

Page Number: Page 1 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Make the following revisions to the Retirement Security Program for General Agencies (“RSP”) (including any needed revisions to RSP section numbering, formatting, pagination, or Table of Contents), effective on a date specified by the General Board of Pension and Health Benefits (with at least 6 months’ advance notice to RSP plan sponsors) that is as soon as systems can reasonably be reconfigured to administer the revisions, which date is: (i) at least one day before RSP is amended and restated by separate action of General Conference 2008 (if such amendment and restatement is approved), and (ii) not later than December 31, 2009, except where another effective date is specified below:

Amend the second sentence of Section A1.5 as follows and insert the following new sentence after the second sentence of Section A1.5, effective January 1, 2007:

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 ~~the House-Senate Conference Committee~~

~~Agreement provisions~~ §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.

Replace Sections A1.6(d) and (e) with the following, effective January 1, 2007:

(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. 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 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.

(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 freeze and/or reduce future benefit accruals 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 A4.3.

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately:

Aggregate Benefit. The sum of an Accountholder's or a Recipient's:

(a) Vested Account Balances in this Program; plus

- (b) vested account balances in all other plans administered by the Administrator, if any;
plus**
- (c) Accrued Benefit, converted to its Actuarial Equivalent lump sum; plus**
- (d) accrued benefits in any Supplement plus all other defined benefit plans administered
by the Administrator, if any, converted to their Actuarial Equivalent aggregate lump sum;
plus**
- (e) monthly benefits, if any, being received from a plan administered by the
Administrator, if any, converted to their Actuarial Equivalent aggregate lump sum.**

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately:

Aggregate DB Benefit. The sum of a Participant's or a Recipient's:

- (a) Core Defined Benefit Plan monthly benefit due, if any; plus**
- (b) monthly annuity-type benefits, if any, being paid or due from all of the Supplements;
plus**
- (c) monthly annuity-type benefits, if any, being paid or due from any other plans
administered by the Administrator,
in each case determined on the basis of the form of benefit then being paid or having been
elected (or, if such benefit is not yet being paid and has not yet been elected, then in the
normal form of payment).**

Substitute "Code §403(b) defined contribution plan" for "defined contribution plan" wherever that latter term is found in Section A2.12.

Page Number: Page 5 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Amend Section A2.12(e) and the following flush language as follows, effective January 1, 2008:

(e) amounts allocated to an individual medical account, as defined in Code §415(1)(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 ~~defined~~**provided** in Code §419A(d)(3); ~~under a welfare benefit fund, as defined in Code §419(e), maintained by the Plan Sponsor~~**required employee contributions to a defined benefit plan**; and amounts allocated to a simplified employee pension (~~SEP~~) that is maintained by the Plan Sponsor, that are credited to any Participant's Account or such other **Code §403(b)** defined contribution plan, individual medical account, or other plan. 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 are not included in Annual Additions.

Amend Section A2.30(a) as follows, effective January 1, 2007:

the Participant's 415 Compensation **but excluding any Includible Compensation earned outside of such Plan Year**;

Amend the last sentence of Section A2.30 as follows, effective January 1, 2008:

The compensation of each Participant **who is not employed by a qualified church-controlled organization within the meaning of Code §3121(w)(3)(A) or (B)** taken into account for any Plan

Page Number: Page 6 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Year beginning after December 31, ~~2005~~**2006** may not exceed ~~\$220,000~~**\$225,000**, as adjusted for cost-of-living increases in accordance with Code §401(a)(17)(B).

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately, effective January 1, 2007:

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 earnings, debits, and credits thereon.

Amend Section A2.40 as follows:

Service rendered on or after **the Revision Date** ~~January 1, 2007~~ that counts toward the computation of a Participant's Accrued Benefit as specified in Section B2.2, measured in **one-day** ~~calendar month~~ increments. Service rendered before the Effective Date will not be counted as Credited Service. **Service rendered before the Revision Date will be measured in calendar month increments but thereafter may be converted to equivalent one-day increments by the Administrator.**

Insert the following after each of Section A2.53(a) and Section A2.54(a), and re-letter the remaining Sections, effective January 1, 2007:

(b) a Missionary;

Amend the first two sentences of Section A2.59 as follows, effective January 1, 2007:

For any period before Retirement or a One-Year Break in Service, the **highest** arithmetic mean (in the form of an annual Compensation amount) **that can be computed from any** ~~of the highest-36~~ consecutive calendar months **(or the period for which the Participant had Service for one or**

Page Number: Page 7 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

more Plan Sponsors or Agency Affiliates, if such period is less than 36 months) of

Compensation received by a Participant from a Plan Sponsor **or Agency Affiliate** during the 120 months (or ~~the lesser~~ period for which the Participant had Service for one or more Plan Sponsors **or Agency Affiliates, if such period is less than 120 months**) immediately before such Retirement or One-Year Break in Service. Any calendar month for which a Participant was employed by a Plan Sponsor **or Agency Affiliate** for less than the entire month will not be counted in **any** such arithmetic mean.

Amend the start of the first sentence of Section A2.64 as follows, effective January 1, 2007:

All **Includible Compensation** ~~amounts~~ paid or made available by a Plan Sponsor (or such Plan Sponsor's Agency Affiliate) or 415 Affiliate to an Employee in a Limitation Year, including:

Amend Section A2.64(a) as follows, effective January 1, 2008:

(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 to the extent that the amounts are ~~includible~~ **includible** in gross income (including, but not limited to, bonuses, fringe benefits, and reimbursements or other expense allowances under a non-accountable plan (as described in Regulation §1.62-2(c)), **but excluding severance pay that would not have been paid but for a severance from employment**);

Replace Section A2.64(c) with the following, effective January 1, 2008:

(d) **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**

Amend the last three sentences of Section A2.64 as follows, effective January 1, 2008:

Compensation described in Section A2.64(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**~~within Guam, American Samoa, the Northern Mariana Islands, and Puerto Rico~~). The term “415 Compensation” ~~will~~**does** not include:

- (~~i~~1) Non-Elective Contributions made by a Plan Sponsor to the Plan, or distributions from a plan of deferred compensation, regardless of whether such amounts are ~~includible~~**includable** in the gross income of the Employee when distributed: ~~H~~**(**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 ~~includible~~**includable** in the gross income of the Employee); ~~and~~
- (~~i~~2) 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 ~~includible~~**includable** in the gross income of the Employee) or housing allowance ~~excludible~~**excludable** under Code §107; **or**
- (3) **Amounts paid after severance from employment, except that “415 Compensation” does include:**
 - (A) **Amounts paid under Section 2.64(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 2.64(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.

Delete Section A2.67, and replace the term "Funding Account" with the term "Funding Pool" wherever it exists in Sections A2.82, B3.6, B7.2, B9.5, and S2.2.1, effective January 1, 2007.

Replace Section A2.68 with the following, and renumber Section numbers appropriately, effective January 1, 2007:

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.

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately, effective January 1, 2007:

Funding Pool. A Common Funding Pool or a Separate Funding Pool.

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately, effective January 1, 2007:

Page Number: Page 10 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

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 or Agency Affiliate 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 or Agency Affiliate and any other entity that is controlled by or associated with The United Methodist Church during the most recent period that constitutes a year of service under Code §403(b)(4) and applicable Regulations.

Insert the following as Section A2.81(e), and re-letter the remaining subsections, effective January 1, 2007:

(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);

Amend Section A2.88 and the third sentence of Section A4.12 to substitute "Administrator" for "Plan Administrator" where that term is used, effective January 1, 2007.

Delete Section A2.91, and renumber succeeding Sections.

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately, effective January 1, 2007:

Plan Sponsor Liability. The liability for the payment of Consolidated DB Plan benefits to

Participants, Terminated Participants, Beneficiaries, Contingent Annuitants, and any other

Page Number: Page 11 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

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).

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately:

Revision Date. A date (or dates) specified by the Administrator (with at least 6 months' advance notice to Plan Sponsors) that is as soon as systems can reasonably be reconfigured to administer certain revisions to the Program (that are effective as of this date), which date is:

- (a) at least one day before the effective date of an amendment and restatement of the Program approved by General Conference 2008 (if such amendment and restatement is so approved), and**
- (b) not later than December 31, 2009.**

Insert the following new definition in Section A2 wherever it fits alphabetically, and renumber Section numbers appropriately, effective January 1, 2007:

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

Page Number: Page 12 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Agency Plan Sponsor under the Consolidated DB Plan and earnings, debits, and credits thereon.

Delete “or” at the end of Section A2.139(c), replace “¶320.1” with “¶320” in Section A2.139(d), substitute “,” for “.” at the end of Section A2.139(d), and add the following as a new Section A2.139(e), effective January 1, 2007:

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

Revise Section A4.2 as follows:

No benefits payable at any time under the Program 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.** ~~Except as provided in~~

~~Section A3.12 hereof, n~~No benefit nor any fund under the Program will in any manner be liable for, or subject to, the debts or liabilities of any Accountholder, **Recipient**, or other person entitled to any benefit-, **except:**

- (a) as provided in Section A3.12 (relating to QDROs);**
- (b) as provided in a levy in favor of the IRS to the extent required by Regulations;**
- (c) to the extent required under the Mandatory Victims Restitution Act of 1996 (18 U.S.C. §3663A);**
- (d) for the payment of retiree or Disabled Participant health plan premiums;**
- (e) to the extent that such Accountholder, Recipient, or other person has received an overpayment under any other plan administered by the Administrator; and**

- (f) to the extent that such Accountholder, Recipient, or other person 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 Program, including the making of any elections and submission of any applications required of the Accountholder, Recipient, or other person.**

Amend Section A4.3 as follows:

All amounts contributed to a 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 a Plan or the Trust, and no portion of the Trust or the assets of a 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 A4.3(e) below, ~~U~~pon termination of ~~the~~ a **Consolidated DB** 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 Sponsors **in proportion to their liabilities.** ~~;~~ ~~and~~**
- (b) If a eContribution is made to a Plan by the Plan Sponsor by a mistake of fact, then such eContribution will be returned to the Plan Sponsor (adjusted for any gains or losses) if:**

- (i) the Plan Sponsor sends a written request for its return to the Administrator within one year after the eContribution was made, ~~and~~
- (ii) the Plan Sponsor documents such mistake to the satisfaction of the Administrator; **and**
- (iii) **the Administrator has not yet distributed such Contribution (or the portion sought to be returned).**
- (c) Contributions to the Core Defined Benefit Plan will not be considered a mistake of fact unless they constitute Material Overfunding. **Refunds to a Plan Sponsor from an Accountholder's Core Defined Contribution Plan Account will reduce that Account accordingly.**
- (d) **If a Contribution is sent to the Program by a Plan Sponsor that the Administrator determines within 30 days is an error or a mistake, the Administrator may refuse the payment as a Contribution to the Program and return the payment (or an amount equal to it) to the Plan Sponsor.**
- (e) **Except as provided in Sections A4.3(b), (c), and (d) 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**

Page Number: Page 15 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

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 (or its successor) exists when any reversion under this Section A4.3(e) is payable (other than a reversion under Sections A4.3(b), (c), or (d) above), it will be paid to the General Agency Benefit Trust (or its successor) and accounted for under the terms of such trust. If the General Agency Benefit Trust (or its successor) 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.

Amend the first sentence of Section A5.2 as follows, effective January 1, 2007:

General Conference may terminate the Program at any time in a manner and to the extent not inconsistent with **applicable law**~~the Discipline~~.

Insert the following new Section A7 after Section A6:

SECTION A7 - ADOPTION AGREEMENTS

A7.1 Completion of Adoption Agreement. Completion of an Adoption Agreement is optional for Church Funds Agencies and mandatory for other General Agencies that intend to sponsor the Program. Each Plan Sponsor will initially complete one or more Adoption Agreements in which the Plan Sponsor will indicate any elections that it is required or permitted to make pursuant to the provisions of the Program.

A7.2 Form of Adoption Agreement. The Adoption Agreement will be in a form prescribed by the Administrator. Different forms may be used for different Plan Sponsors. The

Administrator may use more than one Adoption Agreement per Plan Sponsor covering different Employee groups.

A7.3 Acceptance of Adoption Agreement. An Adoption Agreement will not become effective until it is accepted by the Administrator. The Administrator may require the submission of an Adoption Agreement up to 31 days in advance of its effective date (but may also waive such deadline under appropriate circumstances).

A7.4 Continuance of Adoption Agreement. An Adoption Agreement will remain in force until it is amended, discontinued, or replaced. Either a Plan Sponsor or the Administrator may discontinue an existing Adoption Agreement as of a prospective date specified in a written notice to the other. A Plan Sponsor may amend or replace an Adoption Agreement if such amendment or replacement is accepted by the Administrator under Section A7.3.

A7.5 Supplements. Plan Sponsors with respect to each of the Supplements must execute one or more Adoption Agreements covering each such Supplement.

Amend Section B2.1(b) as follows:

(b) Credited Service. A Participant's Credited Service will be determined as described in Section B2.2.:

(i) with one-~~day~~~~month~~ computation periods beginning **at midnight of** ~~on~~:

(A) ~~the first day of the month in which~~ **the date**-the Participant begins to perform Service **on or after his or her Entry Date**; and

(B) ~~the first day of each day~~~~calendar month~~ thereafter until the Participant incurs a Termination of Employment; and

Page Number: Page 17 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

(ii) with one year computation periods beginning on:

(A) ~~the first day of the month in which~~ **the date** the Participant begins to perform Service **on or after his or her Entry Date**; and

(B) ~~the first day~~ of each anniversary of such date thereafter until the Participant incurs a Termination of Employment.

Amend Section B2.2(a) as follows:

(a) *General Rule.* A Participant will receive one ~~day~~**Month** of Credited Service for each ~~one-day~~**monthly** computation period (and one Year of Credited Service for each one-year computation period) specified in Section B2.1(b) during which he or she is:

(i) receiving Compensation from his or her Plan Sponsor (or such Plan Sponsor's Agency Affiliate);

(ii) LTD Plan Disabled (subject to Section B2.2(d) below);

(iii) STD Plan Disabled (subject to Section B2.2(d) below); or

(iv) entitled to Credited Service under USERRA

for any portion of such ~~one-day~~**monthly** computation period, regardless of whether such condition continues throughout such ~~one-day~~**monthly** computation period. ~~Twelve Months of Credited Service equals a Year of Credited Service.~~ **A Year of Credited Service is equal to 365 days (even in leap years) of Credited Service. Notwithstanding the foregoing provisions of this Section B2.2(a), however, a Participant who qualifies under Section B2.2(a)(ii) or (iii) above and who was a Part-Time Employee immediately before such qualification will not receive Credited Service, as provided in Section B2.2(b).**

Page Number: Page 18 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Amend the last paragraph of Section B3.1 as follows, effective January 1, 2007:

After initially becoming a Participant on the Entry Date, an Eligible DB Employee must continue to meet the conditions in Sections B3.1(a), (b), and (c) above to remain a Participant eligible to receive Credited Service. Although it will not prevent an Eligible DB Employee from participating in the Plan, the Administrator may require the Plan Sponsor of each Eligible DB Employee who is to become (or has become) a Participant (whether or not such Participant has an Accrued Benefit) to file an application for enrollment in the 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.

Amend Section B3.1(c)(ii) as follows:

LTD Plan Disabled (**but not a Terminated Participant**);

Revise the first sentence of Section B4.2 as follows, effective January 1, 2007:

If a Plan Sponsor is late in making a Contribution to the Plan as required by Section B4.1, then that delinquent Plan Sponsor will make such delayed Contribution to the Plan as soon as possible thereafter, along with ~~imputed~~ **missed** earnings on such delayed Contribution **in accordance with any applicable Internal Revenue Service correction program**, ~~based on a fixed rate of interest or on projected earnings as established by the Administrator from case to case or time to time~~, credited from the Due Date until the date such Contribution is actually transferred to the Trustee.

Revise Section B4.3 as follows, effective January 1, 2007:

B4.3 ~~Funding Accounts.~~

Page Number: Page 19 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

- (a) Contributions. Contributions under Sections B4.1 and B4.2 by any Plan Sponsor will be credited as soon as practicable by the Administrator to a Funding ~~Pool Account~~ in the name of that Plan Sponsor on behalf of Participants covered by that Plan Sponsor under Section B4.1.
- (b) Earnings. The Trustee will invest amounts in each Funding ~~Pool Account~~ in accordance with the Trust. The Administrator will credit each such Funding Account with earnings and debit each such Funding ~~Pool Account~~ with losses accrued from time to time.
- (c) Forfeitures. Forfeitures of benefits arising under the Plan for any reason that are not already provided for under this Plan will be applied to reduce the contribution to the Plan of the Plan Sponsor of the Participant (or his or her Beneficiary or other person claiming under him or her) who has suffered the forfeiture and will not increase the benefits under the Plan otherwise payable to Participants or others.
- (d) Funding Benefits. Each Plan Sponsor (the “Funding Sponsor”) will be primarily responsible to fund:
- (i) the portion of the Accrued Benefit of each Participant that is attributable to such Participant’s Credited Service rendered to the Funding Sponsor and the Final Compensation such Participant received from the Funding Sponsor; plus
- (ii) the portion (if any) of such Accrued Benefit that is attributable to such Participant’s Credited Service rendered to another Plan Sponsor to the extent (if any) that such Participant’s Final Compensation received from the Funding Sponsor exceeds the Final Compensation received by such Participant when he or she earned Credited Service at such other Plan Sponsor.
- ~~If, however, a Church Funds Agency Plan Sponsor does not have sufficient assets in its Funding Account to pay Plan benefits as they come due, in order to pay such benefits, the Administrator will~~

Page Number: Page 20 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

~~authorize debits from time to time against the Funding Accounts of all other Church Funds Agency Plan Sponsors (except any Plan Sponsor with a zero Funding Account balance), pro rata in proportion to the Liabilities each such other Church Funds Agency Plan Sponsor has as a percentage of all Liabilities under the Plan (as determined by the Administrator) of all Church Funds Agency Plan Sponsors. If the delinquent Church Funds Agency Plan Sponsor later makes contributions to the Plan, such contributions will first be allocated pro rata in the same fashion to repay amounts taken from other Church Funds Agency Plan Sponsors, plus interest at a market rate to be determined by the Administrator from time to time, and only thereafter to the delinquent Church Funds Agency Plan Sponsor's separate Funding Account. Plan Sponsors that are not Church Funds Agencies will not participate in the sharing of Liabilities or the receipt of funding assistance provided for above.~~

(e) **Reversions.** No Plan Sponsor may receive a reversion of assets **except in accordance with Section A4.3**~~in its Funding Account unless assets remain after all liabilities of that Plan Sponsor to the Consolidated DB Plan have been satisfied as to all Participants, Beneficiaries, and any other persons entitled to benefits under such plan. In the case of Church Funds Agency Plan Sponsors, any such Plan Sponsor may not receive a reversion of assets in its Funding Account unless assets remain after all liabilities of all Church Funds Agency Plan Sponsors to the Consolidated DB Plan have been satisfied as to all Participants, Beneficiaries, and any other persons entitled to benefits under such plan. When all such liabilities have been satisfied 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 to Actuarially Equivalent lump sum or annuity benefits to be paid from another plan or insurance contract, any~~

Page Number: Page 21 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

~~remaining assets in each Plan Sponsor's Funding Account will be returned by the Trustee to that Plan Sponsor. Notwithstanding the foregoing, assets may also be returned to a Plan Sponsor as provided in Section A4.3. As provided in the Plan, certain forfeitures may be turned over to the Administrator to pay for the administrative expenses of the Plan.~~

(f) SRBP Annuities. If assets have been transferred from Section S2.2.1(a) to the Core Defined Benefit Plan, they will be credited to the appropriate Plan Sponsor's Funding ~~Pool Account~~ under the Core Defined Benefit Plan as provided in Section S2.2.1(a) and be used to pay the annuities from SRBP already In Pay Status that were transferred from SRBP in accordance with Section S2.2.1(a). Such transferred assets will become part of the funding for the Consolidated DB Plan and thereafter will be treated as such in accordance with the terms of the Consolidated DB Plan.

Revise Sections B5.1(a) and (b) and the following provisions as follows, effective January 1, 2008:

- (a) ~~\$90,000~~**180,000** (or such greater amount as may be determined from time to time in accordance with Code §415(d) for calendar years ending after December 31, ~~1987~~**2007** that begin within the Plan Year, **including Plan Years after a Participant or Terminated Participant incurred a severance from employment or commenced his or her 415 DB Plan benefit**); or
- (b) 100% of the Participant's average 415 Compensation for the three consecutive calendar years ~~of his or her participation in the 415 DB Plan~~**(as provided in Section B5.3)** in which he or she received the highest aggregate 415 Compensation. For Plan Years commencing on or after the Effective Date, **to the extent required by Code §415(b)**, a Participant's Section 415 Compensation in excess of ~~\$150,000~~**the limit in Code §401(a)(17) (\$225,000 in 2007**, adjusted each Plan Year to take into account any applicable cost-of-living adjustment provided for that year pursuant to

Page Number: Page 22 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Regulations under Code §~~401(a)(17)(B)~~415(d) will be disregarded. **Notwithstanding the foregoing, the limit of this Section B5.1(b) will not apply to Accrued Benefits accrued by a Participant in a Plan Year before the date on which he or she first became highly compensated within the meaning of Code §414(q) to the extent that such Accrued Benefits qualify under Code §415(b)(11).**

If the benefits otherwise payable under the 415 DB Plan exceed the foregoing limit, they will be reduced until they meet that limit, **but benefits exceeding the foregoing limit may be paid in a future Plan Year if they then meet such limit. If more than one separate plan comprises the 415 DB Plan and if benefits must be limited under this Section 5.1, the benefit under a plan with a smaller dollar amount of plan sponsor benefit will be reduced before a plan with a larger amount.**

Amend Sections B5.2(b) and (c) as follows, effective January 1, 2008:

(b) If a Participant's Annual Retirement Benefit is paid before the Participant attains age 62, the determination as to whether the dollar limitation set forth in Section B5.1(a) has been satisfied will be made, in accordance with Regulations under Code §415(b)(2)(C), by reducing the limitation ~~of~~**specified in** Section B5.1(a) so that such limitation (as so reduced) equals an annual benefit (beginning when such Annual Retirement Benefit begins) that is **actuarially** equivalent to a ~~\$90,000~~**180,000 (in 2007, or as indexed thereafter)** Annual Retirement Benefit beginning at the Participant's attainment of age 62. ~~The foregoing reduction may not reduce the limitation of Section B5.1(a) below:~~

(i) ~~\$75,000 if the benefit begins at or after age 55, or~~

Page Number: Page 23 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

~~(ii) — if the benefit begins before age 55, the equivalent of the \$75,000 limitation for age 55 (determined in accordance with Regulations under Code §415(b)(2)(C)).~~

(c) If a Participant's Annual Retirement Benefit is paid after the Participant attains age 65, the determination as to whether the dollar limitation set forth in Section B5.1(a) has been satisfied will be made, in accordance with Regulations under Code §415(b)(2)(D), by increasing the limitation of Section B5.1(a) so that such limitation (as so increased) equals an annual benefit (beginning when such Annual Retirement Benefit begins) that is equivalent to a ~~\$90,000~~ **180,000 (in 2007, or as indexed thereafter)** Annual Retirement Benefit beginning at the Participant's attainment of age 65.

Amend Section B5.3(a) as follows, effective January 1, 2008:

For the purpose of Section B5.1(b), a Participant's high three years will be the period of consecutive calendar years (not **less than one nor** more than three, **and ignoring breaks in service), including fractional portions**, during which the Participant ~~both was an active~~ **was an employee of a 415 DB Plan sponsor or a 415 Affiliate (whether or not he or she was a participant in the 415 DB Plan for such period)** and had the greatest aggregate:

(a) **415 Compensation from his or her 415 DB Plan sponsor or a 415 Affiliate** ~~compensation from the common law employer~~, or

Amend Section B5.4(b) as follows, effective January 1, 2008:

The provisions of Section B5.4(a) will apply to the limitations under Section B5.1(b), except that Section B5.4(a) will be applied with respect to years of service with the Plan Sponsor, a Salary-Paying Unit, or an **415 Affiliate** of either, rather than years of participation in the 415 DB Plan.

Periods during which a Participant or Terminated Participant was totally and permanently

Page Number: Page 24 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

disabled within the meaning of Code §415(c)(3)(C)(i) will be credited as service for the purpose of Section 5.4(a)(i).

Delete Section B5.4(d) , effective January 1, 2008.

Replace Section B5.5 with the following, effective January 1, 2009:

B5.5 Defined Contribution Limits. To the extent required by Code §§403(b) and 415(c), the limits of Code §415(c) will also apply to annual increases in a Participant's Accrued Benefit. Those limits may be found in Section C5.1, Code §415(c), and Regulations. To the extent permitted by the Code and under rules established from time to time by the Administrator, if a Participant's Accrued Benefit in a Limitation Year is limited under this Section B5.5, the portion of such Accrued Benefit in excess of such limit will be deemed to have accrued in one or more later Limitation Years to the extent applicable limits allow.

Amend Section B6.2(a) as follows:

if such Participant did not suffer a One-Year Break in Service, his or her Accrued Benefit may once again be computed as of a date after such Break in Service, using the sum of the Participant's Credited Service for both periods of Service and/or his or her Final Compensation, **as applicable, on the earlier of the ~~on the~~ date such Accrued Benefit is computed or the date the second period of Credited Service ends.**

Amend the last paragraph of Section B6.2 as follows, effective January 1, 2007:

Notwithstanding the foregoing, nor the definition of Break in Service, nor the definition of One-Year Break in Service, for the purpose of this Section B6.2, any period of time during which a

Page Number: Page 25 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Participant is not employed by a Plan Sponsor but is **Under Episcopal Appointment, is an active member of a Conference, or is** employed by a United Methodist Church-related entity that is eligible to participate in a Church Plan will not count toward a Break in Service nor a One-Year Break in Service for such Participant.

Amend Section B9.1(d) as follows:

(d) *Small Benefit. The*

~~(i) — *Cash Out.* Except in the case of a Disabled Participant or a Disabled Terminated Participant, if a Participant's or a Terminated Participant's Accrued Benefit at the time of distribution does not exceed \$5,000 (as an Actuarially Equivalent lump sum), the entire amount of the Accrued Benefit will be distributed in accordance with Section C8.2(a) as though it were an Account Balance as soon as administratively feasible. A Disabled Participant or a Disabled Terminated Participant must consent to such distribution.~~

~~(ii) — *Small Annuity Amount.* In the case of a Recipient whose benefit is not paid in accordance with Section B9.1(d)(i) above, the Administrator may establish a minimum annuity amount from time to time. If the amount of such a Participant's or a Recipient's **Aggregate DB Benefit** monthly or other periodic annuity is or would be less than the minimum annuity amount (adjusted to reflect the period of the annuity), ~~it~~ **such Aggregate DB Benefit** will be paid in the form of converted on an Actuarially Equivalent basis to a lump sum. **The Administrator may make such minimum annuity determination and conversion, in its discretion, at the Recipient's Retirement, Termination of Employment, and/or Annuity Starting Date. Once such conversion is made, the Administrator will transfer such lump sum to an Account of its**~~

Page Number: Page 26 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

choosing in the Core Defined Contribution Plan or partly to an account in another defined contribution plan when so required by another plan administered by the Administrator. This Section B9.1(d)(ii) will not affect the amount of such Recipient's benefit or time of payment; merely the form of payment as a lump sum. Neither the Participant's nor Recipient's consent nor the consent of the Participant's or Recipient's Spouse will be required to pay such benefit in a lump sum make such conversion or transfer.

Add the following new Section B9.1(g) after Section B9.1(f) , effective January 1, 2007:

(g) Non-Revision. Once monthly benefits have first been paid, neither the form of payment nor the Spouse entitled to survivor payments may be changed by reason of a changed election, the death of a Spouse, or a divorce (except in accordance with an assignment of benefits to an Alternate Payee pursuant to a QDRO).

Amend Section B9.2(a) as follows:

- (i) the Participant's or Terminated Participant's ~~Accrued~~**Aggregate DB** Benefit exceeds **the amount specified in Section B9.1(d)**\$5,000 (as an Actuarially Equivalent lump sum), and the Participant or Terminated Participant fails to submit an accurately completed Application for Benefits to the Administrator within 60 days following ~~his or hersuch~~ **Early, Normal, or Late** Retirement Date (or, in the case of a Terminated Participant, his or her 62nd birthday), in which case the payment of his or her Early Retirement Benefit, Normal Retirement Benefit, or Late Retirement Benefit will be made in accordance with Section B9.2(b); or
- (ii) the Participant's or Terminated Participant's ~~Accrued~~**Aggregate DB** Benefit does not exceed **the amount specified in Section B9.1(d)**\$5,000 (as an Actuarially Equivalent lump sum),

Page Number: Page 27 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

in which case the payment of his or her Accrued Benefit will be made in accordance with Section B9.2(c).

Amend the first sentence of Section B9.2(c) as follows:

In the case of a Participant or Terminated Participant who qualifies for Early Retirement, Normal Retirement, or Late Retirement, except in the case of a Disabled Participant or a Disabled Terminated Participant, if, as of a Participant's or Terminated Participant's Early Retirement Date, Normal Retirement Date, or Late Retirement Date, or immediately after an Alternate Payee's benefit is segregated pursuant to a QDRO, such person's ~~Accrued~~ **Aggregate DB** Benefit does not exceed **the amount specified in Section B9.1(d), then such Aggregate DB Benefit will be administered as described in Section B9.1(d).** ~~\$5,000 (as an Actuarially Equivalent lump sum), the Administrator will distribute the entire amount of the Accrued Benefit in accordance with Section C8.2(a) as though it were an Account Balance as soon as administratively feasible.~~

Amend the last sentence of Section B9.2(d) as follows:

Such notice will be furnished not more than ~~90~~ **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.

Amend Section B9.4(d) as follows:

Notwithstanding the foregoing portions of this Section B9.4, except in the case of a distribution to a Disabled Participant or a Disabled Terminated Participant, if a Participant's or a Terminated

Page Number: Page 28 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Participant's ~~Accrued~~ **Aggregate DB Benefit does not exceed the amount specified in Section B9.1(d)** at the time of distribution ~~does not exceed \$5,000 (as an Actuarially Equivalent lump sum),~~ **then such Aggregate DB Benefit will be administered as described in Section B9.1(d)** ~~the entire amount of the Accrued Benefit will be distributed in accordance with Section B9.2(e)~~ as soon as administratively feasible. A Disabled Participant or a Disabled Terminated Participant must consent to such ~~distribution~~ **administration**, subject to the foregoing provisions of this Section B9.4.

Amend the last paragraph of Section C3.1 as follows, effective January 1, 2007:

After initially becoming a Participant on the Entry Date, an Eligible DC Employee must continue to meet the conditions in Sections C3.1(a), (b), and (c) above to remain a Participant eligible to receive Contributions. Although it will not prevent an Eligible DC Employee from participating in the Plan, the Administrator may require the Plan Sponsor of each Eligible DC Employee who is to become (or has become) a Participant (whether or not such Participant has an Accrued Benefit) to file an application for enrollment in the 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.

Amend Section C3.1(c)(ii) as follows:

LTD Plan Disabled (**but not a Terminated Participant**);

Add the following after Section C3.4(c):

(d) Transfer. A Participant who transfers from one Plan Sponsor to another (or who otherwise transfers under ¶¶ 346, 347, or 348 of the Discipline such that he or she was covered

Page Number: Page 29 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

under the Plan both before and after the transfer) without a Break in Service 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.

Amend the first sentence of Section C3.7 as follows, effective January 1, 2007:

Subject to the consent of his or her Plan Sponsor, a~~An~~ Part-Time Employee may elect voluntarily not to participate in the Plan by written notice to the Plan Sponsor ~~in advance of~~**not later than 60 days after** the effective date of such election, which may be made in any form acceptable to the Administrator.

Revise the initial partial paragraph of Section C4.1 as follows:

Each Plan Sponsor will contribute on behalf of each of its Participants who qualify under Sections C3.1 and C3.2 the amount of 3% of such Participant's Compensation for each payroll period. In the case of LTD Plan Disabled or STD Plan Disabled Participants, the Plan Sponsor will owe the 3% Contribution based on the Participant's rate of Compensation on the day before he or she became LTD Plan Disabled or STD Plan Disabled, **but increased as of each successive January 1 (provided that he or she was LTD Plan Disabled or STD Plan Disabled on the preceding July 1) by an imputed 3% per Plan Year for each Participant who remains LTD or STD Plan Disabled**, (to the extent permitted under Code §415(c)(2)(C)), whether or not the LTD or STD plan makes the Contributions, until the earliest of:

Revise the first sentence of Section C4.3 as follows, effective January 1, 2007:

Page Number: Page 30 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

If a Plan Sponsor delays in making a Non-Elective Contribution to the Plan on behalf of any Participant until after the Due Date specified in Section C4.2, then the Plan Sponsor will make such delayed Non-Elective Contribution to the Plan as soon as possible thereafter, along with ~~imputed~~ **missed** earnings on such delayed Non-Elective Contribution **in accordance with any applicable Internal Revenue Service correction program**, ~~based on a fixed rate of interest or on projected earnings as established by the Administrator from case to case or time to time~~, credited from the day after such Due Date until the Accounting Date such Non-Elective Contribution was actually credited to the Participant's Account.

Add the following to the end of Section C4.3:

If any 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 A4.6.

Amend Section C5.1(a) as follows, effective January 1, 2007:

Limitation. Notwithstanding any other provisions of the Plan (**except for this Section C5**), the amount of Annual Additions allocated to a Participant's Account for any Limitation Year will not exceed an amount equal to the **limit of Section C5.1(a)(i) below, as increased, if at all, by the provisions of Sections C5.1(a)(ii) and C5.1(a)(iii) below.** ~~lesser of:~~

(i) **Standard Limit. The limit of this Section C5.1(a)(i) is the lesser of:**

(A) ~~\$41,000~~ **\$45,000** (in ~~2004~~ **2007** or as indexed under Code §415(d) in later years); or

~~(B)(ii)~~ **100%** of the Participant's 415 Compensation for the Limitation Year;

Page Number: Page 31 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

reduced, in either case, by the amount of Annual Additions credited to the Participant's account for the Limitation Year under any other **Code §403(b)** defined contribution plan maintained by a Plan Sponsor or a 415 Affiliate.

(ii) \$3,000 Missionary Minimum. To the extent permitted under **Code §415(c)(7)** and **Regulations**, if the amount of Annual Additions allocated to a Participant's Account for any Limitation Year exceeds the limit of **Section C5.1(a)(i)** above, in the case of a Participant performing services outside of the United States for any entity that is controlled by or associated with The United Methodist Church or any autonomous affiliated church, such limit will be increased (if this **Section C5.1(a)(ii)** provides an increase) to **\$3,000**, provided that such Participant's adjusted gross income for such Limitation Year (determined separately and without regard to community property laws) does not exceed **\$17,000**. The foregoing provisions of this **Section C5.1(a)(ii)** do not apply to Missionaries, who are not eligible for this Program.

(iii) \$10,000 Minimum. To the extent permitted under **Code §415(c)(7)** and **Regulations**, if the amount of Annual Additions allocated to a Participant's Account for any Limitation Year exceeds the limit of **Section C5.1(a)(i)** above, as increased to the limit of **Section C5.1(a)(ii)** above (if such **Section** provides an increase), such limit will be increased to the lesser of:

(A) \$10,000 minus the limit of **Section C5.1(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)**.

Page Number: Page 32 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

This Section C5.1(a)(iii) will be applied, to the extent required under Code §415(c)(7) and Regulations, to the Participant's account for the Limitation Year under any other Code §403(b) defined contribution plan maintained by any entity controlled by or associated with The United Methodist Church within the meaning of Code §414(e)(3)(B)(ii).

Amend Section C5.1(c) as follows, effective January 1, 2008:

If the amount otherwise allocable to a Participant's Account, or with respect to a Participant in any other defined contribution plan described in Section C5.1(d), in a Limitation Year would exceed the limitation set forth in Section C5.1(a), 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 include, if permitted,** by the application of one or more of Sections C5.1(c)(i)-(v) in the following order to the extent necessary:

Amend Section C5.1(d) as follows, effective January 1, 2007:

For the purpose of this Section C5.1, 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. **If the limit of Section C5.1(a) is exceeded, Annual Additions must be limited, more than one plan is aggregated, and the provisions of Section C5.1(c) do not specify which plan's Annual Additions will be limited, then Annual Additions to a plan with a smaller amount of plan sponsor contributions will be limited before a plan with a larger amount.**

Add new Section C5.1(e) as follows, effective January 1, 2008:

Page Number: Page 33 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

(e) **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.

Amend Section C5.2(a) as follows, effective January 1, 2007:

Code §415(c)(23)(C),

Amend the next to last sentence of Section C7.2(b) as follows:

Such forfeited amounts will be **contributed to the Funding Pool of the Accountholder's Plan Sponsored by the Administrator to defray the administrative expenses of the Plan.**

Amend the last sentence of Section C7.2(c) as follows:

The Relinquished benefit will be **contributed to the Funding Pool of the Participant's Plan Sponsored by the Administrator to defray the administrative expenses of the Plan.**

Amend the first sentence of Section C8.1(b) as follows:

Except in the case of a Disabled Participant or a Disabled Terminated Participant and subject to Section C8.2(a), if the Accountholder's ~~Account Balance~~ **Aggregate Benefit does not exceed \$5,000 in this Plan** at the time of **the Accountholder's Retirement, Termination of Employment, and/or Annuity Starting Date, as determined by the Administrator** ~~distribution does not exceed \$5,000~~, the entire amount of the **Accountholder's** Vested Account Balance in the Plan will be distributed as a lump sum to the Accountholder as soon as administratively feasible.

Page Number: Page 34 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

Amend Section C8.2(a) as follows:

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 person's ~~Vested Account Balance~~ **Aggregate Benefit** does not exceed \$5,000, the entire amount of the **Accountholder's** Vested Account Balance will be distributed as a lump sum to the ~~appropriate~~ Accountholder as soon as administratively feasible. Notwithstanding the foregoing, ~~any amount~~ **if the portion of the Accountholder's Aggregate Benefit that is being distributed from this Program at one time is** in excess of \$1,000, ~~such distribution distributed to such Accountholder from this Program in accordance with this Section C8.2(a)~~ will be rolled over in accordance with Section C8.5(b) unless such Accountholder:

Amend the first sentence of Section C8.2(b) as follows:

A Participant with an **Aggregate Benefit** ~~Vested 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 C8.1(e) and C8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution under Section C8.2(e).

Amend the first sentence of Section C8.2(c) as follows:

Distribution at Termination of Employment. A Participant with an **Aggregate Benefit** ~~Vested Account Balance~~ that exceeds \$5,000:

Page Number: Page 35 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

- (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 C8.1(e) and C8.2(g)) or he or she will be deemed to have elected to postpone receiving his or her distribution until a **later date to be specified by the Participant that is** not later than the latest date determined under Section C8.2(f).

Amend the last sentence of Section C8.2(g) as follows:

Such notice will be furnished not more than ~~90~~ **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.

Amend the first sentence of Section C8.3(d)(i) as follows:

the Spouse consents in writing after the Participant's death, or had consented in writing before the Participant's death, witnessed in either case by a Plan Sponsor or Administrator representative or a notary public, to the Participant's designation of another Designated Beneficiary; **provided, however, that the Administrator need not solicit such a Spousal consent.**

Revise Section C8.3(d)(ii) as follows, effective January 1, 2007:

Page Number: Page 36 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

the Participant is legally separated from his or her Spouse or has been abandoned (within the meaning of local law) by his or her Spouse, and, in either case, the Participant has a court order to such effect ~~(and there is no QDRO that provides otherwise);~~

Revise Section C8.3(f) as follows, effective January 1, 2007:

Effect of Divorce. A Participant's divorce on or after January 1, 1998 will automatically revoke any Beneficiary designation in favor of the Participant's Spouse made before the divorce, unless:

~~(i) — a QDRO provides that the divorced former Spouse is to be treated as a Spouse for the purpose of receiving death benefits, or~~

~~(ii) — the Participant 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 in accordance with the provisions of this Section C8.3(f)(~~ii~~), benefits will be payable as though the former Spouse had predeceased the Participant.~~

Add the following to the end of Section C8.4(a)(i):

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.

Amend the first sentence of Section C8.4(d) as follows:

Except in the case of a Disabled Participant or a Disabled Terminated Participant, notwithstanding the provisions of Sections C8.4(a)-(c) to the contrary, if ~~the total Account Balance payable to an~~ Accountholder's or Designated Beneficiary's **Aggregate Benefit** at the time of distribution does not

Page Number: Page 37 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

Discipline Paragraph Number: 1504.1

Financial Implications: None

Agency Name: General Board of Pension and Health Benefits

exceed \$5,000, ~~the~~ **his or her** 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 C8.2(a).

Amend the second to last sentence of Section C8.5(a) as follows:

Such notice will be furnished not more than ~~90~~ **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.

Amend Section C8.5(b)(ii) as follows:

the Accountholder's ~~Account Balance~~ **Aggregate Benefit** does not exceed \$5,000; and

Amend the last sentence of Section C8.6(b) as follows:

The Administrator will ~~contribute~~ use such forfeitures to **the Funding Pool of the Plan Sponsor of the Accountholder referred to in Section C8.6(a) above** ~~defray the expenses of administering the Plan.~~

Amend the first sentence of Section S1.3.3 to add "B9.1(g)," to the list of Sections, effective January 1, 2007.

Page Number: Page 38 of 38

Suggested Title: Retirement Security Program for General Agencies/Technical Corrections

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SUBMITTED BY: Barbara A. Boigegrain, General Secretary

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Bishop Ben R. Chamness, Chairperson

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