

# **Retirement Compensation Arrangement for Canadian Members Member Resource Book**

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## INTRODUCTION

### A. Our Common Mission: Caring and Support.

The Christian Church (Disciples of Christ) Retirement Compensation Arrangement for Canadian Members ("RCA") is maintained and administered by a Board of Trustees, one half of whom are appointed by the Regional Assembly in Canada to represent the Members and one-half of whom are appointed by Pension Fund. The Board of Trustees has delegated responsibility for the day to day operations of the RCA to Pension Fund.

The RCA is designed to provide you a monthly pension benefit for your lifetime when you Retire or become Disabled, as well as for your Spouse upon your death. Unlike most traditional pension plans, however, the RCA also provides surviving children benefits, income replacement benefits, and educational benefits for eligible surviving children. The RCA is dedicated to taking care of you and your family during critical times of need.

### B. Caution.

The purpose of this Member Resource Book is to help you understand the pension and other benefits offered to you under the RCA. The RCA is the document that legally governs the terms and operations of the RCA and creates any rights for you or your beneficiary(ies). If there are any differences between this summary and the RCA, the RCA will control. Further details about the RCA are on file at Pension Fund.

**If you have any questions that are not answered by this summary, you may contact Pension Fund toll free at 866-495-7322 or by email at [pfcc1@pensionfund.org](mailto:pfcc1@pensionfund.org).**

**The RCA was originally established as a registered pension plan. The Board of Trustees requested the revocation of the RCA's registration effective January 1, 2008, and the RCA became a retirement compensation arrangement within the meaning of the Income Tax Act of Canada. The RCA was most recently restated on January 1, 2018.**

**Pension Fund of the Christian Church (Disciples of Christ), Inc. is a not-for-profit corporation organized under the laws of Indiana.**

## WHAT KEY DEFINITIONS DO I NEED TO KNOW?

Certain defined words and phrases are used in this summary. When the first letter of a word or phrase is capitalized, please refer to this section for its meaning.

***Accrued Age Pension Credits*** means the annual pension benefit you are entitled to receive at age 65, which is equal to your Total Compensation Base multiplied by .014966.

The amount of your ***Accrued Age Pension Credits*** will be increased by ***Special Apportionments***, if any.

***Active Member*** means a Member employed by an Employer for whom Dues are being paid. An Active Member does not include a Member receiving a Disability Benefit.

***Administrator*** means Pension Fund.

***Age Retirement Pension*** means the monthly pension benefit you are entitled to receive at age 65, which is equal to 1/12 of your ***Accrued Age Pension Credits***.

***Board of Trustees*** means the Board of Trustees for the RCA, one-half of whom are appointed by the Regional Assembly of the Disciples of Christ

in Canada and one-half of whom are approved by Pension Fund.

**Compensation Base** means the total cash salary you receive during a Plan Year, plus all housing and/or parsonage allowances, if any. If a parsonage is provided to a Minister, the Compensation Base also includes the greater of the fair rental value of such parsonage or 25% of your cash salary. Your Compensation Base during a leave required by statute with respect to maternity, parental, emergency, or compassionate care will be based on the annual rate of your Compensation Base immediately before the beginning of the leave.

You and/or your Employer must pay Dues on at least \$125 of Compensation Base per month.

For all purposes under the RCA, Pension Fund will determine your Compensation Base for any Plan Year by dividing the Dues paid by you or on your behalf for such Plan Year by 14%. This will reduce the Compensation Base that is considered in calculating your Accrued Age Pension Credits for Plan Years in which less than 14% Dues of 100% of your Compensation Base is paid. It will also reduce your Refundable Dues, Disability Benefit, and death benefit under the RCA.

**Disability or Disabled** means that you are unable to perform the material duties of your normal occupation as a direct result of an injury, or physical or mental disorder; provided, however, that after the first 24 months of receiving a Disability Benefit, Disability or Disabled means that you are unable to perform the material duties of any occupation, job, or work for which you are, or could reasonably become, suited by education, training, or experience.

Your normal occupation is the occupation, job or work that you performed immediately prior to the onset of your Disability.

**Disability Benefit** means the benefit payable to a Disabled Member equal to (1) multiplied by (2):

- (1) your Compensation Base on which Dues were paid, excluding any amount in excess of \$70,000, during the 12 month period immediately preceding the date of Disability; and
- (2) 60% for the first 12 months of Disability and 40% for each month of Disability thereafter.

For a Disability Benefit that began before July 15, 2017, and after December 31, 2007, substitute \$50,000 in paragraph (1). For a Disability Benefit that began before January 1, 2008, substitute \$40,000 in paragraph (1).

**Dues** means the contributions paid to Pension Fund by or on behalf of a Member in accordance with RCA terms.

**Early Age Retirement Pension** means the monthly pension you are entitled to receive at age 60 (but prior to age 65) equal to 1/12 of your Accrued Age Pension Credits, reduced by .6% of your Accrued Age Pension Credits multiplied by the number of full calendar months by which your date of Retirement precedes your 65<sup>th</sup> birthday.

**Employee** means any Minister or missionary of any Employer or other person employed by an Employer.

**Employer** means any of the Canadian entities, including congregations, colleges, agencies, units, and other organizations, which directly or indirectly serve the Christian Church (Disciples of Christ), any other church or affiliated entity that is part of the Stone-Campbell Restoration Movement, and any other organization which has been designated by the Board of Trustees as eligible to participate in the RCA for its Employees.

**Inactive Member** generally means a Member who has not Retired and for whom Dues are not currently being paid to the RCA.

**Married** or **Marriage** means with respect to a Member (i) a legally recognized marriage to a person who is not living separate and apart from the Member, or (ii) a relationship with a person of the opposite or same gender as the Member, who is not married to the Member but who is treated as the "spouse" or "same-sex partner" of the Member, as defined in the Family Law Act (Ontario), if applicable, or a similar applicable law of another Canadian province. A Marriage described in (ii) shall not be recognized for purposes of the RCA if there is also a Marriage described in (i), unless the Member has submitted to Pension Fund a written election to the contrary.

**Member** means an Employee or former Employee who is eligible or may become eligible to receive a benefit of any type under the RCA.

**Member Dues** means that portion of Dues paid to the RCA that is contributed by a Member in any Plan Year.

**Minister** means an ordained, commissioned, or licensed minister of the Christian Church (Disciples of Christ) with standing or an ordained, commissioned, or licensed minister of any church that is part of the Stone-Campbell Restoration Movement.

**Pension Fund** means Pension Fund of the Christian Church (Disciples of Christ), Inc.

**Plan Year** means the calendar year.

**RCA** means the Christian Church (Disciples of Christ) Retirement Compensation Arrangement for Canadian Members.

**Refundable Dues** means an amount equal to 3% of your Compensation Base on which Dues were paid.

**Retire** or **Retirement** means that you have reached at least age 60 and (i) have had a Severance from Employment, (ii) if you are a Minister, you have permanently severed

employment with the Employer for whom you were performing ministerial services with no anticipation of future service, or (iii) you and your Employer reasonably anticipate that the level of your *bona fide* services will permanently decrease to less than 50% of the average level of the *bona fide* services you performed over the immediately preceding 36 month period.

**Severance from Employment** means a complete termination of the employment relationship between the Employee and the Employer and any related employer with no anticipation of future service. For a Minister, this means the Minister has severed employment with his or her Employer and is no longer providing ministerial services to any Employer.

**Special Apportionment** means extra benefits that may be granted from time to time by the Board of Trustees, in its sole and absolute discretion, when investment experience and actuarial results exceed the amount necessary for the actuarial reserves. Special Apportionments, if any, are awarded in the form of increased Accrued Age Pension Credits equitably apportioned by the Board of Trustees among all Members, former Spouses entitled to benefits under the RCA, and beneficiaries receiving a Surviving Spouse Pension or a Full Orphan Pension.

**Spouse** means the person to whom you are Married as of the relevant date.

**Surviving Child** means a child under age 21 at the time of the Member's death who is:

- the natural born child of the Member or his or her Spouse or the legally adopted child of the Member, and
- for whom the Member has legal responsibility to support.

A stepchild is *not* a Surviving Child of a Member unless the child has been legally adopted by the Member.

**Total Compensation Base** means the sum of the

Compensation Base for each Plan Year on which Dues were paid by or on behalf of a Member. This amount is reduced for Plan Years in which less than 14% Dues of 100% of your Compensation Base is paid.

*Vested* or *Vesting* means that your interest in your benefits under the RCA is unconditional, legally enforceable, and nonforfeitable.

## **PARTICIPATION**

### **A. Eligibility.**

You will become a Member in the RCA in accordance with the terms and conditions set by your Employer. Generally, you are eligible to participate in the RCA the first day you perform services for your Employer as an Employee. You can also become a Member in the RCA if you are a Minister who is self-employed, so long as you are performing services in the exercise of your ministry.

**Ministers can be either employed by a church or self-employed. Most ministers are employees of a church. You should consult a tax advisor if you believe that you are self-employed. Your status is very important in determining your rights and responsibilities under the RCA.**

### **B. Notification and Forms.**

Participation in the RCA is voluntary. Your Employer will notify you when you are eligible to participate in the RCA. You must complete all forms required by Pension Fund to participate in the RCA, and you will not become a Member until Pension Fund receives both the completed forms and initial Dues.

## **REQUIRED DUES**

### **A. Full Dues.**

Full Dues are required on behalf of each Minister who is an Active Member in the RCA. Full Dues

are permitted, but not required, if you are not a Minister. Full Dues are equal to 14% of your Compensation Base. Full Dues may be paid in part by you and in part by your Employer, as determined by your Employer.

**Your Compensation Base means your total cash salary, and for Ministers, includes all housing or parsonage allowances.**

### **B. Partial Dues.**

If you are not a Minister and full Dues are not paid by you or on your behalf by your Employer, you and/or your Employer may pay partial Dues to the RCA. Partial Dues must equal at least 6% of your Compensation Base.

**IMPORTANT: Any Dues payment that is less than 14% of 100% of your Compensation Base will result in reduced Accrued Age Pension Credits, Refundable Dues, death benefits, and Disability Benefits. Only your Compensation Base on which Dues were paid is taken into account in calculating your benefits under the RCA. This is determined by dividing Dues paid by you or on your behalf by 14%.**

### **C. Member Dues.**

Dues paid by you, called Member Dues, may be deductible by you if they are required as a condition of employment and are less than the Dues paid by your Employer.

Member Dues must be remitted to the RCA within 15 business days following the end of the month in which the amount would otherwise have been paid to you by your Employer.

### **D. Dues for Ministers Awaiting Call.**

If you are a Minister not currently employed by an Employer, but you are recognized by the Christian Church (Disciples of Christ) as an active Minister and are eligible to resume service

when a suitable position becomes available, you will be permitted to contribute full Dues or partial Dues for a period of up to five years after your Severance from Employment. Your Compensation Base will be the Compensation Base in effect at the time of your Severance from Employment.

#### **E. Dues for Ministers Providing Ministerial Services.**

If you are a Minister who enters a temporary period of employment with an organization that is not an Employer, becomes self-employed in the exercise of your ministry, or ceases to serve an Employer, you may continue to participate as an Active Member in the RCA under the following circumstances:

- If you are serving a new organization in the exercise of your ministry, you and/or the organization on your behalf may pay full Dues or partial Dues to the RCA based on your ministerial income. Your Compensation Base shall be your ministerial income.
- If you are a self-employed Minister in the exercise of your ministry, you may pay full Dues or partial Dues based on your ministerial income. Your Compensation Base shall be your ministerial income.
- You may elect to pay no Dues for up to three months or until you are employed by an Employer, whichever is less, and continue to be treated as an Active Member.

#### **F. Dues Payment.**

Dues are required to be paid monthly, in advance, on the first day of the month.

#### **INACTIVE MEMBERSHIP**

Except as provided above with respect to Ministers, if you have a Severance from Employment, you will become an Inactive

Member. You cannot contribute Dues, or have Dues contributed on your behalf, to the RCA.

**If you are an Inactive Member, your Accrued Age Pension Credits will remain at the level of such credits at the time you became an Inactive Member, increased by Special Apportionments, if any, granted from time to time. Disability and death benefits (other than the Surviving Spouse Pension and Full Orphan Pension) are not payable during any period that you are an Inactive Member.**

#### **DEATH BENEFITS AND DISABILITY BENEFITS**

An amount equal to 3% of your Compensation Base will be deducted from Dues paid to Pension Fund and will be used to provide death benefits and Disability Benefits. Unless an Employer notifies Pension Fund in writing that a different order applies, Pension Fund will deduct the 3% from (i) Employer Dues, if any, and (ii) Member Dues, if any, in that order.

Disability Benefits and death benefits (other than the Surviving Spouse Pension and the Full Orphan Pension) are not payable during any period that you are an Inactive Member.

#### **ROLLOVER CONTRIBUTIONS**

Rollover contributions to the RCA are not permitted.

#### **VESTING**

You are always 100% Vested in your benefits under the RCA.

#### **RETROACTIVE PAYMENT OF BENEFITS**

Benefits are not payable from the RCA until you or your beneficiary apply for them. In no event will any benefit be paid before you or your beneficiary is entitled to such benefit, or for any period preceding the date on which you or your



beneficiary file an application for such benefits by more than three months.

## MEMBER PENSION BENEFITS

### A. Age Retirement Pension.

**Retirement at Age 65.** You may elect to begin an Age Retirement Pension:

- upon Retirement on or after you reach age 65, or
- if you previously had a Severance of Employment, when you reach age 65.

The amount of your Age Retirement Pension is based on the Total Compensation Base upon which Dues were paid to the RCA by you or on your behalf during your career. Your Total Compensation Base is multiplied by .014966 to calculate your Accrued Age Pension Credits.

Because your Compensation Base for a Plan Year will be determined by dividing Dues paid by you or on your behalf for the Plan Year by 14%, your Accrued Age Pension Credits will be reduced for any Plan Year in which less than 14% Dues of 100% of your Compensation Base is paid (see Example 2).

Accrued Age Pension Credits are divided by 12 to determine the monthly amount of your Age Retirement Pension.

**You will continue to earn Accrued Age Pension Credits if Dues are paid by you or on your behalf after you reach age 65 until your actual Retirement.**

Your Age Retirement Pension will be paid to you monthly for your life beginning on the later of the date of your Retirement or the date you reach age 65. You must file an application for benefits with Pension Fund to begin receiving benefits.

#### Example 1:

You Retire at age 65 after having worked for an Employer for 30 years. You earned \$42,500 a year and 14% Dues were paid on all of your Compensation, or \$178,500 in total Dues over 30 years [ $\$42,500 \times 14\% \times 30$ ]. Your Total Compensation Base is \$1,275,000 [ $\$178,500 \div 14\%$ ]. Your Accrued Age Pension Credits are:

$$\$1,275,000 \times .014966 = \underline{\$19,081.65}$$

**Your monthly Age Retirement Pension is \$1,590.14.**

#### Example 2:

Assume the same facts as in Example 1, except that 10% Dues were paid on all of your Compensation, or \$127,500 in total Dues over 30 years [ $\$42,500 \times 10\% \times 30$ ]. In this case, your Total Compensation Base is \$910,714.26 [ $\$127,500 \div 14\%$ ]. Your Accrued Age Pension Credits are:

$$\$910,714.26 \times .014966 = \underline{\$13,629.75}$$

**Your monthly Age Retirement Pension is \$1,135.81.**

**Working After Age 65.** If you continue to work after reaching age 65 and Dues are paid to the RCA by you or on your behalf until your Retirement, your Accrued Age Pension Credits as of your later date of Retirement will be increased by .5% for each full calendar month between the date you reach age 65 (or July 1, 2012, if later) and your date of Retirement (or the date you reach age 70, if earlier).

#### Example 3:

You Retire at age 70 after having worked for an Employer for 35 years. You earned \$42,500 a year and 14% Dues were paid on all of your Compensation, or \$208,250 in total Dues over 35 years [ $\$42,500 \times 14\% \times 35$ ]. Your Total Compensation Base is \$1,487,500 [ $\$208,250 \div 14\%$ ]. Your

Accrued Age Pension Credits *before* adjustment for service after age 65 are:

$$\$1,487,500 \times .014966 = \underline{\$22,261.93}$$

Your Accrued Age Pension Credits *after* adjustment for service after age 65 is:

$$\begin{array}{r} \$ 22,261.93 \\ 60 \text{ months} \times .005 \times \$22,261.93 = \\ + \underline{6,678.58} \\ \hline \$ 28,940.51 \end{array}$$

**Your monthly Age Retirement Pension is \$2,411.71.**

#### **Example 4:**

You Retire at age 72 after having worked for an Employer for 37 years. You earned \$42,500 a year and 14% Dues were paid on all of your Compensation, or \$220,150 in total Dues over 37 years [ $\$42,500 \times 14\% \times 37$ ]. Your Total Compensation Base is \$1,572,500 [ $\$220,150 \div 14\%$ ]. Your Accrued Age Pension Credits *before* adjustment for service after age 65 are:

$$\$1,572,500 \times .014966 = \underline{\$23,534.04}$$

Your Accrued Age Pension Credits *after* adjustment for service after age 65 and before age 70 are:

$$\begin{array}{r} \$ 23,534.04 \\ 60 \text{ months} \times .005 \times \$23,534.04 = \pm \\ \underline{7,060.21} \\ \hline \$ 30,594.25 \end{array}$$

**Your monthly Age Retirement Pension is \$2,549.52.**

This adjustment to the Accrued Age Pension Credits for service after age 65 will apply for purposes of calculating the Surviving Spouse Pension, but will not affect the amount of the Full Orphan Pension or Dependent Parent Pension.

#### **B. Early Age Retirement Pension.**

You may elect to begin an Early Age Retirement Pension:

- upon Retirement on or after you reach age 60 but before you reach age 65, or
- if you previously had a Severance from Employment, when you reach age 60 but before you reach age 65.

When you Retire early, your Accrued Age Pension Credits are reduced by .6% of your Accrued Age Pension Credits multiplied by the number of full calendar months by which your Retirement date precedes your 65<sup>th</sup> birthday.

Your Early Age Retirement Pension will be paid to you monthly for your life beginning on the later of the date of your Retirement or the date you reach age 60. You must file an application for benefits with Pension Fund to begin receiving benefits.

#### **Example 5:**

You Retire at age 60 after having worked for an Employer for 25 years. You earned \$42,500 a year and 14% Dues were paid on all of your Compensation, or \$148,750 in total Dues over 25 years [ $\$42,500 \times 14\% \times 25$ ]. Your Total Compensation Base is \$1,062,500 [ $\$148,750 \div 14\%$ ]. Your Accrued Age Pension Credits *before* adjustment for early Retirement are:

$$\$1,062,500 \times .014966 = \underline{\$15,901.38}$$

Your Accrued Age Pension Credits *after* adjustment for early Retirement are:

$$\begin{array}{r} \$15,901.38 \\ (60 \text{ months} \times .006 \times \$15,901.38) = \\ \underline{5,724.50} \\ \hline \$10,176.89 \end{array}$$

**Your monthly Age Retirement Pension is \$848.07.**

The election of an Early Age Retirement Pension will not affect the amount of the Surviving Spouse Pension, Full Orphan Pension, or Dependent Parent Pension.

### C. Housing Allowance.

If you are a Minister, you can request that a portion of your Age Retirement Pension or Early Age Retirement Pension be designated as housing allowance each year. Contact Pension Fund for more information.

### D. Special Apportionments.

Your Age Retirement Pension or Early Age Retirement Pension **may be increased** by Special Apportionments granted from time to time by the Board of Trustees, in its sole and absolute discretion, when investment experience and actuarial results exceed the amount necessary for the actuarial reserves under the RCA. Special Apportionments, if any, are awarded in the form of increased Accrued Age Pension Credits equitably apportioned among all Members, former Spouses entitled to benefits under the RCA, and beneficiaries receiving a Surviving Spouse Pension or a Full Orphan Pension.

#### Example 6:

Assume you have Accrued Age Pension Credits equal to \$19,081.65. The Board of Trustees declares a Special Apportionment equal to 2.5%. **This Special Apportionment increases your Accrued Age Pension Credits by \$477.04.**

## SURVIVING SPOUSE PENSION

A Surviving Spouse Pension will be paid to your Spouse upon your death. However, if you Married your Spouse *after* you began to receive an Age Retirement Pension, Early Age Retirement Pension, or Disability Benefit, you must have been Married for at least 12 months prior to your death for your Spouse to receive a Surviving Spouse Pension.

### A. Member's Death Before Benefits Begin.

If you die *before* you begin receiving an Age Retirement Pension or Early Age Retirement Pension, the Surviving Spouse Pension will be equal to 50% of your Accrued Age Pension Credits.

#### Example 7:

Assume the same facts as in Example 1, in which your monthly Age Retirement Pension is calculated to be \$1,590.14. **If you die before your benefits begin, your Spouse's monthly Surviving Spouse Pension will be \$795.07.**

If at your death you were an Active Member or were receiving a Disability Benefit, and Dues were paid each Plan Year on a Compensation Base of at least \$1,500, your Spouse will receive a Surviving Spouse Pension of at least \$4,800 per year.

### B. Member's Death After Benefits Begin.

If you die *after* you begin receiving an Age Retirement Pension or Early Age Retirement Pension, the Surviving Spouse Pension will be equal to 50% of your Age Retirement Pension (as if you had elected an Age Retirement Pension beginning at age 65, if you are receiving an Early Age Retirement Pension at the time of your death), unless you elected an optional form of benefit, as described below.

### C. Optional Form of Benefit.

You may elect an optional form of benefit under the RCA if you want your Spouse to receive a *higher* Surviving Spouse Pension in exchange for receipt of a *reduced* Age Retirement Pension during your lifetime. This election will apply only if you Retire on or after you reach age 65.

You may elect for your Spouse to receive a Surviving Spouse Pension equal to either 75% or 100% of your reduced Age Retirement Pension.

These optional forms of benefit will be the actuarial equivalent of an unreduced Age Retirement Pension and 50% Surviving Spouse Pension.

#### Example 8:

Assume the same facts as in Example 1, but you elect a 75% joint and survivor benefit as an optional form of benefit. You and your Spouse are the same age.

Instead of an Age Retirement Pension of \$1,590.14, **your reduced Age Retirement Pension is \$1,478.83.**

When you die, instead of a monthly Surviving Spouse Pension of \$795.07, **your Spouse's monthly Surviving Spouse Pension will be \$1,109.12.**

You may elect and/or cancel this election at any time before you begin your Age Retirement Pension. An election to receive an optional form of benefit is not available if you Retire before you reach age 65.

Spousal consent is required to elect an optional form of benefit. An election to receive an optional form of benefit is only effective with respect to the Spouse to whom you are Married at the time that the election is made and will not be in effect if your Spouse dies or you are no longer Married to your Spouse at the time of your Retirement.

If you are receiving a *reduced* Age Retirement Pension, and your Spouse with respect to whom this election applies dies or you are no longer Married to such Spouse, you may begin receiving an *unreduced* Age Retirement Pension after you give written notice to Pension Fund of such death or divorce or dissolution.

If you subsequently remarry (or enter into a common law relationship) and the Marriage took place at least 12 months prior to your death, your new Spouse will be entitled to a

Surviving Spouse Pension equal to 50% of your *unreduced* Age Retirement Pension.

The election of an optional form of benefit will not affect the amount of the Full Orphan Pension or the Dependent Parent Pension.

**Payment of Benefits.** The Surviving Spouse Pension will be paid to your Spouse monthly for his or her life beginning on the later of:

- the date of your death, if you die *before* you begin receiving an Age Retirement Pension or Early Age Retirement Pension, or
- the first day of the month after the date of your death, if you die *after* you begin receiving an Age Retirement Pension or Early Age Retirement Pension.

Your Spouse must file an application for benefits with Pension Fund to begin receiving benefits.

**Termination of Surviving Spouse Pension.** The Surviving Spouse Pension will stop upon your Spouse's death.

## DEATH BENEFITS

In addition to the Surviving Spouse Pension, the RCA offers the following immediate death benefits to your family:

Death Benefit	Beneficiary
<b>Surviving Child Pension</b>	Your Surviving Children until age 21
<b>Full Orphan Pension</b>	Your Surviving Children until age 21 (payable if you do not have a surviving Spouse)
<b>Surviving Child Educational Benefit</b>	Your Surviving Children until age 30 (if certain requirements are met)

Death Benefit	Beneficiary
<b>Dependent Parent Pension</b>	Your dependent parents (payable if you do not have a surviving Spouse or Surviving Children)
<b>Pensioner Death Benefit</b>	Your surviving Spouse or, if none, your designated beneficiary
<b>Salary Continuation Death Benefit</b>	Your surviving Spouse or, if none, your Surviving Children, or if none, your designated beneficiary
<b>Death Settlement</b>	Your designated beneficiary (payable if you do not have a surviving Spouse, Surviving Children, or a surviving dependent parent)

Each of these death benefits is more fully described below.

#### A. Surviving Child Pension.

If you die and you are an Active Member, or you were an Active Member at your Retirement, or you are receiving a Disability Benefit, then a Surviving Child Pension will be paid to each of your Surviving Children until the child reaches age 21. The amount of the Surviving Child Pension is \$6,000 per year. The Surviving Child Pension will be paid monthly beginning on the later of:

- the date of your death, if you die *before* you begin receiving an Age Retirement Pension or Early Age Retirement Pension, or
- the first day of the month after the date of your death, if you die *after* you begin receiving an Age Retirement Pension, or Early Age Retirement Pension.

Your Surviving Child or his or her legal guardian, must file an application for benefits with Pension Fund to begin receiving benefits.

**Example:** When you die, you have three Surviving Children. Each Surviving Child will receive a Surviving Child Pension equal to \$500 each month until he or she reaches age 21. When the youngest child reaches age 21, the Surviving Child Pension will stop.

#### B. Full Orphan Pension.

If you die and you do not have a surviving Spouse but you do have a Surviving Child or Surviving Children, a Full Orphan Pension will be paid until the youngest Surviving Child reaches age 21. The amount of the Full Orphan Pension will be the same as the amount of the Surviving Spouse Pension that would have been paid if you had been survived by a Spouse.

**Your Surviving Children are eligible for the Full Orphan Pension even if you are not an Active Member when you die or were not an Active Member at Retirement.**

**The Full Orphan Pension is payable in addition to the Surviving Child Pension.**

Each Surviving Child under age 21 will receive an equal share of the Full Orphan Pension. The Full Orphan Pension will be paid monthly beginning on the later of:

- the date of your death, if you die *before* you begin receiving an Age Retirement Pension or Early Age Retirement Pension, or
- the first day of the month after the date of your death, if you die *after* you begin receiving an Age Retirement Pension, or Early Age Retirement Pension.

Your Surviving Child or his or her legal guardian must file an application for benefits with Pension Fund to begin receiving benefits.

**Example:** Assume the Full Orphan Pension is \$15,000 per year, and you have two Surviving Children. Each Surviving Child will receive \$7,500 per year, plus a \$6,000 Surviving Child Pension. When the oldest Surviving Child reaches age 21, the youngest Surviving Child will begin to receive \$15,000 per year, plus the \$6,000 Surviving Child Pension, until age 21.

### **C. Surviving Child Educational Benefit.**

If you die and you are an Active Member, or you were an Active Member at your Retirement, or you are receiving a Disability Benefit, then each of your Surviving Children under age 21 at the time of your death is eligible for a Surviving Child Educational Benefit for the first four years of full-time attendance at an institution of higher education.

The maximum Surviving Child Educational Benefit is \$20,000. Typically, this benefit is paid in installments of \$5,000 for each year of study, but Pension Fund may pay installments greater than \$5,000 if the Surviving Child is enrolled in an accelerated course of study lasting less than four years.

The Surviving Child Educational Benefit is available to a Surviving Child until age 30 and is available only if full-time attendance at the institution of higher education begins before the Surviving Child reaches age 25.

Your Surviving Child or his or her legal guardian must file an application for benefits with Pension Fund to begin receiving benefits.

### **D. Dependent Parent Pension.**

If you die and you are an Active Member, or you were an Active Member at your Retirement, or you are receiving a Disability Benefit, and you are not Married and have no Surviving Children, then your dependent parent will be paid a Dependent Parent Pension for his or her lifetime.

Dependency will be determined by Pension Fund, in its sole and absolute discretion.

The amount of the Dependent Parent Pension will be the same as the amount of the Surviving Spouse Pension that would have been paid if you had been survived by a Spouse. If you have more than one dependent parent, the Dependent Parent Pension will be paid to the younger dependent parent and, upon the death of such parent, will be paid to the other dependent parent, if surviving. The Dependent Parent Pension will be paid to your dependent parent monthly for his or her life beginning on the later of:

- the date of your death, if you die *before* you begin receiving an Age Retirement Pension or Early Age Retirement Pension, or
- the first day of the month after the date of your death, if you die *after* you begin receiving an Age Retirement Pension, or Early Age Retirement Pension.

Your dependent parent must file an application for benefits with Pension Fund to begin receiving benefits.

### **E. Pensioner Death Benefit.**

If you were an Active Member at your Retirement and you are receiving an Age Retirement Pension or Early Age Retirement Pension when you die, then a Pensioner Death Benefit equal to *the lesser of*:

- \$10,000, or
- an amount equal to three times the annual amount of the Age Retirement Pension or Early Age Retirement Pension,

will be paid in a single lump sum to your surviving Spouse or, if none, to your designated beneficiary.

## F. Salary Continuation Death Benefit.

If you die and you are an Active Member or you are receiving a Disability Benefit, then a Salary Continuation Death Benefit will be paid in the following amount:

- If you are younger than age 60 at the time of your death, the Salary Continuation Death Benefit is 300% of your annual Compensation Base, up to a maximum of \$50,000.
- If you are age 60 or older at the time of your death, the Salary Continuation Death Benefit is 200% of your annual Compensation Base, up to a maximum of \$30,000.

Annual Compensation Base for this purpose is the Compensation Base upon which Dues were paid for the 12 month period immediately preceding your death. However, if you are receiving a Disability Benefit at the time of your death, annual Compensation Base means the Compensation Base used to determine your Disability Benefit.

The Salary Continuation Death Benefit will be paid in a single lump sum to your surviving Spouse, or, if none, to your Surviving Child or Children, or, if none, to your designated beneficiary.

**IMPORTANT:** A Salary Continuation Death Benefit will be paid only if you die *before* you begin receiving an Age Retirement Pension or Early Age Retirement Pension.

## G. Death Settlement of Member Dues.

If you die without a surviving Spouse, Surviving Child or Children, or dependent parent, and you have not received distributions from the RCA in an amount at least equal to the Member Dues you paid to the RCA, then an amount at least equal to your Member Dues (less the amount paid for Death Benefits and Disability Benefits, unless paid by the Employer), plus interest as

determined by Pension Fund, will be paid to your designated beneficiary in a single lump sum payment.

## DISABILITY BENEFITS

### A. Total Disability.

If you are an Active Member and you become Disabled, you will be entitled to a Disability Benefit following the completion of a 60 consecutive day period of Disability beginning on your first day of Disability.

**You must file an application with Pension Fund requesting a Disability Benefit. Your Disability Benefit will not be paid for any period preceding the date on which you file the application by more than six months.**

A Disability Benefit will *not* be paid in any of the following circumstances:

- The RCA will not pay a Disability Benefit unless Dues were paid to the RCA by you or on your behalf during the 12-month period immediately preceding the date of Disability.
- The RCA will not pay a Disability Benefit if the Disability results from intentionally self-inflicted injuries; participation in riot, war (declared or undeclared) or any act of war; or participation in a crime under the Criminal Code of Canada for which you were convicted regardless of whether the court has granted an absolute or conditional discharge.
- If your occupation, job, or work requires you to maintain a professional occupation license or certification, or if you are a Minister, the RCA will not pay a Disability Benefit if you lose your professional occupational license or certification or if you lose standing or recognition as a Minister prior to your date of Disability.

## B. Amount of Disability Benefit.

Your Disability Benefit is your Compensation Base on which Dues were paid, excluding any amount in excess of \$70,000, during the 12 month period immediately preceding the date of Disability multiplied by:

- 60% for the first 12 months of Disability, and
- 40% for each month of Disability thereafter.

**Example:** If your Compensation Base for the 12 month period preceding your Disability was \$30,000 when you are determined to be Disabled, your Disability Benefit for the first 12 months would be \$18,000. Thereafter, your Disability Benefit would be \$12,000.

No Special Apportionment will be credited to a Disability Benefit. On an annual basis, beginning with your third year of receiving a Disability Benefit, the amount of your Disability Benefit will be increased to reflect the most recent calendar year percentage increase in consumer price index (all items Canada).

## C. Termination of Disability Benefits.

Your Disability Benefit will terminate upon the occurrence of any of the following events:

- You are no longer Disabled.
- You reach age 65, if the Disability Benefit begins before you are age 61 (effective April 1, 2015, if the Disability Benefit begins before you are age 62).
- You receive a Disability Benefit for 48 months, if the Disability Benefit begins before April 1, 2015, and you are age 61 or older when it begins.
- For the number of years outlined in the following chart, if the Disability Benefit begins

on or after April 1, 2015, and you are age 62 or older when it begins:

Age at which Disability Benefits Begin	Number of Years of Disability Benefits
62	3.5 years
63	3 years
64	2.5 years
65	2 years
66	1.75 years
67	1.5 years
68	1.25 years
69 or older	1 year

- You elect to begin to receive an Age Retirement Pension or Early Age Retirement Pension in lieu of a Disability Benefit.
- You die.

## D. Partial Disability.

If, following the beginning of a Disability Benefit, you partially recover and return to work, your Disability Benefit will continue so long as you are unable due to your Disability to work more than 20% of the normal work schedule you had worked prior to becoming Disabled. For example, if your normal work schedule had been 40 hours per week, you will continue to receive a Disability Benefit so long as you are unable, because of your Disability, to work more than 8 hours per week.

If, following the beginning of your Disability Benefit, you partially recover and return to work, Pension Fund may at its sole and absolute discretion continue your Disability Benefit at a reduced percentage if you are able to work more than 20% but less than 80% of the normal work schedule you had prior to becoming Disabled. For example, if you are able to work 30% of your normal work schedule, then you will receive 70% of your Disability Benefit.



If you are able to work 80% or more of the normal work schedule you had prior to becoming Disabled, your Disability Benefit will terminate.

The determination of the percentage of the normal work schedule that you are able to work will be determined by Pension Fund, in its sole and absolute discretion.

**While you are receiving a Disability Benefit, Dues will be waived and your Accrued Age Pension Credits will be increased as if Dues were paid on the Compensation Base used to determine the amount of your Disability Benefit.**

#### **E. Determination of Disability.**

Pension Fund will make a determination of Disability based on objective medical evidence provided by one or more qualified health care providers. The Disability must be certified by a qualified health care provider selected by Pension Fund. Pension Fund has the right to periodically ask you for proof of your continuing Disability and a statement of the amount and source of earnings, if any. Failure to timely comply with any such requests for information or medical review requirements will result in termination of your Disability Benefit.

Pension Fund has sole authority and responsibility for determining if you are Disabled under the RCA, and its decision will be final. After a Disability Benefit has been terminated, you must resume employment with an Employer and full or partial Dues must be paid to the RCA to continue participation in the RCA.

#### **MODIFIED COVERAGE - PROTECTION FOR DELAYED ENTRY INTO RCA**

Your death benefits and Disability Benefits under the RCA will be modified if either:

- Dues are not paid on your behalf within the two year period following the date you are

first employed by an Employer as an Employee; or

- you are an Inactive Member who again becomes an Active Member.

Your modified death benefits and Disability benefits are as follows:

<b>Completed Years of Membership</b>	<b>Maximum Percentage of Benefits Provided</b>
1	50%
2 or more	100%

A Year of Membership for this purpose means that Dues were paid on your behalf for a 12 month period beginning on the date Dues commence and each anniversary thereafter. However, a Year of Membership will also include a year of participation in a retirement plan sponsored by your Employer to which your Employer made employer contributions on your behalf and which participation immediately preceded membership in the RCA.

Your Age Retirement Pension, Early Age Retirement Pension, and Surviving Spouse Pension are *not* reduced under this Section.

#### **LOANS**

Loans are not available under the RCA.

#### **OTHER DISTRIBUTIONS**

##### **A. In-Service Distributions.**

In-service distributions are not available under the RCA.

##### **B. Refunds Upon Severance of Employment.**

If you have a Severance from Employment and you are not yet eligible to begin your Early Age Retirement Pension, you may elect to receive a refund of your Refundable Dues plus interest as determined by Pension Fund. The portion of

your Accrued Age Pension Credits attributable to such refund will be cancelled. Spousal consent is required to make this election.

**IMPORTANT:** An election to receive a refund of Refundable Dues is no longer available once you are eligible to begin your Early Age Retirement Pension.

### **C. Cash-out of Small Amounts.**

If you have a Severance from Employment and the present value of your Accrued Age Pension Credits (without regard to any refund of Refundable Dues, if applicable) does not exceed \$5,000, Pension Fund may pay the present value of your benefit to you in a single lump sum as soon as administratively practicable after Severance from Employment.

If you die before you begin to receive an Age Retirement Pension or Early Age Retirement Pension and the present value of 50% of your Accrued Age Pension Credits does not exceed \$5,000, the RCA may pay the present value of the Surviving Spouse Pension to your Spouse in a single lump sum as soon as administratively practicable after your death.

### **D. Beneficiaries.**

Most death benefits under the RCA are paid to the person or persons dictated by the terms of the RCA, and you cannot choose the beneficiary. However, you may designate on the form provided by Pension Fund one or more primary and contingent beneficiaries to receive the following benefits, if you are otherwise entitled to the benefit:

- A Salary Continuation Death Benefit, if you die without a surviving Spouse or a Surviving Child or Children.
- A Pensioner Death Benefit, if you die without a surviving Spouse.

- A Death Settlement, if you die without a surviving Spouse, Surviving Child or Children, or dependent parent.

Your beneficiary may be a person, institution, trustee, trust, tax-exempt charitable religious organization, or estate.

**IMPORTANT: You should keep a current beneficiary designation form on file with Pension Fund.**

You may revoke or change your beneficiary designation by completing a new beneficiary designation form and giving your completed form to Pension Fund.

## **ADMINISTRATION OF THE RCA**

The Board of Trustees has the authority to control and manage the operation and administration of the RCA. Benefits under the RCA will be paid only if the Board of Trustees, in its sole and absolute discretion, decides that the applicant is entitled to them.

The Board of Trustees has the power and authority to determine all questions of law or fact that may arise as to eligibility, benefits, status and rights of any person claiming benefits or rights under the RCA, to construe and interpret the RCA consistent with applicable law, and to correct any defect, supply any omissions, or reconcile any inconsistencies in the RCA.

## **NON-ASSIGNABILITY AND NON-COMMUTABILITY OF BENEFITS AND BREAKDOWN OF MARRIAGE**

### **A. Non-assignability and Non-Commutability of Benefits.**

Except as discussed below, your benefit under the RCA, prior to your actual receipt, will not be subject to any debt, liability, contract, engagement, or tort, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge,

charge, attachment, garnishment, execution, alienation, or other legal or equitable process.

#### **B. Breakdown of Marriage.**

If the Board of Trustees receives a valid order from a court or written domestic contract requiring division of your benefits due to a breakdown of Marriage or dissolution of the union the division of your benefits will be made in accordance with the provisions of the order or contract, as applicable, and, in accordance with applicable law, as determined in the sole discretion of the Board of Trustees.

### **AMENDMENT OR TERMINATION OF RCA**

It is expected that the RCA will continue indefinitely, but the Board of Trustees has reserved the right to change, modify, or discontinue the RCA at any time. All changes (except benefit increases and amendments required to comply with changes in applicable laws) are subject to ratification of the General Board of the Regional Assembly of the Christian Church (Disciples of Christ). Benefit increases may be made in the sole discretion of the Board of Trustees.

### **WHAT GENERAL INFORMATION ABOUT THE RCA SHOULD I KNOW?**

#### **A. Name of the Plan.**

The legal name of the RCA is the "Christian Church (Disciples of Christ) Retirement Compensation Arrangement for Canadian Members."

#### **B. Type of Plan.**

The RCA was initially registered with the Canada Revenue Agency and the Financial Services Commission of Ontario as a registered pension plan. The registration was revoked at the request of the Board of Trustees as of January 1, 2008, and simultaneously became a "retirement compensation arrangement" within the meaning of the Income Tax Act of Canada.

#### **C. Effective Date.**

The RCA was most recently amended and restated in its entirety effective January 1, 2018.

#### **D. Administrator.**

The Board of Trustees has delegated administration of the RCA to:

Pension Fund of the Christian Church  
(Disciples of Christ)  
1099 North Meridian Street  
Suite 700  
Indianapolis, IN 46204

#### **E. Plan Year.**

Records of the RCA generally are maintained on the 12-month period from January 1 to December 31.

#### **F. Source of Financing.**

The RCA is funded through contributions made by you and your Employer in the form of Dues in accordance with the RCA terms. Special Apportionments may also be awarded.