

TITLE: Retirement Plans	NUMBER: B-5
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RETIREMENT PLANS

BACKGROUND:

The Parish provides a Defined Benefits Pension Plan for the clergy and a Defined Contribution Pension Plan for lay employees. Both of these plans are administered by the Episcopal Church. The Defined Benefits Plan for the clergy is mandatory and is covered by Sections 1.3 and 4, Title I, Canon 8 and Sections 5 and 1(h), Canon 16 of the National Church.

POLICY/PROCEDURE:

DEFINED BENEFITS PENSION PLAN FOR CLERGY

A member of the clergy is eligible to participate in the program upon ordination to the Diaconate. The Parish is assessed 18% of the clergy's total annual compensation. Normal retirement age is 65. When the clergy person retires, the pension is then calculated using a formula which utilizes the years of credited service and the years of highest annual compensation. The Church Pension Fund Handbook has more detailed information and is available in the Church Office.

DEFINED CONTRIBUTION PLAN FOR LAY EMPLOYEES

An employee becomes eligible for the program when:

- a. Age 21 is attained.
- b. One year of active full time service has been completed.
- c. One thousand (1,000) hours of continuous service has been completed.

The Parish is assessed 5% of the employee's basic salary. The employee has the option of making a personal contribution of 4%, which is matched by the Parish, bringing the total Parish contribution to 9%.

Total vesting is after 5 years' service; however, after one is accepted into the program the date of employment is used to calculate the time of vesting. This is automatically done by the administrators at the Diocesan level. This plan is portable if the employee transfers to another participating Parish and he/she is always vested in their personal contribution and its earnings. Participants receive a confidential statement of their account balance quarterly. At retirement, onset of disability, death, or leaving employment, the vested value of the plan account is payable to the employee or beneficiary as a lump sum, monthly, quarterly or annual payment.