and matching contributions (including such conditional contributions) (and any earnings on either) have been returned or forfeited, all to the extent permitted by such defined contribution plan;
- (vii) seventh, in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP) to a Code §403(b) defined contribution plan, by repeating the following cycle: returning one dollar of before-tax elective deferral contributions (and any earnings thereon) for the Limitation Year to the Participant and forfeiting any corresponding matching contributions (including such conditional contributions) (and any earnings on either) and crediting them to a 415 Suspense Account in the name of the Plan Sponsor or employer, until such excess is corrected or all before-tax elective deferral contributions and matching contributions (including such conditional contributions) (and any earnings on either) have been returned or forfeited, all to the extent permitted by such defined contribution plan;
- (viii) eighth, in the case of a Participant whose Plan Sponsor or employer makes matching contributions (including conditional contributions under UMPIP) to a Code §403(b) defined

contribution plan, by repeating the following cycle: returning one dollar of Roth elective deferral contributions (and any earnings thereon) for the Limitation Year to the Participant and forfeiting any corresponding matching contributions (including such conditional contributions) (and any earnings on either) and crediting them to a 415 Suspense Account in the name of the Plan Sponsor or employer, until such excess is corrected or all Roth elective deferral contributions and matching contributions (including such conditional contributions) (and any earnings on either) have been returned or forfeited, all to the extent permitted by such defined contribution plan;

- (ix) ninth, by crediting any other non-Vested Plan Sponsor or employer contributions made for the Limitation Year to a Code §403(b) defined contribution plan that are not specified in Sections 5.1(c)(vi) through (viii) above (and any earnings thereon) to a Code §415 suspense account in the name of the Plan Sponsor or employer, to be used to reduce the need for future Plan Sponsor or employer contributions, all to the extent permitted under such other plan;
- (x) tenth, by crediting any other Plan Sponsor or employer contributions made for the Limitation Year to a Code §403(b) defined contribution plan that are not specified in Sections 5.1(c)(vi) through (ix) above (and any earnings thereon) to a Code §415 suspense account in the name of the Plan Sponsor or employer, to be used to reduce the need for future Plan Sponsor or employer contributions, all to the extent permitted under such other plan; and
- (xi) finally, by returning any other contributions not previously returned (and any earnings thereon) for the Limitation Year, in the case of Plan Sponsor Contributions under this Plan, to a 415 Suspense Account in the name of the Plan Sponsor, to be used to reduce the need for future Contributions from such Plan Sponsor.

Any amounts in a Plan Sponsor's 415 Suspense Account will be used to reduce future Contributions to Participants from that Plan Sponsor to Non-Matching Contribution Accounts and Matching Contribution Accounts. 415 Suspense Account amounts will be so applied as soon as possible after the amounts are allocated to the 415 Suspense Account. If a sum in a 415 Suspense Account has not been so reallocated to Non-Matching Contribution Accounts or Matching Contribution Accounts within two Plan Years after the close of the Plan Year in which the sum was first allocated to the 415 Suspense Account, then such sum will be contributed to the Funding Pool of the Participant's Plan Sponsor.

- (d) *Contribution Timing.* A contribution will be deemed made for a Limitation Year if all conditions necessary for a Participant to earn the contribution are satisfied in such Limitation Year and if the plan sponsor actually makes the contribution not later than October 15 of the year following such Limitation Year.
- (e) *Aggregation of Plans.* For the purpose of this Section 5.1, all Code §403(b) defined contribution plans of, and all 415 Compensation from, any Plan Sponsor or its 415 Affiliates, whether or not such plans are terminated, are to be aggregated and/or treated as one defined contribution plan. Defined contribution plans other than those qualified under Code §403(b) are separately limited under Code §415(c) and Regulation §1.415-8(d)(1).
- (f) *Supplements One and Two.* Since defined contribution plan Contributions to Supplements One and Two have been frozen, the limitations of Code §415 are not expected to limit any benefits payable thereunder. Nevertheless, if required by Code §415(c) and/or applicable Regulations, contributions made under Supplements One and Two will be limited as so provided.

5.2 Maximum Benefits. Supplements One and Two pay Code §403(b)(9) grandfathered defined benefit plan benefits. Such benefits will be limited as provided in Code §415(b) unless Code §§403(b) or 415 or Regulations under either require such benefits to be limited as provided under Code §415(c) or otherwise, in which case they will be limited as so provided.

5.3 Annual Additions for Disabled Persons. Annual Additions may be made with respect to an LTD or STD Plan Disabled Participant or an LTD or STD Plan Disabled Terminated Participant only to the extent (if any) that such Annual Additions may be made in accordance with:

- (a) Code §414(e)(3)(E)(ii), which permits Contributions:
 - (i) for up to five years after a Participant's Termination of Employment; or
 - (ii) indefinitely after a Participant's Termination of Employment if such Participant was LTD or STD Plan Disabled (or disabled within the meaning of Code §72(m)(7)) at the time of such Participant's Termination of Employment;

but which does not specifically expand the Code §415(c) Annual Addition limit, although it may work with one of the following provisions to allow Annual Additions to be made;

- (b) Code §415(c)(1), which permits Annual Additions to the extent provided in Section 5.1(a)(i);
- (c) Code §415(c)(3)(C), which permits continued Annual Additions to the Account of a Participant who is:

(i) disabled within the meaning of Code §22(e)(3) (which is a comparable definition to the Social Security disability definition); and

(ii) a Non-HCE;

to the extent of the annual rate of such Participant's Compensation on the day before such disability;

(d) Code §415(c)(7), which permits an increase in the Annual Addition limit as provided in Section 5.1(a)(ii); and/or

(e) any other applicable provisions of the Code and Regulations.

If Annual Additions made with respect to an LTD or STD Plan Disabled Participant or an LTD or STD Plan Disabled Terminated Participant exceed the above limits, the resulting excess Annual Additions will be corrected as provided in Section 5.1(c).

5.4 ACP Test for Non-QCCOs. For the purposes of this Section 5.4, Matching Contributions made under this Plan will be aggregated with after-tax, matching, and conditional contributions, if any, made under UMPIP and tested as though made under one plan.

(a) *ACP Test.* Each Plan Sponsor that is a Non-QCCO is responsible for passing the ACP Test for each Plan Year that it has made any ACP Contributions with respect to such Plan Year (the Determination Year) on behalf of any of its Participants who are HCEs. The ACP Test must be passed as of the end of each Determination Year, either initially, after correcting for any excess Contributions as provided in Section 5.4(c) below, or as otherwise permitted or required under Regulations.

(b) *Responsibility for Correction of Excess ACP Contributions.* Each Plan Sponsor that is a Non-QCCO may attempt to pass the ACP Test during or following the end of the Determination Year by means of any of the adjustments in Section 5.4(c) below. Whether or not such Plan Sponsor makes such adjustments, the Administrator will not have any liability to such Plan Sponsor nor to any Participant who is an HCE for such adjustment or failure to adjust or for the passage of the ACP Test.

(c) *Correction of Excess ACP Contributions by Non-QCCO.* If the ACP Test is failed or expected to be failed for any Determination Year by a Plan Sponsor that is a Non-QCCO, such Plan Sponsor may pass the ACP Test by any one or more of the following means:

(i) during the Determination Year:

(A) reducing the amount of further; and/or

(B) halting further

ACP Contributions made for each such Participant who is an HCE;

- (ii) within one year after the close of the Determination Year, refunding to each such Participant who is an HCE, as provided in Section 5.4(d) below, any excess ACP Contributions made for such Participant in accordance with Section 5.4(d) below; and/or
 - (iii) during, or within one year after the close of, the Determination Year (or such other deadline as may be provided in Regulations) making QNECs to one or more Participants who are Non-HCEs in accordance with Section 5.4(l) below to the extent necessary to pass the ACP Test.
- (d) *Determination of Excess ACP Contributions.* If it is necessary, after taking into account any QNECs made under Section 5.4(c)(iii) above, to refund their excess Contributions pursuant to 5.4(c)(ii) above, then the ACP Contributions of the HCE or HCEs whose Actual Contribution Amount is the highest will first be reduced until their Actual Contribution Amount is equal to the greater of:
- (i) the Actual Contribution Amount that will cause the Highly Compensated ACP not to exceed the Maximum ACP; or
 - (ii) the Actual Contribution Amount of the HCE or HCEs who have the second highest Actual Contribution Amount.

The same procedure will then be applied, if necessary, to the ACP Contributions of the HCEs who have the second highest Actual Contribution Amount (including those whose Actual Contribution Amount was reduced in the prior step), and so on until the Highly Compensated ACP no longer exceeds the Maximum ACP or as otherwise permitted or required under Regulations.

- (e) *Refund of Excess ACP Contributions and Earnings and Losses.* After taking into account any QNECs made under Section 5.4(c)(iii) above, any excess ACP Contributions (as determined under Section 5.4(d) above) of each Participant who is an HCE will be distributed to such Participant. Each such distribution will include the share of net earnings or losses allocable to such distribution (including any arising during any Gap Period), determined in accordance with Section 5.4(f) or Section 5.4(g) below. All references to excess ACP Contributions in the Plan will be deemed to include such allocated earnings or losses.
- (f) *Allocation of Earnings and Losses.* For the purpose of Section 5.4(e) above, the amount of earnings or losses allocated to the distribution of excess ACP Contributions will be equal to the net earnings or losses realized on the aggregate of the Participant's Matching Contribution Account under this Plan and after-tax contribution account, conditional contribution account, and matching contribution account under UMPIP for the Determination Year and any Gap Period thereafter, multiplied by a fraction, the numerator of which is the amount of such distribution and the denominator of which is the sum of:

- (i) the Participant's Matching Contribution Account Balance as of the beginning of the Determination Year;
- (ii) the Participant's after-tax contribution account balance under UMPIP as of the beginning of the Determination Year;
- (iii) the Participant's conditional contribution account balance under UMPIP as of the beginning of the Determination Year;
- (iv) the Participant's matching contribution account balance under UMPIP as of the beginning of the Determination Year; and
- (v) the amount of ACP Contributions made during the Determination Year and any Gap Period thereafter.

Notwithstanding the foregoing, the Plan Sponsor or the Administrator may determine Gap Period earnings or losses as follows:

- (1) Determine the number of months in the Gap Period, including the month in which the distribution under Section 5.4(e) above is made if (and only if) such distribution is made after the 15th of such month; then
- (2) Multiply the number of months computed in Section 5.4(f)(1) above by 10% of the earnings or losses that accrued during the Determination Year.

Unless the Plan Sponsor or the Administrator otherwise elects under Section 5.4(g) below in accordance with Regulations, the computation and allocation of earnings and losses will be determined in accordance with this Section 5.4(f), as modified by Sections 5.4(f)(1) and (2) above.

- (g) *Use of Other Method.* Notwithstanding Section 5.4(f) above, the Plan Sponsor or the Administrator may use any other reasonable method of allocating earnings or losses for any Determination Year, provided that such method:
 - (i) does not violate Code §403(b)(12) or Regulations thereunder, including making distributions under Section 5.4(e) above not later than seven days after the calculation of Gap Period earnings or losses (without including earnings or losses for such up-to-seven-day period);
 - (ii) is applied consistently to all excess distributions and Participants for the year; and
 - (iii) is the method used to allocate earnings or losses to Accounts generally.
- (h) *Order of Distribution.* If a distribution of excess ACP Contributions must be made to a Participant who has received Matching Contributions under this Plan or made after-tax contributions and/or received conditional or matching contributions under UMPIP, then such distribution will be made from such

Participant's Accounts or UMPIP accounts in the following order, until such point as all excess ACP Contributions have been distributed:

- (i) First, any after-tax contributions under UMPIP that exceeded the amount that was eligible to earn conditional or matching contributions under UMPIP (for this purpose, conditional and matching contributions under UMPIP will be deemed to have been contributed first on account of before-tax contributions, next on account of Roth contributions, and finally on account of after-tax contributions);
 - (ii) Second, a pro rata division between:
 - (A) after-tax contributions under UMPIP; and
 - (B) the conditional or matching contributions that relate thereto under UMPIP or the Matching Contributions that relate thereto under this Plan; and
 - (iii) Finally, if Matching Contributions under this Plan or conditional or matching contributions under UMPIP remain after all after-tax contributions under UMPIP have been distributed, then conditional contributions under UMPIP, if any, followed by any matching contributions under UMPIP, if any, followed by any Matching Contributions under this Plan.
- (i) *Forfeiture of Non-Vested Contributions.* If a distribution of excess non-Vested contributions must be made to a Participant under UMPIP, it will be handled as provided in UMPIP.
- (j) *Timing of Corrective Distributions.* All corrective distributions will be made, notwithstanding any other restrictions on distributions in the Plan, not later than 2½ months following the end of the Determination Year, if possible, and in any event not later than the last day of the Plan Year following the Determination Year.
- (k) *Aggregation of Plans.* If this Plan must be aggregated with one or more other plans maintained by the Plan Sponsor (such as UMPIP) or one or more Affiliates for one or more of such plans to satisfy the requirements of Code §§401(m), 401(a)(4), or 410(b), then the ACP Test will be run by determining the Non-Highly Compensated ACP and the Highly Compensated ACP as though all such plans were a single plan. Any adjustments to the Non-Highly Compensated ACP for the prior year will be made in accordance with IRS Notice 98-1 and any superseding guidance from the IRS. Plans may be aggregated to satisfy Code §401(m) only if they have the same plan year and use the same ACP testing method.
- (l) *QNEC Limits.* A Plan Sponsor that is a Non-QCCO may allocate QNECs to one or more Participants who are Non-HCEs, but such QNECs will be disregarded in

performing the ACP Test to the extent that they exceed the product of each such Non-HCE's Compensation and the greater of:

- (i) 5%; or
- (ii) 2 times such Plan Sponsor's Representative Contribution Rate.

5.5 Other Limitations for Non-QCCOs. Plan Sponsors that are Non-QCCOs will be limited each Plan Year with respect to:

- (a) the Plan Sponsor Contributions permitted to the Plan for certain Participants (including HCEs);
- (b) the amount of Compensation that may be taken into consideration under the Plan for certain Participants; and
- (c) Employees who may participate in the Plan,

to the extent, if any, required by Code §403(b)(12) and the Regulations thereunder and the provisions of Code §§401(a)(4), 401(a)(5), 401(a)(17), 410(b), and any other applicable requirements of the Code or Regulations. Each such Plan Sponsor is responsible for complying with such limits and requirements.

5.6 Limitations Applicable to Defined Benefit Plans. Benefits payable under the Consolidated DB Plan that are subject to Code §415(b) will comply with that Code provision and with applicable portions of Section B5 of RSP on the day before the Effective Date.

5.7 Purpose of Limitations; Authority of Administrator. The limitations of this Section 5 are intended to comply with the requirements of Code §§401(a)(4), 401(a)(5), 401(a)(17), 410(b), 415, 401(m), and any other applicable Code provisions and the Regulations issued thereunder, and will be construed accordingly. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in this Section 5, the Administrator or the Plan Sponsor will have the authority to make or revoke such election or use such alternative method of compliance unless such election or alternative method of compliance by its terms requires an amendment to the Plan.

SECTION 6 - INVESTMENTS AND PLAN ACCOUNTING

6.1 Accounts. The Administrator will establish and maintain one or more Accounts, corresponding to the appropriate Contributions, on behalf of each Accountholder who is allocated any of such Contributions under the Plan or who succeeds to any such amounts. Such Accounts (or sub-accounts) may include the following:

- (a) Non-Matching Contribution Account;
- (b) Matching Contribution Account;
- (c) QNEC Account;
- (d) 415 Suspense Account; and
- (e) any other Accounts the Administrator may choose to establish.

Each Account represents the aggregate amount of Contributions attributable to that Account, adjusted for any applicable Debits and Credits, all in accordance with generally applicable accounting rules and procedures established by the Administrator from time to time. The maintenance of separate Account Balances will not require physical segregation of plan assets with respect to any Account. Accounts may overlap each other, such that given assets may be simultaneously classified under more than one applicable Account type. The Accounts maintained hereunder represent the Accountholders' interests in the Plan and Trust and are intended as bookkeeping records to assist the Administrator in the administration of the Plan. The Administrator may create, aggregate, disaggregate, or discontinue any Account or Accounts, as best serves the Administrator's convenience, provided that each Accountholder's Account Balance is accounted for as long as such an Account Balance is due under the terms of the Plan. Any reference in the Plan to an Accountholder's "Account(s)" or "Account Balance(s)" refers to all amounts credited to the Accounts maintained in the Accountholder's name under the Plan unless the context otherwise requires.

6.2 Investment Fund Accounting. To the extent the Trust is divided into separate investment funds, including funds established pursuant to Section 6.3, the undivided interest of each Accountholder's Account in each such fund will be determined in accordance with the accounting procedures, if any, specified in the trust agreement, investment management agreement, insurance contract, custodian agreement, or other document under which such fund is maintained. To the extent not inconsistent with such procedures, the Administrator may also use any other reasonable accounting procedures to track the investment of each Accountholder's assets under the Plan.

6.3 Investment of Accounts.

- (a) *Self-Direction.* Subject to Section 6.3(b) below, Accountholders have the right to direct the investment of their Accounts among any one or combination of such investment funds as are offered for such purpose by the Administrator from time to time. The Administrator may subject this right to reasonable rules and

limitations, including the obligation to direct account balances from multiple self-directed plans in the same way, as though they were one pooled account balance. If the Administrator offers LifeStage, Accountholders may also elect LifeStage to direct their Account Balances in accordance with rules established by the Administrator.

(b) *Default Investments.* The Administrator will establish a written procedure to govern an Accountholder's investments under the Plan, including specifying:

- (i) a default investment fund or funds; or
- (ii) that LifeStage will invest the Accountholder's Account Balance

when the Accountholder elects not to direct the investment of his or her Account Balance or omits to direct it, as permitted under Section 6.3(a) above.

(c) *Investment Assistance.* The Administrator may (but need not) offer investment assistance to some or all Accountholders that may take the form of professional advice by individuals, a computerized program (including LifeStage), or some other means that either advises Accountholders or directs the investment of their Accounts. Such investment assistance may be offered on an opt in, opt out, or default basis, although Participants will retain the right of investment self-direction specified in Section 6.3(a) above. If the Administrator does offer such investment assistance, neither the Administrator, nor the Trustee, nor any Plan Sponsor will be liable for the results of any assistance provided by such entity offering investment assistance. Each Accountholder's sole remedy will be to exercise his or her right to direct the investment of his or her own Accounts as provided in Section 6.3(a) above.

(d) *Direction by Administrator.* In cases where an Accountholder is incapacitated in any way so as to be unable to manage his or her financial affairs (and the Administrator is given Notice of such fact), or in any other appropriate circumstance, the Administrator may, but need not, direct the investment of such Accountholder's Account, either as provided under Section 6.3(b) above or in any other manner appropriate for a fiduciary. The Administrator will not be liable to any person if it does not exercise its authority under this Section 6.3(d) or allows the default of Section 6.3(b) above to become effective.

SECTION 7 - VESTING AND FORFEITURE

- 7.1 Full Vesting.** An Accountholder's Account in the Plan will be fully Vested at all times to the extent funded, and will not be forfeited for any reason except as provided in Section 7.2.
- 7.2 Forfeitures.** Notwithstanding Section 7.1, an Accountholder may forfeit an otherwise Vested Account in the following circumstances:
- (a) *Missing Accountholder.* The Accounts of Accountholders who cannot be located will be handled as described in Section 8.6.
 - (b) *Uncashed Check.* Any Accountholder who has been issued a check for benefits due but who does not return or cash the check within a reasonable period established by the Administrator, after such reasonable Notice (or in the case of very small benefit amounts, no Notice) as the Administrator may determine, will forfeit such benefits. Such forfeited amounts will be contributed to the Funding Pool of the Accountholder's Plan Sponsor. Uncashed checks returned to the Administrator because the payee is missing or for other reasons are not covered by this Section 7.2(b).
 - (c) *Relinquished Benefits.* If a Participant Relinquishes a benefit, it is forfeited. The Relinquished benefit will be contributed to the Funding Pool of the Participant's Plan Sponsor.
 - (d) *Ineligible Person.* Benefits credited to an ineligible person will be handled as described in Section 3.6.
 - (e) *Contributions in Excess of Limits.* Contributions, as adjusted for Credits and Debits, may be forfeited in accordance with the terms of Section 5.

SECTION 8 - PAYMENT OF BENEFITS

8.1 Methods of Benefit Payment. The following provisions are subject to Section 8.4 (relating to required minimum distributions).

- (a) *Normal Form of Payment.* The normal form of payment of an Accountholder's benefit is a cash lump-sum distribution equal to the Accountholder's total Account Balance in the Plan valued as of the Accounting Date coincident with or immediately before such distribution, and, except as otherwise provided herein, all benefits will be paid in such form.
- (b) *Partial Distributions.* An Accountholder may elect one or more partial distributions of his or her Account Balance under the Plan, in accordance with rules established by the Administrator.
- (c) *Payment in Cash Installments.* In accordance with rules established by the Administrator, an Accountholder may elect to receive his or her Account Balance in this Plan in cash installments. Such installments will be made in a series of distributions, payable annually or at more frequent intervals, determined in accordance with the provisions set forth below and rules issued by the Administrator. An Accountholder may specify either:
 - (i) the dollar amount of each installment payment; or
 - (ii) a period over which distributions will be made, in which case his or her Account Balance will be divided by the number of installments in such period to determine the dollar amount of the first installment. Thereafter, the remaining Account Balance will be divided by the remaining number of installments to determine the amount of the next installment, repeating this process for each succeeding installment.

In either case payments will continue until the Accountholder changes his or her distribution option (subject to rules promulgated by the Administrator) or until the Accountholder's entire Account Balance in the Plan has been distributed. Until such time, Credits and Debits will continue to be allocated to the Accountholder's Account in accordance with Section 6.

- (d) *Election Procedures.* Wherever the Plan provides for an Accountholder to elect a form of distribution (including the right to defer receiving a distribution), the Administrator will provide a Notice enumerating and explaining the different forms of distribution. Such Notice will be provided not fewer than 30 nor more than 180 days before the scheduled commencement of such benefit, or within such other period as may be provided by any applicable provision of the Code. An Accountholder who has received such Notice may waive the 30-day period and elect to have his or her benefit distributed immediately.

8.2 Distributions. The following provisions are subject to Section 8.4 (relating to required minimum distributions).

- (a) *Small Account Balances.* Except in the case of a Disabled Participant or a Disabled Terminated Participant, if, at the time of a Participant's Retirement or Termination of Employment, or immediately after an Alternate Payee's benefit is segregated pursuant to a QDRO, such Accountholder's Aggregate Account Balance does not exceed \$5,000, the entire amount of such Accountholder's Vested Account Balance in this Plan will be distributed as a lump sum to such Accountholder as soon as administratively feasible. Notwithstanding the foregoing, any amount in excess of \$1,000 distributed to such Accountholder from this Plan in accordance with this Section 8.2(a) will be rolled over in accordance with Section 8.5(b) unless such Accountholder:
- (i) actively elects a distribution or a rollover under Section 8.5(a) to a specified plan or IRA;
 - (ii) has attained his or her Normal Retirement Date;
 - (iii) is an Alternate Payee; or
 - (iv) has attained his or her Required Beginning Date.

A Disabled Participant or a Disabled Terminated Participant must consent to such distribution, which will be made in accordance with Section 8.2(d).

- (b) *Distribution at Retirement.* A Participant with an Aggregate Account Balance that exceeds \$5,000 who attains his or her Early, Normal, or Late Retirement Date may elect to begin receiving the distribution of some or all of his or her Account Balance as soon as administratively feasible thereafter (subject to the limitations of Sections 8.1(d) and 8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution under Section 8.2(e). Such distribution will be made either in the normal form of payment provided in Section 8.1(a) or, if the Participant so elects, in any optional form of payment provided under Section 8.1.
- (c) *Distribution at Termination of Employment.* A Participant with an Aggregate Account Balance that exceeds \$5,000:
- (i) who is a Clergy Employee and who incurs both a Termination of Employment and a Termination of Conference Relationship; or
 - (ii) who is a Lay Employee and who incurs a Termination of Employment,
- may elect to begin receiving the distribution of some or all of his or her Account Balance as soon as administratively feasible thereafter (subject to the limitations of Sections 8.1(d) and 8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution under Section 8.2(e). Such distribution

will be made either in the normal form provided in Section 8.1(a) or, if the Participant so elects, in any optional form provided by Section 8.1.

- (d) *Distribution at Disability.* A Participant who is Disabled for reasons other than those qualifying him or her for STD Plan Disability may elect to begin receiving the distribution of some or all of his or her Account Balance as soon as administratively feasible thereafter (subject to the limitations of Sections 8.1(d) and 8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution under Section 8.2(e). Such distribution will be made either in the normal form provided in Section 8.1(a) or, if the Participant so elects, in any optional form provided by Section 8.1.
- (e) *Delayed Distribution.* A Participant who has deferred the Distribution of some or all of his or her Accounts under the Plan under Sections 8.2(b)-(d) may elect to receive some or all of his or her remaining Accounts under the Plan at any later time (subject to the limitations of Sections 8.1(d) and 8.2(g)) in any form provided by Section 8.1.
- (f) *Latest Commencement Date.* Notwithstanding any other provision of this Plan, the latest date upon which the distribution of a Participant's Account under the Plan may begin is the Required Beginning Date. Periodic distributions, including mandatory partial lump sum distributions, will be required thereafter as provided in Section 8.4.
- (g) *Tax Notice.* Before making any Eligible Rollover Distribution, the Administrator will furnish each Accountholder with a Notice describing his or her right to a direct rollover of the distribution and the tax consequences of the distribution. Such Notice will be furnished not more than 180 days nor fewer than 30 days before the Recipient is entitled to receive such distribution, and no distribution will be made until 30 days after he or she has received such Notice unless he or she waives such 30 day period in writing in accordance with procedures established by the Administrator.

8.3 Payments After an Accountholder's Death. The following provisions are subject to Section 8.4 (relating to required minimum distributions).

- (a) *Distribution on Death.* Upon the death of an Accountholder, all amounts credited to such Accountholder's Account will be distributed to his or her Beneficiary in accordance with the normal form provided in Section 8.1(a) or, if the Beneficiary so elects, in any optional form provided by Section 8.1 and at any time that complies with Section 8.4 as to form and time of distribution..
- (b) *Proof of Death.* The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Account of a deceased Accountholder as the Administrator may deem appropriate. The Administrator's determination of which person will receive payment is conclusive.

- (c) *Beneficiary.* A Participant's Beneficiary will be determined in accordance with Section 8.12.

8.4 Required Minimum Distributions. The provisions of Sections 8.1, 8.2, and 8.3 are intended to comply with the requirements of Code §401(a)(9), including specifically the minimum distribution incidental death benefit rule of Code §401(a)(9)(G), and the Regulations issued thereunder, and will be construed accordingly. Such Code and Regulation provisions are hereby incorporated herein by this reference, and will control over any form of distribution provided in this Plan that is inconsistent therewith. To the extent that such Regulations provide for any elections or alternative methods of compliance not specifically addressed in Sections 8.1, 8.2, or 8.3, the Administrator will have the authority to make or revoke such election or use such alternative method of compliance. The requirements of this Section 8.4 will take precedence over any inconsistent provisions of the Plan.

- (a) *Time and Manner of Distribution.*

- (i) *Required Beginning Date.* The Participant's entire interest will be distributed, or will begin to be distributed, to the Participant no later than the Participant's Required Beginning Date. Unless a Participant or other Accountholder otherwise elects, a distribution at the Required Beginning Date or at the time of a later required distribution will not exceed the amount of the minimum required distribution.

- (ii) *Death of Participant Before Distributions Begin.* If the Participant dies before a distribution to the Participant begins, the Participant's entire interest will be distributed no later than as follows:

- (A) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then distributions will begin to the surviving Spouse:

- (I) if the surviving Spouse timely elects the Five-Year Distribution Option, then by December 31 of the calendar year containing the fifth anniversary of the Participant's death; or

- (II) if the surviving Spouse does not timely elect the Five-Year Distribution Option, then by December 31 of the later of:

- (1) the calendar year immediately following the calendar year in which the Participant died; or

- (2) the calendar year in which the Participant would have attained age 70½;

and the Participant's entire interest will be distributed no later than:

- (III) if the surviving Spouse timely elects the Five-Year Distribution Option, December 31 of the calendar year containing the fifth anniversary of the Participant's death; and
- (IV) if the surviving Spouse does not timely elect the Five-Year Distribution Option, then, in the Administrator's discretion, either:
 - (1) over the Life Expectancy of the surviving Spouse; or
 - (2) over a period certain not exceeding the Life Expectancy of the surviving Spouse determined using the surviving Spouse's age as of the surviving Spouse's birthday in the calendar year:
 - (a) that contains the Annuity Starting Date where the Annuity Starting Date is before the first Distribution Calendar Year; or
 - (b) immediately following the calendar year of the Participant's death where the Annuity Starting Date is not before the first Distribution Calendar Year.

A timely election is one made before the earlier of the two applicable deadlines.

- (B) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then distributions will begin to the Designated Beneficiary:
 - (I) if the Designated Beneficiary timely elects the Lifetime Distribution Option (not available to Beneficiaries that are estates or trusts), by December 31 of the calendar year immediately following the calendar year in which the Participant died; or
 - (II) if the Designated Beneficiary does not timely elect the Lifetime Distribution Option, by December 31 of the calendar year containing the fifth anniversary of the Participant's death;

and the Participant's entire interest will be distributed no later than:

- (III) if the Designated Beneficiary timely elects the Lifetime Distribution Option, then over the life of the Designated Beneficiary as provided in Section 8.4(c)(ii)(A); or
- (IV) if the Designated Beneficiary does not timely elect the Lifetime Distribution Option, then by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

A timely election is one made before the earlier of the two applicable deadlines.

- (C) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (D) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 8.4(a)(ii), other than section 8.4(a)(ii)(A), will apply as though the surviving Spouse were the Participant.

For the purposes of this Section 8.4(a)(ii), unless Section 8.4(a)(ii)(D) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 8.4(a)(ii)(D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 8.4(a)(ii)(A).

- (iii) *Forms of Distribution.* Unless a Participant's interest is distributed in the form of a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections 8.4(b), (c), and (d).

(b) *Required Minimum Distributions During Participant's Lifetime.*

- (i) *Amount of Required Minimum Distribution for Each Distribution Calendar Year.* During a Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

- (A) the quotient obtained by dividing the Participant's Valuation Account Balance by the distribution period in the Uniform Lifetime Table set forth in Regulation §1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
- (B) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by

dividing the Participant's Valuation Account Balance by the number in the Joint and Last Survivor Table set forth in Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.

If the Participant has a non-Spouse Designated Beneficiary, apply Section 8.4(b)(i)(A) above.

- (ii) *Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.* Required minimum distributions will be determined under this Section 8.4(b) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death
- (c) *Required Minimum Distributions After Participant's Death.*
 - (i) *Death on or After Date Distributions Begin.*
 - (A) *Participant Survived by Designated Beneficiary.* If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Valuation Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:
 - (I) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of the Participant's death, reduced by one year for each year after the Participant's death.
 - (II) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one year for each later calendar year.

- (III) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Designated Beneficiary in the year following the year of the Participant's death, reduced by one year for each later year.
 - (B) *No Designated Beneficiary.* If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed to the Default Beneficiary for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Valuation Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of the Participant's death, reduced by one year for each later year.
- (ii) *Death Before Date Distributions Begin.*
- (A) *Participant Survived by Designated Beneficiary.* Except as otherwise provided in Section 8.4(d), if the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Valuation Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 8.4(c)(i).
 - (B) *No Designated Beneficiary.* If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest to the Default Beneficiary will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (C) *Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.* If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and such surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 8.4(a)(ii)(A), this Section 8.4(c)(ii) will apply as if the surviving Spouse were the Participant.
- (d) *Small Account Balance.* Except in the case of a Disabled Participant or a Disabled Terminated Participant, notwithstanding the provisions of Sections 8.4(a)-(c) to

the contrary, if the total Account Balance payable to an Accountholder or Designated Beneficiary at the time of distribution does not exceed \$5,000, the entire Account Balance will be distributed as a lump sum to such Accountholder or Designated Beneficiary as soon as administratively feasible in accordance with Section 8.2(a). A Disabled Participant or a Disabled Terminated Participant must consent to such distribution, which will be made in accordance with Section 8.2(d).

8.5 Direct Rollovers.

- (a) *Elective Rollovers.* If a Participant or Terminated Participant receives an Eligible Rollover Distribution, the Participant or Terminated Participant has the right to direct the rollover of all or a portion of such distribution directly to an IRA, a defined contribution pension or profit-sharing trust qualified under Code §401(a), an annuity plan qualified under Code §403(a), a tax-sheltered annuity plan qualified under Code §403(b), or another “eligible retirement plan” as defined in Code §401(a)(31), that will accept such a rollover, provided that the amount so transferred must either be the entire amount of such distribution or must be at least \$200. Any surviving Spouse or Alternate Payee who is a Spouse or former Spouse of a Participant or Terminated Participant who is entitled to receive an Eligible Rollover Distribution has the right to direct the rollover of all or a portion of such distribution directly to an eligible retirement plan that will accept such a rollover, provided that the amount so transferred must either be the entire amount of such distribution or must be at least \$200. The Administrator will furnish each Accountholder to whom this Section 8.5(a) applies with a Notice describing his or her right to a direct rollover and the tax consequences of a distribution. Such Notice will be furnished not more than 180 days nor fewer than 30 days before the Accountholder is entitled to receive such distribution, and no distribution will be made until 30 days after he or she has received such Notice unless he or she waives such 30 day period in writing. The Administrator may adopt administrative procedures to implement direct rollovers, which may vary the time periods and minimum amounts set forth above, to the extent consistent with final Regulations issued under Code §401(a)(31).
- (b) *Auto-Rollovers.* When:
- (i) a distribution from this Plan to an Accountholder exceeds \$1,000;
 - (ii) the Accountholder’s Aggregate Account Balance does not exceed \$5,000; and
 - (iii) the Accountholder:
 - (A) has not requested to receive the distribution;
 - (B) has not requested that the distribution be rolled over to another eligible retirement plan or IRA specified by the Accountholder;

- (C) has not attained his or her Normal Retirement Date;
- (D) is not a surviving Spouse;
- (E) is not an Alternate Payee; and
- (F) has not attained his or her Required Beginning Date,

then the Administrator will pay the distribution in a direct rollover to an IRA designated by the Administrator and invested in an investment type designated by the Administrator for the benefit of the Accountholder. Before making such rollover, the Administrator will provide, separately or as part of the Notice specified in Section 8.5(a) above, a Notice to such Accountholder stating that, absent his or her affirmative election, the distribution will be automatically rolled over to an IRA. The Notice will also identify the custodian, trustee, or other issuer of the IRA. In carrying out this Section 8.5(b), the Administrator will comply with IRS Notice 2005-5 and other applicable advice from the Internal Revenue Service or Regulations.

8.6 Unclaimed Benefits. The Administrator may prescribe uniform and nondiscriminatory rules for carrying out the following provisions:

- (a) If a portion (or all) of an Account remains to be distributed to an Accountholder at a time when it is due under the Plan (including, but not limited to, the Required Beginning Date) and the Administrator is then unable to locate the Accountholder, the Administrator will send Notice of such benefit due by a certified letter with return receipt requested to the last known address of the Accountholder. If the Accountholder fails to contact the Administrator within 12 months (except as provided in Section 8.6(b)), such benefit will be forfeited (except as provided in Section 8.6(c)) and will become the benefit of, in the case of a Participant or Alternate Payee, such person's Beneficiary, or, in the case of a Beneficiary, the Participant's or Alternate Payee's successor Beneficiary (including any Default Beneficiaries provided under the terms of the Plan), except in the case where a Beneficiary defers the distribution of an Account and is permitted to name his or her own Beneficiary, and in that case the Beneficiary's Beneficiary. The Administrator will then send Notice by certified letter as provided above to the Beneficiary or successor Beneficiary (including a Default Beneficiary), and the process specified above will be repeated until the last successor Beneficiary is sent a Notice.
- (b) If the last successor or Default Beneficiary fails to contact the Administrator within 12 months after being sent a Notice of a benefit due as provided in Section 8.6(a), then the amount specified in Section 8.6(a) will be forfeited. The Administrator will contribute such forfeitures to the Funding Pool of the Accountholder's Plan Sponsor.

- (c) If, at any time before the expiration of the 12-month period described in Section 8.6(b), an Accountholder who is or was due a benefit described in Section 8.6(a) claims the benefit, the benefit will be paid to such Accountholder (notwithstanding any previous forfeiture) if it has not previously been paid to another Accountholder. If the 12-month period described in Section 8.6(b) has elapsed, then such benefit will be permanently forfeited and used by the Administrator as described in Section 8.6(b).

8.7 Payment with Respect to Incapacitated Accountholders. Whenever, in the Administrator's opinion, a person entitled to receive any payment of a benefit under the Plan is under a legal disability (including being a minor) or is incapacitated in any way so as to be unable to manage such person's financial affairs, the Administrator may direct the Trustee to make payments directly to the person, to the person's legal representative (including a custodian for such person under the applicable Uniform Gifts or Transfers to Minors Act or similar legislation), or to a relative or friend of the person to be used exclusively for such person's benefit, or apply any such payment for the benefit of the person in such manner as the Administrator deems advisable. The decision of the Administrator, in each case, will be final, binding, and conclusive upon all persons interested hereunder. The Administrator will not be obligated to see to the proper application or expenditure of any payment so made. Any benefit payment (or installment thereof) made in accordance with the provisions of this Section 8.7 will completely discharge the obligation for making such payment under the Plan, and the Administrator will have no further liability on account thereof.

8.8 Limitation on Liability for Distributions. All rights and benefits, including benefit and investment elections, provided to a Participant in this Plan will be subject to the rights afforded to any Alternate Payee under a QDRO. Further, a distribution to an Alternate Payee will be permitted if such distribution is authorized by a QDRO, even if the affected Participant has not incurred a Termination of Employment or attained any particular age.

8.9 In-Service Withdrawals. A Participant, whether or not he or she qualifies as a Terminated Participant, may withdraw all or any portion of his or her Account under this Plan if the Participant is Disabled for reasons other than those qualifying him or her only for STD Plan Disability.

8.10 Disclaimer. Any Accountholder may Disclaim any benefit or portion thereof that is due to him or her if done in writing in a Form acceptable to the Administrator and if done before receiving it. The effect of a Disclaimer is to treat such Accountholder as if he or she had died before the benefit or portion was due to him or her.

8.11 Trailing Account Balances. If an Accountholder who has received a distribution of his or her entire Account Balance later receives a credit to such Account, because of a delayed Contribution, a delayed crediting of earnings, or a correction in accounting or for some other reason, the Administrator will distribute the balance in the Account to the Accountholder as soon as practicable thereafter. If the Account Balance is under \$200, the Account Balance will be distributed as a lump sum to the Accountholder as soon as

administratively feasible. If the Account Balance is \$200 or more, it will be distributed in the same form of payment that applied to the Accountholder's previous distribution.

8.12 Beneficiary.

(a) *Person or Persons.* A Beneficiary may be one or more legal persons, namely, individual(s), trust(s), estate(s), or other legal person(s). There may be a hierarchy of potential Beneficiaries, but the actual Beneficiary is the person or persons entitled to receive a distribution under the Plan, determined at the time or times any such distribution is payable, or at the time the Accountholder died or disappeared, as may be specified in the Plan. If one or more persons are all entitled to share in a given distribution, then the class of such persons is the Beneficiary. The persons in such a class may share equally or unequally in the distribution, as may be provided in the Plan or in a Beneficiary designation.

(b) *Beneficiary Hierarchy.* When there is more than one potential Beneficiary, the actual Beneficiary will be determined in the following order:

- (i) the primary Designated Beneficiary (subject to Section 8.12(d));
- (ii) the secondary Designated Beneficiary (subject to Section 8.12(d)); and
- (iii) the Default Beneficiary, in accordance with Section 8.12(f) or (g);

taken in succession, one following another, until a qualifying Beneficiary who is alive (in the case of an individual) and can be identified, located, and verified by the Administrator is established. When a Beneficiary consists of a class of persons, all of such persons who can be located will receive an equal share of any distribution to such class, unless the designation clearly specifies another division (which division may not be *per stirpes*).

(c) *Beneficiary Designation.* A Participant may designate a Beneficiary in such Form as is satisfactory to the Administrator, which designation must be postmarked, sent by private courier, or received by the Administrator during the Participant's lifetime to be valid. If more than one person is specified as the Participant's Beneficiary, each such person will take an equal share, per capita, unless the Participant clearly specifies another division (which division may not be *per stirpes*). When a Participant executes a Beneficiary designation that is accepted as valid by the Administrator, it supersedes all earlier Beneficiary designations. A Participant's Beneficiary designation applies to all Accounts in the Plan. If a Participant has not designated a Beneficiary under the Plan but did designate a Beneficiary under RSP, such Beneficiary designation will apply under this Plan.

(d) *Surviving Spouse.* Notwithstanding a Participant's Beneficiary designation to the contrary, if the Spouse of a deceased or missing Participant survives him or her, such surviving Spouse will be his or her Beneficiary, and the Participant's Account will be paid to such Spouse unless:

- (i) such Spouse consents in writing after the Participant's death, or had consented in writing before the Participant's death, to the Participant's designation of another Designated Beneficiary, witnessed in either case by a Plan Sponsor or an Administrator representative (other than the Participant) or a notary public; provided, however, that the Administrator need not solicit such a Spousal consent. Such Spouse must consent as specified above to each change in Designated Beneficiary unless the original consent expressly permits the Participant to further change his or her Designated Beneficiary without the requirement of further consent by such Spouse;
 - (ii) the Participant was legally separated from such Spouse or had been abandoned (within the meaning of local law) by such Spouse, and, in either case, the Participant had a court order to such effect;
 - (iii) such Spouse Disclaims the Participant's Account, in writing in a Form acceptable to the Administrator, before receiving it. The Disclaimer must be of the entire benefit. The effect of such Disclaimer is to treat such Spouse as if he or she had predeceased the Participant; or
 - (iv) neither the Participant nor the Administrator can locate such Spouse (provided, however, that the Administrator will have no obligation to search for such Spouse).

Notwithstanding the foregoing, any Participant's designation of Beneficiary Form received and accepted by the Administrator under any predecessor to the Plan before January 1, 1993 will continue to be effective on and after January 1, 1993, notwithstanding such Participant's marriage after January 1, 1993, whether or not such Participant's Spouse consented to the Beneficiary designated on such Form. Any designation of Beneficiary Form accepted by the Administrator on or after January 1, 1993 will revoke any such pre-January 1, 1993 designation of Beneficiary Form.

- (e) *Effect of Divorce.* Notwithstanding anything to the contrary in the other Sections of this Section 8.12, an Accountholder's divorce on or after the Effective Date will automatically revoke any Beneficiary designation in favor of the Accountholder's Spouse made before the divorce, unless the Accountholder completes another Beneficiary designation in favor of the former Spouse after the divorce. Until such time as a new designation of Beneficiary is filed with the Administrator, benefits will be payable as though the former Spouse had predeceased the Accountholder.
- (f) *Default Beneficiary.* An Accountholder's Default Beneficiary is:
 - (i) the Accountholder's Spouse, if any, provided that the Administrator can identify, locate, and verify such Spouse; or otherwise
 - (ii) the Accountholder's estate.

- (g) *Beneficiary of an Accountholder.* An individual other than a Participant who becomes an Accountholder and does not receive an immediate distribution of that Account may name a Beneficiary in accordance with such procedures and in such Form as the Administrator may accept or require. Subject to the provisions of Section 8.6, such Beneficiary will receive the Accountholder's Account if the Accountholder dies or is missing when a distribution is due. If an individual who becomes an Accountholder does not name his or her own Beneficiary as permitted in this Section 8.12, if a named Beneficiary does not survive such individual, or if Section 8.6 does not otherwise provide, such individual's Default Beneficiary will be such individual's Spouse or, if there is no surviving Spouse, then the estate of such individual.

- (f) *Beneficiary for Plan.* The Beneficiary identified under this Section 8.12 applies for all purposes under the entire Plan.

SECTION 9 – ADOPTION OF PLAN

- 9.1 Eligible Plan Sponsors.** The following General Agencies will be Plan Sponsors of the Plan:
- (a) Church Funds Agencies; and
 - (b) Any General Agency that is not a Church Funds Agency but that executes an Adoption Agreement.
- 9.2 Completion of Adoption Agreement.** A Plan Sponsor must execute an Adoption Agreement, which binds the Plan Sponsor to its obligations under the Plan and allows the Plan Sponsor to indicate elections permitted under the provisions of the Plan, if any. The completed Adoption Agreement will remain in effect until a new or revised Adoption Agreement is submitted by the Plan Sponsor or required by the Administrator.
- 9.3 Form of Adoption Agreement.** The Adoption Agreement will be in a Form prescribed by the Administrator.
- 9.4 Acceptance of Adoption Agreement.** An Adoption Agreement will not become effective until it is accepted by the Administrator, but, in the discretion of the Administrator, a new or revised Adoption Agreement may be accepted retroactively to the beginning of the Plan Year for which it was executed.
- 9.5 Termination of Adoption Agreement.**
- (a) A General Agency that is not a Church Funds Agency may terminate a previously executed Adoption Agreement upon written notice to the Administrator 90 days in advance of the date of such termination.
 - (b) The Administrator may terminate the Adoption Agreement of a General Agency that is not a Church Funds Agency upon 90 days' written notice for failure to comply with one or more of a Plan Sponsor's duties under Section 10.6.

SECTION 10 - PLAN ADMINISTRATION

- 10.1 General Fiduciary Standard of Conduct.** Each fiduciary under this Plan will discharge his or her duties hereunder solely in the interest of the Recipients and Accountholders and for the exclusive purpose of providing benefits to the Recipients and Accountholders and defraying the reasonable expenses of administering the Plan and the Trust. Each fiduciary will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, in accordance with the documents and instruments governing the Plan and the Trust, insofar as such documents and instruments are consistent with this standard.
- 10.2 Allocation of Responsibility Among Fiduciaries.** The fiduciaries will have only those specific powers, duties, responsibilities, and obligations specifically delegated to them under this Plan or the Trust. Each Plan Sponsor, the Administrator, the Trustee, and any investment manager will each be a fiduciary to the extent that such entity exercises discretion to determine benefits payable under the Plan or to control or influence the investment of the assets of the Plan. The Administrator may delegate fiduciary duties (other than the Trustee's duties) to persons other than the fiduciaries specified in the preceding sentence, and may approve any allocation of fiduciary duties among fiduciaries. If there is more than one Trustee, they may enter into agreements among themselves with respect to the allocation of the Trustee's responsibilities with the consent of the Administrator. ERISA will not apply to this Plan if, when, and for so long as it qualifies as a Church Plan.
- 10.3 Administrator.** The Administrator of the Plan is the General Board. The Administrator is the "plan administrator" as defined in Code §414(g). The Administrator will be designated to accept service of legal process and any other Notices for the Plan. The Administrator may resign on reasonable written Notice given to the Plan Sponsors, who will then (and only then) have the right to appoint another Administrator by majority vote, with one vote for each of their Participants on the day the Administrator's resignation was effective.
- 10.4 Powers and Duties of Administrator.** The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Recipients and Accountholders, subject to the terms of the Plan. The Administrator will administer the Plan in accordance with its terms and has the power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Administrator is conclusive and binding upon all persons. The Administrator, in addition to all powers and authorities under common law, statutory authority, and other provisions of the Plan, will have the following powers and authorities, to be exercised in the Administrator's sole discretion:
- (a) to establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as may be deemed necessary or advisable to carry out the purpose of the Plan;
 - (b) to determine all questions relating to the eligibility of an Employee to participate

or remain a Participant hereunder and to receive benefits under the Plan;

- (c) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Recipient or Accountholder may be entitled hereunder and to prescribe procedures to be followed by Recipients and Accountholders when applying for benefits;
- (d) in its sole discretion, to construe and interpret the Plan and make and publish such administrative rules or regulations relating to the Plan as are consistent with the terms hereof, and to resolve or otherwise decide matters not specifically covered by the terms and provisions of the Plan;
- (e) to maintain all necessary records for the administration of the Plan;
- (f) to file, or cause to be filed, all such annual reports, returns, tax forms, schedules, descriptions, financial statements, and other statements as may be required by any federal or state statute, agency, or authority;
- (g) to obtain from the Plan Sponsors, Employees, Recipients, and Accountholders such information as may be necessary to the proper administration of the Plan;
- (h) to specify actuarial assumptions and methods for use in determining contributions to and benefits under Supplement One, Supplement Two, or any other part of the Plan;
- (i) to assist any Recipient or Accountholder to understand his or her rights, benefits, or elections available under the Plan;
- (j) to construe and interpret the provisions of the Plan; to decide the validity of any election or designation made under the Plan, and the amount, manner and time of any allocation to Accounts or payment of any benefits hereunder; and to make factual determinations necessary or appropriate for such decisions or determinations;
- (l) to prepare and distribute information explaining the Plan, including making a summary plan description available to Accountholders and Recipients;
- (m) to appoint or employ advisors, including legal and actuarial counsel (who may also be counsel to the Trustee) to render advice with regard to any responsibility of the Administrator under the Plan or to assist in the administration of the Plan;
- (n) to select annuity providers to provide benefits from the Plan;
- (o) to designate in writing other persons to carry out a specified part or parts of its responsibilities hereunder (including the power to designate other persons to carry out a part of such designated responsibility). Any such designation that involves the delegation of fiduciary discretion must be accepted by the designated person who must acknowledge in writing that he, she, or it is a fiduciary with respect to

the Plan. Any such person may be removed by the Administrator at any time with or without cause;

- (p) to adopt reasonable procedures for determining whether any order, judgment, or decree constitutes a QDRO and to notify the Participant and all Alternate Payees as to the results of its determination;
- (q) to the extent permitted under the Trust Agreement, direct the Trustee with respect to the investments of the Trust and any other matters authorized in the Trust;
- (r) to furnish the Plan Sponsors, upon request, with such annual reports with respect to the administration of the Plan as are reasonable and appropriate;
- (s) to receive, review, and keep on file (as it deems convenient and proper) reports of benefit and expense payments made by the Trustee; and
- (t) to do all other acts that the Administrator deems necessary or proper to accomplish and implement its responsibilities under the Plan.

Any rule or procedure adopted by the Administrator, or any decision, ruling, or determination made by the Administrator, in good faith and in accordance with applicable fiduciary standards will be final, binding, and conclusive on all Plan Sponsors, Recipients, and Accountholders and all persons claiming through them. The Administrator has discretionary authority to grant or deny benefits under this Plan. Benefits under this Plan will be paid only if the Administrator decides in its discretion that the applicant is entitled to them. Rules and procedures adopted by the Administrator may vary any provision of the Plan that is administrative or ministerial in nature (including the time provided for performing any act, if not required by law), without the necessity of a formal amendment.

10.5 Records and Reports. The Administrator will keep a record of all actions taken and will keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and will be responsible for supplying all information and reports to appropriate government entities, Recipients, Accountholders, and others as required by law.

10.6 Duties of Each Plan Sponsor. Each Plan Sponsor has the following duties with respect to the Plan:

- (a) to determine eligibility and enroll Eligible Employees as provided in the Plan promptly but not later than 60 days after satisfying the eligibility requirements of the Plan;
- (b) to maintain records of a Participant's Service;
- (c) to provide the Administrator with prompt Notice of a Participant's Termination of Employment (but not later than 90 days thereafter);

- (d) to calculate and maintain records of a Participant's Compensation and to provide to the Administrator upon request appropriate records reflecting such Compensation, such as IRS Form W-2s;
- (e) to calculate and remit Contributions to the Administrator or Trustee as provided in the Plan;
- (f) to provide the Administrator with the statistical data and other statistical information satisfactory to the Administrator, within a reasonable time after a request by the Administrator, sufficient to enable the Administrator to discharge its duties under the Plan;
- (g) to register with and report to government agencies, as appropriate;
- (h) to comply with any nondiscrimination or other government testing that may be required by the Code or applicable law;
- (i) to properly notify Employees of their rights and obligations under the Plan (including Notice of their eligibility under the Plan);
- (j) to execute an Adoption Agreement accepting responsibility as a Plan Sponsor, indicating elections regarding optional Plan provisions (if any), and providing any other information called for by the Adoption Agreement; and
- (k) to specify in the Adoption Agreement any classes of employees of Agency Affiliates (or employees of which Agency Affiliates) that will be treated as Employees of the Plan Sponsor.

10.7 Fees and Expenses. All expenses incurred by the Administrator and Trustee in connection with the administration of the Plan will be paid by the Plan or the Trust.

- (a) The Trustee has the authority to determine administrative and expense charges and the methods for applying such charges.
- (b) The Trustee is authorized to deduct from the Plan's reserves, funds, contributions, and/or earnings thereon, the expenses and fees necessary or appropriate to the administration of the Plan, including an allocable share of the Administrator's operating expenses.
- (c) The Administrator is authorized to determine a reasonable charge for providing non-routine reports and services for Plan Sponsors, Recipients, and Accountholders and to require the Plan Sponsor, Recipient, or Accountholder to pay separately for such non-routine reports and services.

10.8 Attorney Fees and Costs. The Trustee may assess, to the extent permitted by law, against the Plan's or Trust's assets, reasonable attorney fees and charges to reimburse the Administrator or Trustee for expenses incurred by the Administrator or Trustee in responding to pleadings, retaining counsel, entering an appearance, or defending any case

in any action at law, if the Administrator or Trustee is served with a levy, subpoena, summons, or other similar pleading by the Internal Revenue Service or by any other party, including the parties to marital litigation, in litigation or legal proceedings in which the Administrator or Trustee is not a party, or is made a party.

10.9 Delegation of Authority. The Administrator may authorize one or more of its employees or officers, or any agent, to carry out its administrative duties, and may employ such counsel, auditors, and other specialists and such clerical, actuarial, and other services as it may require in carrying out the provisions of this Plan. The Administrator may rely on any certificate, Notice, or direction, oral or written, purporting to have been signed or communicated on behalf of a Plan Sponsor, a Recipient, an Accountholder, or others that the Administrator believes to have been signed or communicated by persons authorized to act on behalf of the Plan Sponsor, Recipient, Accountholder, or others, as applicable. The Administrator may also rely on any power of attorney, guardianship document, or similar document that it believes to be genuine and operative. The Administrator may request instructions in writing from a Plan Sponsor, Recipient, Accountholder, or others, as applicable, on other matters, and may rely and act thereon. The Administrator may not be held responsible for any loss caused by its acting upon any Notice, direction, or certification of a Plan Sponsor, a Recipient, an Accountholder, or others, that the Administrator reasonably believes to be genuine and communicated by an authorized person.

10.10 Indemnification by Plan Sponsors. The Plan Sponsors, jointly and severally, will indemnify the Administrator, the Trustee, and any other person or persons to whom the Plan Sponsor, Trustee, or Administrator has delegated fiduciary or other duties under the Plan for, and hold them harmless from and against, any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys fees and all expenses reasonably incurred in their defense if the Plan Sponsors fail to provide such defense) of whatsoever kind and nature that may be imposed on, incurred by, or asserted against them at any time by reason of their service under the Plan or the Trust, unless the same is determined to be due to gross negligence, willful misconduct, or willful failure to act. This provision will survive the termination of the Plan and the termination of a Plan Sponsor's participation in the Plan as to events that occurred while the Plan Sponsor was participating in the Plan.

10.11 Claims Procedure. The following claims and appeals procedures are subject to any additional rules or procedures that the Administrator may adopt from time to time that are not inconsistent herewith:

- (a) *Filing of Claim.* A claim for benefits under the Plan must be filed by a Claimant with the Administrator in a Form acceptable to the Administrator within one year after the later of:
 - (i) the date the events giving rise to the claim occurred; or
 - (ii) the date the Claimant knew or should have known of the facts or events giving rise to the claim;

or the Claimant will be deemed to have waived his or her right to make a claim or to pursue any other remedy, including filing a lawsuit. Notwithstanding the foregoing, a Recipient or an Accountholder is not required to apply for or begin the receipt of benefits under the Plan until his or her Required Beginning Date. Written Notice of the disposition of a claim will be sent to the Plan Sponsor and to the Claimant within 45 days after all required forms and materials related to the claim have been filed. If special circumstances require an extension of time, written Notice of the extension will be furnished to the Claimant, and written Notice of the disposition of a claim will be sent within an additional 90 days.

- (b) *Denial of Claim.* If any claim for benefits under the Plan is wholly or partially denied, the Administrator will send the Claimant written Notice of the denial, within the period specified in Section 10.11(a) above, written in a manner calculated to be understood by the Claimant, setting forth the following information:
- (i) the specific reasons for such denial;
 - (ii) specific reference to pertinent Plan provisions on which the denial is based;
 - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
 - (iv) an explanation of the Plan's appeals procedures.
- (c) *Appeal of Denial.* If a Claimant is denied benefits under Section 10.11(b), the Claimant has the right to appeal the decision within 90 days after the date of the claim denial, in accordance with the following procedures:
- (i) *Intermediary Appeal Procedure.* The Administrator will establish an intermediary appeals procedure containing no more than a three-level process.
 - (ii) *Final Appeal Procedure.*
 - (A) If the Claimant wishes to appeal the denial of benefits under Section 10.11(c)(i), the Claimant must file with the Final Appeals Committee a written appeal and supporting documents, using any Form required by the Administrator for the purpose, within 90 days after the date of the denial issued under Section 10.11(c)(i). Such an appeal may be addressed to the Administrator or in care of the person or persons specified in the Notice of denial issued under Section 10.11(c)(i).
 - (B) A timely filed appeal will be heard by the Final Appeals Committee at its next meeting, unless additional time is needed for

processing, in which case the Claimant will be so notified and the appeal will be heard at the following meeting of the Final Appeals Committee. Appeals or documents filed fewer than 30 days before the next meeting of the Final Appeals Committee will not be considered by the Final Appeals Committee except by its leave and discretion.

- (C) The Claimant or a representative of the Plan Sponsor may request permission to appear personally or by teleconference before the Final Appeals Committee to present evidence with respect to the claim, subject to conditions and time limitations set by the Final Appeals Committee, but the expense for any such personal appearance must be borne by the Claimant or the Plan Sponsor.
- (D) The Final Appeals Committee will decide a Claimant's appeal, and its decision will be final. The decision will be implemented by the Administrator.
- (E) The Claimant will be given written Notice of the decision on appeal. If the decision is a denial, such Notice will include specific reasons for the decision, written in a manner calculated to be understood by the Claimant, and specific references to the pertinent Plan provisions on which the decision is based. Such written Notice will be mailed to the Claimant by the Administrator within 15 days following the decision by the Final Appeals Committee.

(iii) *Appeals Committees.*

- (A) The Appeals Intermediary is a committee appointed by the Administrator.
- (B) The Final Appeals Committee of the Administrator is a committee of the Board of Directors of the General Board that is selected from time to time by that Board of Directors.
- (C) Each of the Appeals Intermediary and the Final Appeals Committee may develop rules and procedures to govern its own meetings and actions and the filing and decision of claim appeals by Claimants.
- (D) Any failure by either appeals committee to decide a claim appeal by the deadline for such a decision will be deemed a denial of the claim. The Claimant may then proceed to the next step of the procedure.
- (E) Any failure by the Claimant to appeal any claim denial by the deadline for doing so will be deemed to be a final resolution of the

claim, and the Claimant will be deemed to have waived his or her right to file an appeal or a further appeal or to pursue any other remedy, including filing a lawsuit.

- (d) *Appeal a Condition Precedent to Civil Action.* No cause of action in civil law with respect to any alleged violation of the terms and conditions of this Plan may be commenced or maintained by any Claimant, Recipient, or Accountholder unless and until such Claimant, Recipient, or Accountholder has initiated and completed the claim and appeal process as set forth in Sections 10.11(a) and (c). Any such cause of action must be filed with a court of competent jurisdiction within six months after the date on the written Notice of denial described in Section 10.11(c)(ii)(E) or such cause of action will be deemed waived, provided, however, that such six-month limit will apply only if it is described in such Notice of denial.

10.12 Qualified Domestic Relations Orders. The provisions of Section 12.2 notwithstanding, all or part of a Participant's Vested benefits arising under this Plan may be transferred to one or more Alternate Payees on the basis of a "qualified domestic relations order," as that term is defined in Code §414(p), provided that: (1) such order was issued by a court having jurisdiction over the Administrator; or (2) such order was entered by any other court and the Administrator, in its sole discretion, determines that the order is a QDRO.

- (a) When appropriate, the Administrator will provide a Participant involved in marital litigation with information regarding the nature and value of the Participant's benefits and will assist the Participant and the court in interpreting that information.
- (b) The Administrator will establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such QDROs. Such procedure will provide that during the period in which a determination is being made with respect to the qualified status of an order received by the Administrator and for 30 days thereafter:
 - (i) the Administrator will direct the Trustee to segregate and separately account for any sums payable to the Participant that the order requires to be paid to the Alternate Payee; and
 - (ii) the Participant will be prohibited from electing to receive any distribution that would compromise the rights granted to the Alternate Payee by the order, without the Alternate Payee's written consent.
- (c) Neither the Alternate Payee nor any person claiming through the Alternate Payee will have the right to transfer benefits to another Alternate Payee. The benefits transferred pursuant to a QDRO will be administered in accordance with the provisions of this Plan. With respect to benefits transferred to an Alternate Payee pursuant to this Section 10.12, the Alternate Payee will have all of the rights and duties of a fully Vested Participant who has incurred a Termination of Employment, to the exclusion of any claim thereto on the part of the Participant.

- (d) A subpoena or other instrument of judicial process that:
 - (i) is directed to the Administrator, its constituent corporations, or its officers or employees;
 - (ii) appears on its face to be issued in the course of marital litigation to which a Participant is a party; and
 - (iii) seeks information regarding the nature or value of the Participant's pension benefits;

may be honored by the Administrator, in its sole discretion, without interposing any defense on the grounds of technical or jurisdictional defect.

- (e) The Administrator may charge to the Plan its costs of handling QDROs, including, but not limited to, attorneys' fees, litigation expenses, and a reasonable charge for its services in connection therewith.

SECTION 11 – AMENDMENT AND TERMINATION OF PLAN

11.1 Amendment.

- (a) *General Conference.* General Conference may amend prospectively or retroactively any or all provisions of the Plan at any time by written instrument identified as an amendment of the Plan, effective as of a specified date.
- (b) *Administrator.* The Board of Directors of the General Board may amend prospectively or retroactively any or all provisions of the Plan at any time by resolution, effective as of a specified date:
 - (i) to conform the Plan to any applicable law and/or regulations promulgated thereunder; and
 - (ii) to conform the Plan to the Discipline or changes therein.

11.2 Termination of Plan. General Conference may terminate the Plan at any time in a manner and to the extent not inconsistent with applicable law. Upon termination of the Plan, the accounts of Participants will be nonforfeitable (subject to Section 8.6) and will be either distributed outright or held for distribution in accordance with the terms of the Plan. The assets remaining in the Plan after all obligations of the Plan have been satisfied will be distributed pursuant to Section 12.3(a) or action by General Conference.

SECTION 12 - GENERAL PROVISIONS

12.1 Rules and Forms. The Administrator has the authority and responsibility to:

- (a) adopt rules, regulations, and policies for the administration of this Plan in all matters not specifically covered by General Conference legislation or by reasonable implication thereof; and
- (b) prescribe the use of such Forms and records as are needed for the administration of the Plan.

12.2 Non-Alienation of Benefits. No benefits payable at any time under the Plan will be subject in any manner to alienation, sale, transfer, pledge, attachment, garnishment, or encumbrance of any kind, except as provided below. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber such benefit, whether presently or thereafter payable, will be void, except as provided below. No benefit nor any fund under the Plan will in any manner be liable for, or subject to, the debts or liabilities of any Accountholder or other person entitled to any benefit, except:

- (a) as provided in Section 10.12 (relating to QDROs);
- (b) to the extent of a levy in favor of the IRS as permitted by Regulations;
- (c) for the payment of retiree or Disabled Participant health plan premiums if so elected by the retiree or Participant;
- (d) to the extent that such Accountholder has received an overpayment under any other plan administered by the Administrator; and
- (e) to the extent that such Accountholder has made a voluntary and revocable assignment:
 - (i) in a writing filed with, and accepted by, the Administrator;
 - (ii) that is acceptable to the Administrator in its sole discretion; and
 - (iii) after such assigned benefit is due and payable under the terms of the Plan, including the making of any elections and submission of any applications required of the Accountholder.

12.3 Non-Reversion. All amounts contributed to the Plan by a Plan Sponsor are irrevocable contributions except to the extent provided below. The Plan Sponsors have no right, title, or interest in the assets of the Plan or the Trust and no portion of the Trust or the assets of the Plan or interest therein may at any time revert to or be repaid to the Plan Sponsors, except as otherwise provided below:

- (a) Subject to Section 12.3(d) below, upon termination of the Plan, any assets remaining, after the satisfaction of all fixed and contingent liabilities by the

payment of all such liabilities due, the transfer, merger, or spinoff of such liabilities and appropriate assets to another plan, and/or the annuitization of any remaining liabilities with an insurance or annuity provider selected by the Administrator, may revert to the applicable Plan Sponsor(s).

- (b) If a contribution is made to the Plan by a Plan Sponsor by a mistake of fact, then such contribution will be returned to the Plan Sponsor (adjusted for any Debits or Credits) if:
 - (i) the Plan Sponsor sends a written request for its return to the Administrator within one year after the contribution was made, and
 - (ii) the Plan Sponsor documents such mistake to the satisfaction of the Administrator within a reasonable time thereafter.
- (c) If a contribution is sent to the Plan by a Plan Sponsor that the Administrator determines within 30 days is an error or a mistake, the Administrator will not accept the payment as a Contribution to the Plan and will return the payment (or an amount equal to it) to the Plan Sponsor.
- (d) Except as provided in Sections 12.3(b) and (c) above, no Plan Sponsor may receive a reversion of assets in a Funding Pool unless assets remain after all Plan Sponsor Liabilities under the Consolidated DB Plan have been satisfied as to all Participants, Beneficiaries, and any other persons entitled to benefits under that Funding Pool by the payment of all benefits due, by annuitizing any remaining benefits with an insurance or annuity provider selected by the Administrator, and/or by converting, merging, or spinning off any remaining benefits into Actuarially Equivalent lump sum or annuity benefits to be paid from another plan, fund, or insurance contract. Church Funds Agency Plan Sponsors may receive a reversion of assets only from the Common Funding Pool. A Plan Sponsor that is not a Church Funds Agency may receive a reversion of assets only from its Separate Funding Pool. Notwithstanding the foregoing, if the General Agency Benefit Trust exists when any reversion under this Section 12.3(d) is payable (other than a reversion under Sections 12.3(b) or (c) above), it will be paid to the General Agency Benefit Trust and accounted for under the terms of such trust. If the General Agency Benefit Trust does not then exist, reversions from the Common Funding Pool will be divided among the then-existing Plan Sponsors participating therein according to reasonable actuarial principles as determined by the Administrator after consultation with such Plan Sponsors.

12.4 Construction. The Plan and each of its provisions will be construed under, and their validity determined by, the laws of the State of Illinois, other than its laws respecting choice of law, to the extent such laws are not preempted or superseded by any federal law.

12.5 Limitation of Liability. All benefits hereunder are contingent upon, and payable solely from the assets of the Trust (including any annuities purchased with Trust assets), which

derive from such Contributions as may be received by the Trustee and the investment results of the Trustee. No financial obligations, other than those that can be met by the Contributions actually received, adjusted by any Debits or Credits, including the Administrator's or Trustee's expenses or charges against the Trust's assets, will be assumed by the Administrator or the Trustee. To the extent that assets of the Plan attributable to a Recipient or an Accountholder have been transferred to a separate dedicated trust, all benefits to which the Recipient or Accountholder is entitled under that Plan will be provided only out of such trust and only to the extent the trust is adequate therefor. Further, if the Trustee segregates Trust assets by sub-plan within the Plan, all benefits to which a Recipient or an Accountholder is entitled under that sub-plan will be provided only out of such segregated portion of the Trust and only to the extent such segregated portion is adequate therefor. Neither the Administrator, the Trustee, nor the Plan Sponsors nor their officers, employees, contractors, or agents will be personally responsible or otherwise liable for the payment of any benefits hereunder.

12.6 Alternative Dispute Resolution. If a dispute arises out of or is related to the relationship between any Plan Sponsor and the Administrator or Trustee, the parties agree first to try in good faith to settle the dispute by mediation through the American Arbitration Association, or another mediation/arbitration service mutually agreed upon by the parties, before resorting to arbitration. Thereafter, any remaining unresolved controversy or claim arising out of or relating to the relationship between the Plan Sponsor and the Administrator or Trustee will be settled by binding arbitration through the American Arbitration Association, or the other mediation/arbitration service mutually agreed upon by the parties.

- (a) The site of the mediation and/or arbitration will be in a city mutually agreed to by the parties.
- (b) The laws of the State of Illinois will apply in situations where federal law is not applicable. The applicable rules of the selected arbitration service will apply. If the service allows the parties to choose the number of arbitrators, unless another number is mutually agreed to, any arbitration hereunder will be before three arbitrators. The award of the arbitrators, or a majority of them, will be final. Judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.
- (c) The fees and costs for mediation will be borne equally by the parties. The fees and costs of arbitration will be allocated to the parties by the arbitrators.

12.7 Titles and Headings. The titles and headings of the Sections of this instrument are placed herein for the convenience of reference only, and in the case of any conflicts, the text of this Plan, rather than the titles or headings, will control.

12.8 Number and Gender. Wherever used herein, the singular includes the plural and the plural includes the singular, except where the context requires otherwise. Similarly, the male includes the female and vice versa.

- 12.9 USERRA.** Notwithstanding any provision of the Plan to the contrary, contributions, benefits, and Service credit with respect to qualified military service will be provided in accordance with Code §414(u).
- 12.10 Participant, Beneficiary, and Accountholder Duties.** Each Participant, Beneficiary, Recipient, and Accountholder entitled to benefits under the Plan must file with the Administrator and Plan Sponsor from time to time such person's mailing address and each change of mailing address. Failure to do so may result in the forfeiture of benefits otherwise due under the Plan. Each such person must also apply for benefits at the appropriate time and in the appropriate Form in accordance with the terms of the Plan and the procedures of the Administrator to be assured of receiving such benefits.
- 12.11 Adequacy of Evidence.** Evidence that is required of anyone under the Plan must be executed or presented by proper individuals or parties and may be in the form of certificates, affidavits, documents, or other information that the person acting on such evidence considers pertinent and reliable.
- 12.12 Notice to Other Parties.** A Notice mailed first class, postage prepaid, to a Recipient or an Accountholder at his or her last address filed with the Administrator will be binding on the Recipient or Accountholder for all purposes of the Plan and will be deemed given on the date on the Notice. A claim for benefits, beneficiary designation, or other Notice mailed first class, postage prepaid, from a Recipient or an Accountholder to the Administrator will be deemed given on the date of the postmark. A Notice may be addressed to the Administrator at the following address (or such other address as the Administrator may designate from time to time):
- Administrator of the Retirement Plan for General Agencies
General Board of Pension and Health Benefits of The United Methodist Church
1201 Davis Street
Evanston, IL 60201-4188
- 12.13 Waiver of Notice.** Any Notice under the Plan may be waived by the person entitled to Notice. Waiver of Notice in one instance, however, will not be deemed to be a waiver in a later instance.
- 12.14 Successors.** This Plan is binding on the Plan Sponsors, and on all persons entitled to benefits hereunder, and their respective successors, heirs, and legal representatives.
- 12.15 Severability.** If any provision of the Plan is held illegal or invalid for any reason, such illegal or invalid provision will not affect the remaining provisions of the Plan, and the Plan will be construed and enforced as though such illegal or invalid provisions had never been contained in the Plan.
- 12.16 Supplements.** The Plan may be amended from time to time as provided in Section 11.1 by adding one or more Supplements to the Plan to address special situations not applicable to all Plan Sponsors or to all Employees, Participants, Beneficiaries, Recipients, or Accountholders. Any such Supplement will specify the Plan Sponsors and

persons covered and any special rules or benefits related to them. To the extent that any such rules or benefits are in conflict with the general provisions of the Plan, such rules or benefits will supersede the general provisions of the Plan as to the persons covered by the Supplement to the extent they are in conflict with such general provisions. Except as otherwise provided in a Supplement, all of the provisions of the Plan will apply to the persons covered by the Supplement.

12.17 Change in Classification. A Clergy Employee may cease to be a Clergyperson or may continue as a Clergyperson but may cease to be Appointed to a ministry with a Plan Sponsor. If such a person remains employed by a Plan Sponsor, such person will be reclassified as a Lay Employee. Similarly, a Lay Employee may qualify as a Clergyperson or may already be a Clergyperson and may be Appointed to work for a Plan Sponsor. In such case, the Lay Employee will be reclassified as a Clergy Employee. The intent of the Active Plan is to continue to cover Employees who change classification from Clergy Employee to Lay Employee or vice versa without interruption. Benefits will continue to accrue and Contributions will continue to be made. The right to receive benefits from the Active Plan will be governed by the Participant's status when such Participant is eligible for such benefits. Specific provisions throughout the Active Plan govern any specific situations addressed therein.

Supplement One
to the
Retirement Plan for General Agencies

THE UNIFORM STAFF PENSION FUND

SECTION S1.1 – THE PLAN

- S1.1.1 History.** General Conference authorized the establishment of USPF effective January 1, 1974. USPF was a defined benefit plan that was partially frozen and merged into SPP, effective January 1, 1985, at the direction of General Conference. SPP was a defined contribution plan that preserved USPF as supplement one to SPP. Effective January 1, 1993, General Conference directed that SPP be amended and restated as SRBP, and participants with a USPF benefit not yet In Pay Status were given the option of retaining benefits measured by one of two defined benefit formulas or converting their defined benefit accrued benefits into an equivalent lump sum that would be added to their SRBP account balance. Those participants who retained the USPF defined benefit accrued benefit (including those already In Pay Status under USPF) were covered in supplement one to SRBP. Effective January 1, 1998, General Conference authorized the amendment of SRBP to spin-off participant contributions to another plan (the Personal Investment Plan), leaving only Plan Sponsor contributions in SRBP. General Conference also authorized surplus assets in supplement one to be transferred to the General Agency Benefit Trust of The United Methodist Church to be used for other General Agency benefit purposes. Effective January 1, 2007, SRBP was amended and restated as RSP, and supplement one to SRBP was amended and restated as supplement one to RSP. When RSP was amended and restated as the Plan, effective on the Effective Date, supplement one to RSP was amended and restated as Supplement One to the Plan.
- S1.1.2 USPF.** USPF is now a partially frozen plan consisting of Supplement One, applicable provisions of Sections 1, 2, 5, 7, 9, 10, 11, and 12 of the Active Plan, Supplement Two (to the extent necessary to participate in the Consolidated DB Plan), and any Adoption Agreement executed by a USPF Plan Sponsor (although USPF Plan Sponsors are not required to execute an Adoption Agreement to be USPF Plan Sponsors). USPF provides only defined benefit plan benefits to USPF Participants, their Contingent Annuitants, and their Beneficiaries. No further accrual of benefits (other than that afforded by increasing USPF Compensation) will be credited under USPF after December 31, 2006, but further Service may accrue for the purpose of vesting in the frozen USPF benefits previously accrued. USPF is part of the Consolidated DB Plan.

SECTION S1.2 – USPF ELIGIBILITY

S1.2.1 Pension Benefits Eligibility. Pension benefits under USPF are frozen. Participants in USPF on the day before the Effective Date who were eligible for the USPF Formula Benefit or the USPF Revised Formula Benefit on that date will continue to be eligible for such benefits on and after the Effective Date in accordance with Section S1.3 (as will their Contingent Annuitants and Beneficiaries). No other persons are eligible for such benefits and no new Participants can become eligible for those frozen benefits.

S1.2.2 Vesting. A Participant in this Supplement One is or will become Vested (subject to Section 7.2) in a USPF Formula Benefit or a USPF Revised Formula Benefit described in this Supplement One for which he or she is eligible as provided below:

- (a) upon the earlier of:
 - (i) his or her Early Retirement Date; or
 - (ii) the date he or she completes three years of Service; or
- (b) in the case of a Participant who participated in USPF before January 1, 1985, upon Termination of Employment if he or she allowed the accumulations in his or her personal Account to remain in SPP or SRBP. (The personal Account under SPP held a Participant's before-tax and after-tax employee contributions to USPF.)

SECTION S1.3 – USPF PENSION BENEFITS

S1.3.1 Pre-93 Benefits. USPF Pension Benefits payable to USPF Participants who were In Pay Status before January 1, 1993 will continue to be paid in the same form and amount, and to the same Recipients, as were previously provided for under USPF or SPP.

S1.3.2 1993-94 Election. During 1993 and 1994 USPF Participants who were not In Pay Status before January 1, 1993 were given an election to receive their benefits under USPF in one of three alternative benefit forms:

- (a) the USPF Formula Benefit (the default election);
- (b) the USPF Revised Formula Benefit; or
- (c) the conversion of their defined benefit plan USPF benefit into an equivalent defined contribution plan benefit.

USPF Participants who elected option (a) or (b) (or are deemed to have elected option (a)) are receiving or will receive their USPF Pension Benefits as described in Section S1.3.3. USPF Participants who elected option (c) have had their benefits under USPF converted to a defined contribution plan Account Balance, which has since been transferred to SRBP, to RSP, and to the Active Plan as provided in Supplement Two.

S1.3.3 Payment of Benefits. A USPF Participant's Vested USPF Formula Benefit or Vested USPF Revised Formula Benefit (whichever was elected as provided in Section S1.3.2) will be paid in the USPF Normal Form of Benefit at the USPF Participant's Early, Normal, or Late Retirement Date, subject to the limits of Section 5 and payable in accordance with rules and procedures determined by the Administrator to be in accordance with or analogous to the provisions of supplement one of RSP on the day before the Effective Date.

S1.3.4 Survivor Benefits. If a Vested USPF Participant dies before Retiring, a survivor benefit will be paid, beginning as of the first of the month coincident with or next following his or her death:

- (a) in the case of a USPF Participant with a Spouse on his or her date of death, to his or her Spouse in the amount of 70% of the USPF Participant's USPF Formula Benefit or USPF Revised Formula Benefit (whichever was elected as provided in Section S1.3.2); or
- (b) in the case of a USPF Participant with no Spouse on his or her date of death, to his or her Beneficiary (designated or specified in accordance with Section 8.12) in the form of a 10-Year Certain Annuity that is based on the USPF Participant's USPF Formula Benefit or USPF Revised Formula Benefit (whichever was elected as provided in Section S1.3.2).

In either case, the monthly benefits payable will be periodically adjusted in accordance with the USPF Adjustment or the USPF Revised Adjustment, whichever is applicable based on the election in Section S1.3.2.

SECTION S1.4 – USPF FUNDING

- S1.4.1 USPF Assets.** The assets available to fund supplement one to RSP on the day before the Effective Date will continue to be available to fund the benefits payable under Supplement One after the Effective Date. The assets will be held in the Trust by the Trustee as part of the Consolidated DB Plan. The Trustee also has a claim on assets in the General Agency Benefit Trust (as provided therein) to fund benefits payable under Supplement One.
- S1.4.2 USPF Accounting.** The Administrator may separately account for (and create Accounts for) and use certain assets in the Common Funding Pool or any Separate Funding Pool that are primarily held for the payment of the benefits under Supplement One. As described in Section 1.6(d), however, such assets are available if needed to pay other benefits due under the Consolidated DB Plan, and assets contributed to pay other benefits under the Consolidated Benefit Plan are available to pay benefits due under Supplement One.
- S1.4.3 Contributions.** If the assets in the Common Funding Pool or any Separate Funding Pool under the Consolidated DB Plan are not sufficient under the Funding Policy, in the Administrator’s judgment, to adequately provide for benefits due under the Consolidated DB Plan and its subplans (including Supplement One), each Plan Sponsor will make Contributions in an amount that is specified by the Administrator for such Plan Sponsor as being due by the Due Date.
- S1.4.4 Investment of Assets.** Pending distribution or other use of the assets in the Common Funding Pool or any Separate Funding Pool, the Trustee will invest the assets as described in the Trust.

Supplement Two
to the
Retirement Plan for General Agencies

RETIREMENT SECURITY PROGRAM FOR GENERAL
AGENCIES

SECTION S2.1 – THE PLAN

S2.1.1 History. General Conference authorized the establishment of the original predecessor of the Plan, USPF, effective January 1, 1974. USPF was a defined benefit plan that was partially frozen and merged into SPP, a defined contribution plan, effective January 1, 1985, at the direction of General Conference. Effective January 1, 1993, General Conference directed that SPP be amended and restated as SRBP, and participants with a USPF benefit were given the option of retaining benefits measured by one of two defined benefit formulas or converting their defined benefit accrued benefits into an equivalent lump sum that would be added to their SRBP account balance. Those participants who retained the USPF defined benefit accrued benefit were covered in supplement one to SRBP and later supplement one to RSP. Effective January 1, 1998, General Conference authorized the amendment of SRBP to move participant contributions to another plan (the Personal Investment Plan, later succeeded by UMPIP), leaving only General Agency contributions in SRBP and successor plans. Effective January 1, 2007, as approved by General Conference 2004, SRBP was amended and restated as RSP. SRBP was frozen as of December 31, 2006, and participant accounts were transferred to RSP participant accounts in the RSP Core Defined Contribution Plan. In addition to this RSP Core Defined Contribution Plan benefit, RSP also included the RSP Core Defined Benefit Plan. These two RSP benefits are addressed in this Supplement Two.

S2.1.2 Frozen Plan. In connection with the amendment and restatement of RSP as the Plan as of the Effective Date, RSP was frozen as of the day before the Effective Date. All benefits accrued under RSP (both RSP Core Defined Benefit Plan Accrued Benefits and RSP Core Defined Contribution Plan Account Balances) as of the day before the Effective Date that have not already been forfeited or paid as of that date under the terms of RSP will thereafter be fully Vested. No further Accrued Benefits or contributions will be earned under this Supplement Two after the day before the Effective Date for any past, present, or future RSP Participant, except for contributions due under RSP relating to periods on or before the day before the Effective Date. After the day before the Effective Date:

- (a) interest, gains, and losses may still accrue on the investments in an RSP Participant's Account under this Supplement Two; and

- (b) benefits currently being paid or due to be paid under RSP may continue to be paid in the same form and amount, and to the same Accountholders or Recipients, as was previously the case,

but only until the transfer described in Section S2.2.1 is completed for each such Participant. New benefits will not be paid under this Supplement Two. Instead, they will be transferred as provided in Section S2.2.1 and paid under the Active Plan.

S2.1.3 RSP Core Defined Benefit Plan. As of the Effective Date, the frozen RSP Core Defined Benefit Plan benefits described in Section S2.1.2 will be divided into two groups:

- (a) *Pay Status Benefits.* Those benefits In Pay Status will continue to be paid on and after the Effective Date in the same form and amount, and to the same Recipients, as was previously the case. Such benefits will continue to be paid under this Supplement Two and the Consolidated DB Plan, with any questions as to form, amount, or proper Recipient(s) being resolved with reference to the RSP Core Defined Benefit Plan as it existed on the day before the Effective Date. Such payments will continue until all such benefits are paid or are otherwise settled in accordance with Section 12.3. For the purpose of paying such benefits, applicable provisions of Sections 1, 2, 5, 7, 9, 10, 11, and 12 of the Active Plan will apply.
- (b) *Accrued Benefits.* All other RSP Core Defined Benefit Plan Accrued Benefits (not described in Section S2.1.3(a)) will be converted, as of the Effective Date, into an Actuarially Equivalent lump sum for each Participant. That lump sum will be funded from the assets that fund the Consolidated DB Plan and will be transferred as provided in Section S2.2.1(a).

SECTION S2.2 – TRANSFER OF BENEFITS

S2.2.1 Transfer of Frozen Benefits. Effective as soon as is practicable after the Effective Date, Participants', Terminated Participants', Beneficiaries', and Accountholders' Accounts and benefits due under RSP will be transferred as provided below:

- (a) *RSP Core Defined Benefit Plan.* Lump sum benefits determined in accordance with Section S2.1.3(b) will be transferred to each such person's Final RSP Account Balance.
- (b) *RSP Core Defined Contribution Plan.* Any part of a Participant's or Accountholder's Final RSP Account Balance (both the portion arising from the RSP Core Defined Contribution Plan and the portion from Section S2.2.1(a)) that, as of the Effective Date, has not yet been distributed to the Participant or other Accountholder, whether or not such Participant or Accountholder was then entitled to a distribution of such Account Balance, will be transferred to the Active Plan in accordance with Section 4.5.
- (c) *Imputed Earnings.* Any delays in making a transfer of an Accountholder's Final RSP Account Balance or RSP Account Balance on the day before the Effective Date beyond a reasonable time after the Effective Date will result in imputed earnings being credited in a manner similar to Sections 3.5(b) and (c) if reasonable earnings are not otherwise credited.

When, because of a Participant's death just before the Effective Date, or some other circumstance, a timely calculation or transfer of a Final RSP Account Balance on the day before the Effective Date is difficult or impossible, or, when such a transfer, having once been made, later appears not to have been transferred in accordance with Section S2.2.1(a), (b), or (c) in light of later-acquired information or the discovery of an administrative error, then the Administrator will make an equitable correction of the situation with the objective of complying with Section S2.2.1(a), (b), or (c), whichever appears to be applicable. None of the amounts transferred in accordance with this Section S2.2.1 will be treated as Annual Additions.

S2.2.2 Termination of Supplement Two. When:

- (a) all the transfers described in Section S2.2.1 are completed; and
- (b) all benefits are paid or are otherwise settled in accordance with Section S2.1.3(a);

this Supplement Two will automatically terminate and become a nullity except to the extent that it is needed to:

- (1) help specify the benefit due under another Supplement or the Active Plan;
- (2) cure errors in the computation or determination of benefits due under this Supplement Two or RSP; or

- (3) accept and adjudicate a claim (or appeal) for benefits due under this Supplement Two or RSP.