



Pension Fund

of the Christian Church

*strong. smart. secure.*

# **TAX-DEFERRED RETIREMENT ACCOUNT- 403(B) MEMBER RESOURCE BOOK**



A benefit under the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ) ("DCRA")

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## INTRODUCTION

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

Pension Fund of the Christian Church (Disciples of Christ) was established by the Christian Church to provide retirement, disability, death, and other benefits to ministers, missionaries, and lay persons in service of the church. As part of this mission, Pension Fund maintains the Tax-Deferred Retirement Account of the Pension Fund of the Christian Church (Disciples of Christ) ("TDRA").

Your Employer helps you to build a reserve for retirement by allowing you to contribute part of your Compensation to a 403(b) account under the TDRA on a pre-tax basis and/or, beginning January 1, 2022, on an after-tax Roth basis. Your Employer may also make an Employer Contribution on your behalf. Your Pre-Tax Contributions, Roth Contributions, Employer Contributions, and any Rollover Contributions to your 403(b) account, and the earnings on these contributions, determine your retirement benefits under the TDRA.

### B. Caution.

The purpose of this Member Resource Book is to help you understand the 403(b) accounts offered to you under the TDRA. The TDRA is the document that legally governs the terms and operations of the plan and creates any rights for you or your beneficiary(ies). If there are any differences between this summary and the TDRA, the TDRA will control. Further details about the TDRA 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).**

**Pension Fund of the Christian Church (Disciples of Christ), Inc. is a not-for-profit corporation organized under the laws of Indiana. The TDRA is a benefit under the Defined Retirement Contribution Accounts of the Pension Fund of the Christian Church (Disciples of Christ), which was most recently restated effective January 1, 2022.**

## 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.

**Account Balance** means the balance in all Accounts maintained for you which reflects the aggregate amount credited or debited from your Accounts, including the interest credited and any transfers and/or distributions.

**Accounts** means the separate accounts maintained for you to reflect your benefit in the TDRA, including your Pre-Tax Contribution Account, Roth Contribution Account, Employer Contribution Account, and Rollover Contribution Account (including a Roth Rollover Contribution Account).

**Administrator** means Pension Fund.

**Alternate Payee** means an individual who has a right to a benefit under the terms of a qualified domestic relations order.

**Board** means the Board of Directors of Pension Fund.

**Code** means the Internal Revenue Code of 1986, as amended from time to time.

**Compensation** means the amount paid by the Employer to an Employee in a Plan Year that is reported as wages for federal income tax purposes, but including any Pre-Tax Contributions or other elective deferrals excludable from taxable income under Code

Sections 125, 401(k), 457(b), 132(f), or 403(b). In the case of a self-employed Minister, Compensation means the Minister's earned income, but without regard to any exclusion under Code Section 911, from the exercise of his or her ministry. Federal law may limit the amount of Compensation that can be taken into account under the TDRA each Plan Year, which limit is \$305,000 for 2022, adjusted thereafter for cost-of-living increases.

**Disabled** means (i) if you are also a member in the Pension Plan, the meaning of disabled under the Pension Plan, or (ii) for any other Member, an inability 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.

**Elective Contributions** means Pre-Tax Contributions and/or, beginning on or after January 1, 2022, Roth Contributions.

**Employee** means any Minister or any common law employee of an Employer employed in a job classification that the Employer has designated as eligible to participate in the TDRA.

**Employer** means all of the entities which directly or indirectly serve the Christian Church (Disciples of Christ), any other church or affiliated entity that is part of the Stone-Campbell Movement, and any other organization which has been designated by Pension Fund as eligible to participate in the TDRA for its Employees. An Employer also includes any other organization if a Minister provides services to the organization in connection with the exercise of his or her ministry, and self-employed Ministers who contribute to the TDRA.

**Employer Contribution** means a contribution made to the TDRA by the Employer on behalf of an Employee.

**Good Experience Credit** means the additional interest that may be credited to an Account by the Board in its sole discretion, from time to

time and when investment experience and actuarial results allow, to increase the base interest rate. Each Account of the Member is credited to reflect any Good Experience Credit; provided, however, that any Member who is receiving an annuity form of benefit under the TDRA is not eligible for a Good Experience Credit.

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

**Minister** means a credentialed minister of the Christian Church (Disciples of Christ) with standing (at the time that Dues are made to the Plan on your behalf) or a credentialed minister of any church that is part of the Stone-Campbell movement.

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

**Plan Year** means the calendar year.

**Pre-Tax Contribution** means a contribution made to the TDRA by the Employer on a pre-tax basis at the election of the Member on a Salary Contribution Agreement.

**Rollover Contribution** means an amount you rollover into your Account under the TDRA from another eligible retirement plan.

**Roth Contribution** means a contribution made to the TDRA by the Employer on an after-tax Roth basis at the election of the Member on a Salary Contribution Agreement. Roth Contributions may be made to the TDRA beginning January 1, 2022.

**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.

**Special Apportionment** means extra benefits that may be granted from time to time by the Board, in its sole discretion, when investment

experience and actuarial results exceed the amount necessary for the actuarial reserves. Special Apportionments, if any, are equally apportioned by the Board among all Members who are receiving annuity benefits under the TDRA only.

**Spouse** means the person to whom the Member is married where the marriage is legally recognized under the law of any State, including the law of Puerto Rico.

**TDRA** means the Tax-Deferred Retirement Account of the Pension Fund of the Christian Church (Disciples of Christ), which is a benefit under the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ).

**Trust** means the trust created under the Trust Agreement for the 403(b)(9) Accounts under the Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ).

**USERRA** means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.

**Vested** or **Vesting** means that your interest in your Accounts is unconditional, legally enforceable, and nonforfeitable

## **PARTICIPATION**

### **A. Eligibility.**

You will become a Member in the TDRA in accordance with the terms and conditions set by your Employer. Generally, you are eligible to participate in the TDRA the first day you perform services for your Employer as an Employee. You can also become a Member in the TDRA 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 TDRA.**

To begin making Elective Contributions to an Account, you must complete and return a Salary Contribution Agreement to your Employer. Your election on your Salary Contribution Agreement will be effective as soon as administratively practicable after the date specified in your Agreement or, if later, the date that your Agreement is received by your Employer. An election to make Roth Contributions may not be effective before January 1, 2022.

Your Employer may make Employer Contributions to an Account on your behalf, effective as of the date determined by your Employer.

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

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

### **C. End of Participation.**

You will cease to be a Member when your entire Account under the TDRA is distributed.

## **CONTRIBUTIONS**

### **A. Elective Contributions.**

You may elect to make Elective Contributions of a specified whole dollar amount or percentage from your Compensation each pay period. Your Elective Contributions may be in the form of Pre-Tax Contributions or, beginning January 1, 2022, Roth Contributions. Your Elective Contributions will reduce the Compensation that would otherwise be paid to

you. Pension Fund may establish a minimum amount of Elective Contributions that must be elected in order to participate in the TDRA.

Your Pre-Tax Contributions are allocated to your Pre-Tax Contribution Account and your Roth Contributions are allocated to your Roth Contribution Account.

**Tax Treatment of Pre-Tax Contributions.** The portion of your Compensation that you contribute to the TDRA as a Pre-Tax Contribution is not subject to federal or state income tax in the year of the contribution, but (except with respect to Ministers) it is subject to Social Security and Medicare taxes. Distributions of Pre-Tax Contributions and related earnings are generally taxable for income tax purposes when distributed from the TDRA. See **General Taxation of Distributions** on page 10.

**Example:** Assume your Compensation for the year is \$25,000 and you elect to make Pre-Tax Contributions equal to 6% of your Compensation each pay period, or \$1,500 (6% x \$25,000 = \$1,500) for the year.

Total Compensation:	\$25,000
Less Pre-Tax Contributions:	\$ 1,500
W-2 Income (for income taxes):	\$23,500

**Tax Treatment of Roth Contributions.** Unlike Pre-Tax Contributions, the portion of your Compensation that you contribute to the TDRA as a Roth Contribution is includible in income for both income and Social Security and Medicare tax purposes in the year of the contribution. However, you will not owe income taxes on Roth Contributions when they are distributed to you in a subsequent year. You also will not owe income taxes on the related earnings, as long as the distribution is a qualified distribution. See **General Taxation of Distributions** on page 10.

**Changing or Discontinuing Your Elective Contributions.** You may change or discontinue your election to make Elective Contributions by completing a new Salary

Contribution Agreement at any time. Your election will be effective as soon as administratively practicable after the date specified in your Agreement or, if later, the date that your Agreement is received by your Employer. Requests to change or discontinue Elective Contributions cannot be made retroactively.

## B. Elective Contribution Limits.

**General Dollar Limit.** Federal law limits the amount of Elective Contributions (both Pre-Tax Contributions and Roth Contributions, added together) you may make to the TDRA and to all other 403(b) plans and 401(k) plans in which you participate each year. For 2022, the general dollar limit is \$20,500. The IRS adjusts the Elective Contribution limit periodically for increases in the cost-of-living. Contact Pension Fund for information on limit increases after 2022.

**Age 50 Catch-Up.** If you have elected to make the maximum Elective Contributions under the general dollar limit for a year (\$20,500 for 2022) and you have reached age 50 (or will reach age 50 by the end of the calendar year), you may elect to make a catch-up Elective Contribution for the Plan Year up to a specified dollar limit. For 2022, the age 50 catch-up limit is \$6,500. The IRS adjusts the age 50 catch-up limit periodically for increases in the cost-of-living. Contact Pension Fund for information on limit increases after 2022.

The age 50 catch-up limit applies to all 403(b) and 401(k) plans in which you participate. The catch-up contribution you can make to the TDRA may be reduced or limited by the amount of catch-up contributions that you make in the same calendar year to a plan sponsored by another employer. Contact Pension Fund for more information.

**Example:** Assume you are a 54-year-old Minister and your Compensation for the year is \$30,000 plus a housing allowance of \$10,000. You want to maximize your contributions. You could elect to make Pre-

Tax Contributions of up to \$27,000 to the TDRA in 2022 (\$20,500 plus \$6,500 age 50 catch-up).

**Excess Elective Contributions.** If your Elective Contributions (both Pre-Tax Contributions and Roth Contributions, added together) made to the TDRA plus your salary deferrals to any other defined contribution retirement plan exceed the applicable contribution limit, you must notify Pension Fund no later than March 15 following the year in which the excess Elective Contributions were made. Pension Fund will then distribute the excess plus earnings to you by April 15 of that year.

**WARNING: Member dues paid on a pre-tax basis to the Pension Plan must be aggregated with your Elective Contributions to the TDRA in applying the applicable limits. Employer dues and member dues paid on an after-tax basis are not aggregated with your Elective Contributions to the TDRA in applying the applicable limits.**

### C. Employer Contributions.

If you are eligible for Employer Contributions, your Employer will make Employer Contributions on your behalf each Plan Year equal to a specified dollar amount or percentage of your Compensation as determined by your Employer.

**Example 1:** Assume your Compensation is \$40,000, and you do not choose to make Elective Contributions to the TDRA. Your Employer has agreed to make an Employer Contribution to the TDRA equal to 10% of your Compensation, or \$4,000 ( $10\% \times \$40,000 = \$4,000$ ) for the year.

**Example 2:** Assume the same facts as in Example 1, but in addition you choose to make Roth Contributions equal to 5% of your

Compensation, or \$2,000 ( $5\% \times \$40,000 = \$2,000$ ), for the year.

Your Employer will also make an Employer Contribution equal to 10% of your Compensation each pay period, or \$4,000 ( $10\% \times \$40,000 = \$4,000$ ) for the year.

Total contributions to the TDRA on your behalf will equal \$6,000 for the year.

Employer Contributions made on your behalf are allocated to your Employer Contribution Account.

### D. Rollover Contributions.

You may request to make a Rollover Contribution to the TDRA of a distribution from an "eligible retirement plan." For this purpose, an eligible retirement plan is any of the following types of plans:

- 401(a) (including a 401(k) plan) or 403(a) qualified plan,
- 403(b) plan,
- 457(b) plan of a governmental entity, or
- eligible individual retirement account or annuity (IRA)

Beginning January 1, 2022, you may request to make a Rollover Contribution to the TDRA of a distribution from an after-tax Roth account under a 401(k) plan, a 403(b) plan, or a governmental 457(b) plan (a "Roth Rollover Contribution").

A Rollover Contribution can be made to the TDRA in the form of a *direct rollover* or *indirect rollover*.

- A direct rollover is made directly from the trustee or custodian of the eligible retirement plan (except for an IRA) to Pension Fund. A Roth Rollover Contribution may only be made to the TDRA in the form of a direct rollover.

- An indirect rollover is a Rollover Contribution of a distribution you already received from an eligible retirement plan, including an IRA, that is made within 60 days after the date you received the distribution. You may be eligible to make an indirect rollover from an eligible retirement plan or IRA *after* the 60-day deadline if you submit a Certification for Late Rollover Contribution Form to Pension Fund certifying that the reason for the late contribution qualifies you for a waiver of the 60-day deadline.

Pension Fund must determine that the rollover satisfies all applicable requirements of the Code.

**A Rollover Contribution to the TDRA can help you consolidate your retirement accounts and/or IRAs in one retirement plan, so that you have less to manage.**

A Rollover Contribution will be allocated to your Rollover Contribution Account. A Roth Rollover Contribution will be maintained separately in a Roth Rollover Contribution Account.

## **LIMITATIONS ON CONTRIBUTIONS AND OTHER ADDITIONS**

### **A. General Limit.**

Federal law limits the total amount of contributions that may be contributed to the TDRA on your behalf each year. The total amount contributed cannot exceed the lesser of 100% of your compensation for the year or, for 2022, \$61,000. The IRS adjusts the contribution limit periodically for increases in the cost-of-living. Contact Pension Fund for information on limit increases after 2022.

The total contribution limit takes into account both your Elective Contributions and Employer Contributions (but not your Rollover Contributions). However, age 50 catch-up contributions are not taken into account in

applying this limit.

### **B. Special Limits.**

If you are employed by an Employer that is a church or a related organization, then the general limit on total contributions will not be treated as exceeded if the contributions to the TDRA on your behalf do not exceed \$10,000 for a Plan Year, or \$40,000 for your lifetime. In other words, contributions are not limited by your Compensation for the year under this special limit.

If you are employed by an Employer that is a church or a related organization, you are performing services outside of the United States, and your adjusted gross income is equal to or less than \$17,000, then the general limit on total contributions will not be treated as exceeded if the contributions to the TDRA on your behalf do not exceed \$3,000 for a Plan Year.

## **VESTING**

You are always 100% Vested in your Accounts under the TDRA, unless your Employer has adopted a Vesting schedule in its Participation Agreement with Pension Fund. Contact Pension Fund or your Employer for more information.

## **INVESTMENTS**

### **A. Exclusive Benefit.**

It will be impossible, prior to the satisfaction of all liabilities with respect to the Members and their beneficiaries, for any part of the assets and income of an Account to be used for, or diverted to, purposes other than for the exclusive benefit of the Members and their beneficiaries.

### **B. Earnings Rate.**

Each Account will be credited with a base interest rate determined by Pension Fund and a Good Experience Credit, if any, designated from time to time by the Board.

The base interest rate is determined by Pension Fund for the six-month period beginning on January 1 and on July 1, prior to the start of that period. The base interest rate is credited at the end of each calendar quarter, and is compounded daily. Pension Fund has adopted policies which utilize indices based upon average short and intermediate term fixed income investment rates to guide decisions in establishing the base interest rate. By policy, the base interest rate may not be lower than 3.0% nor greater than 6.0%.

Because the TDRA is subject to market risk, the Board has enacted policies governing the maintenance of reserves which it deems adequate to protect against periodic market fluctuations. Funds in excess of the established reserve policy are available for Good Experience Credit allocation at the discretion of the Board.

If a Good Experience Credit is declared by the Board, the Good Experience Credit is calculated on the average daily balance of the Account for the period October 1 through September 30 and credited before the end of that year.

Accounts closed on or before September 30 of the year are not eligible for a Good Experience Credit. Because Accounts that are being paid in an annuity form of benefit are eligible for Special Apportionments, they are not eligible for a Good Experience Credit.

<b>10-Year History of Base Interest Rate and Good Experience Credits</b>			
<b>Year Paid</b>	<b>Base Interest Rate</b>	<b>Good Experience Credit*</b>	<b>Annualized Returns**</b>
2012	3.00%	0.00%	<b>3.05%</b>
2013	3.25%	3.40%	<b>6.72%</b>
2014	3.50%	8.50%	<b>12.05%</b>
2015	3.50%	3.50%	<b>7.01%</b>
2016	3.50%	0.00%	<b>3.56%</b>
2017	3.50%	0.50%	<b>4.06%</b>

2018	3.50%	10.50%	<b>14.10%</b>
2019	3.50%	2.10%	<b>5.67%</b>
2020	3.50%	1.00%	<b>4.56%</b>
2021	3.75%	16.50%	<b>20.42%</b>
* <b>Good Experience Credits are listed in the year they were received in accounts.</b>			
** <b>Annualized returns include compounding.</b>			

## **ACCOUNTING**

### **A. Member Accounts.**

For accounting purposes, Pension Fund maintains records to reflect the Accounts of each Member.

### **B. Statements.**

You will receive quarterly statements from Pension Fund. The statement will show the activity and balance of your Accounts for that quarter. You should review these statements and contact Pension Fund if you have questions.

## **BENEFITS**

### **A. Distributions.**

You may request a distribution of your Accounts under the TDRA only if you satisfy one of the following requirements:

- you have a Severance from Employment,
- you attain age 59½,
- you die, or
- you become Disabled.

Your Employer may not permit distributions in all of these circumstances. Contact Pension Fund or your Employer for more information.

You may also request a distribution of your Rollover Contribution Account (including your Roth Rollover Contribution Account) at any time.

**Payment Options.** You may elect to receive distributions from your Accounts in either form of payment option listed below.

Forms of Payment Options
<u>Lump sum</u> : A distribution of a portion or all of your Account Balance.
<u>Installments</u> : A series of payments to you in a fixed amount designated by you, paid over a fixed amount of time. The sum of the payments to you equal your Account Balance.

Annuity forms of payment were permitted for distributions commencing before January 1, 2020. Members who elected a distribution in the form of an annuity before January 1, 2020, will continue to receive their benefit under the terms of the annuity.

**Housing Allowance.** If you are a Minister, the Board designates 100% of any distributions that you elect to receive in the form of installment payments (or, prior to January 1, 2020, elected to receive in the form of an annuity) as housing allowance each year. Contact Pension Fund for more information.

**Automatic Cash-Out of Small Benefits.** If your Account Balance does not exceed \$1,000, Pension Fund can, in its discretion, automatically pay the Account as a lump sum payment as soon as administratively feasible after your Severance from Employment.

**Death Benefit.** If you die before receiving a complete distribution of your Accounts, your beneficiary will receive any remaining Account Balance.

## B. Beneficiaries.

You may designate on the form provided by Pension Fund one or more primary and contingent beneficiaries to receive any portion of your TDRA payable upon your death. 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 can review your beneficiary designations online through the Pension Fund Member Portal.**

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

If you do not elect a beneficiary, or if your named beneficiary dies before you die, benefits will be paid to your Spouse. If your Spouse is not living when you die, benefits will be paid to your estate.

Your beneficiary may name his or her own beneficiary to receive any benefits remaining after your beneficiary's death. If your beneficiary does not elect a beneficiary, or if the named beneficiary dies before your beneficiary, any benefits remaining after your beneficiary's death will be paid to the beneficiary's estate.

## C. Required Minimum Distributions.

Federal law requires you and your beneficiaries to begin receiving a minimum amount of your benefits annually by a certain date. Pension Fund will calculate the amounts required to be distributed to you or your beneficiary(ies) and notify you or your beneficiary(ies) prior to the date that distributions must begin. The payment of benefits under this rule is important to avoid a 50% excise tax on the difference between the required distribution and the amount actually distributed to you or your beneficiary(ies).

**Required Payments During Your Lifetime.** Distribution of your Accounts must begin no later than April 1 of the calendar year following the *later of* the calendar year in which you turn age 72 (age 70½ if you turned age 70½ before January 1, 2020), or the calendar year in which you have a Severance from Employment. A minimum distribution is then required each

year for your lifetime, although you may elect to receive distributions more frequently and in greater amounts than what is required.

### **Required Payments After Your Death.**

Generally, your beneficiary(ies) must receive a distribution of your entire Account within the 10-year period following your death (5-year period if you die before you were required to begin distributions and your beneficiary is not an individual). However, certain beneficiaries, including your Spouse, your child under the age of majority, a Disabled or chronically ill individual, or any other person who is not more than 10 years younger than you, may instead receive distributions over their life expectancy beginning no later than the December 31 following the year of your death. If the beneficiary is your Spouse, he or she may delay the receipt of distributions until the December 31 of the calendar year you would have turned age 72 (age 70½ if you would have turned age 70½ before January 1, 2020), if later. Your beneficiary may elect to receive distributions more frequently and in greater amounts than what it is required.

### **FINANCIAL HARDSHIP**

You may request a distribution from your Pre-Tax Contribution Account or Roth Contribution Account while you are still employed by your Employer if you suffer a financial hardship with no other available financial resources. The amount of the hardship distribution cannot exceed your Pre-Tax Contributions and Roth Contributions (not including earnings) invested in the TDRA. You may request only one hardship distribution every six months.

**Employer Contributions are not eligible for hardship distributions. You may take a distribution of your Employer Contributions for any reason when you have a Severance from Employment, attain age 59½, or become Disabled.**

Hardship distributions are subject to income taxes and, if you are under age 59½, will be subject to an additional 10% excise tax.

You must make your hardship distribution request on the form provided by Pension Fund. Pension Fund will determine on a nondiscriminatory basis whether you qualify for a hardship distribution. Your request will be approved only if it satisfies all the requirements of the TDRA.

A distribution for reason of financial hardship must be on account of:

- (1) medical expenses incurred by you, your Spouse, your beneficiary, or your dependents that would be deductible (determined without regard to whether the expenses exceed 10% of your adjusted gross income); or
- (2) purchase (excluding mortgage payments) of your principal residence; or
- (3) payment of tuition, room and board, and related educational fees for up to the next 12 months of post-secondary education for you, your Spouse, your beneficiary, or your dependents; or
- (4) payments to prevent the eviction from your principal residence or foreclosure on the mortgage of your principal residence; or
- (5) payments for burial or funeral expenses for your deceased parent, Spouse, beneficiary, or dependent; or
- (6) expenses for the repair of damage to your principal residence that would qualify for the casualty deduction (determined without regard to Code Section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income);
- (7) expenses and losses (including loss of income) incurred by you on account of a disaster declared by the Federal

Emergency Management Agency (FEMA), provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or

- (8) such other financial circumstances as declared by the Commissioner of the Internal Revenue Service to constitute financial hardship.

A distribution for reason of financial hardship must satisfy all of the following requirements:

- the amount of the requested distribution cannot exceed the amount required to meet the financial need created by the hardship, including any amounts necessary to pay any federal, state, or local taxes or penalties reasonably anticipated to result from the distribution;
- you must have obtained all distributions currently available under all retirement plans (including nonqualified deferred compensation plans) maintained by your Employer, other than hardship distributions and nontaxable loans; and
- you must represent that you have insufficient cash or other liquid assets reasonably available to satisfy the need.

Your request for a distribution must specify the reason of the financial hardship and the amount you wish distributed to meet the financial hardship.

Pension Fund will determine whether a financial hardship exists, and its determination will be final and conclusive. In making this determination, Pension Fund will require you to substantiate the reason and the amount of the financial hardship. If Pension Fund requires further information in order to determine whether financial hardship exists, it may request this information.

## **IN-PLAN ROTH ROLLOVERS**

Beginning January 1, 2022, you can elect to transfer any amount held in your Pre-Tax Contribution Account or Employer Contribution Account to your Roth Contribution Account, even if you are not eligible for a distribution under the TDRA. You may also elect to transfer any amount held in your Rollover Contribution Account to your Roth Rollover Contribution Account. The taxable portion of the transfer will be included in your gross income in the year of the transfer.

## **TAX WITHHOLDING AND TAX-FREE ROLLOVERS**

### **A. General Taxation of Distributions.**

Most distributions from the TDRA are taxable to you, unless you elect to transfer the distribution to an eligible retirement below as a tax-free rollover (see below). However, "qualified distributions" from your Roth Contribution Account are not taxable to you. In general, to constitute a qualified distribution, the distribution must be made more than five years after you established the Roth Contribution Account and after you have reached age 59 ½, become Disabled, or died.

### **B. Eligible Rollover Distribution.**

Some payments from the TDRA will be "eligible rollover distributions" that can be rolled over to an "eligible retirement plan." An eligible retirement plan includes the following types of plans:

- 401(a) or 403(a) qualified plan,
- 403(b) plan,
- 457(b) plan of a governmental entity,
- individual retirement account or annuity (IRA), or
- Roth individual retirement account (Roth IRA).

Eligible rollover distributions from amounts held in your Roth Contribution Account or Roth Rollover Contribution Account may only be rolled over to another Roth account under an eligible employer plan or to a Roth IRA.

By electing to roll over an eligible rollover distribution of amounts held in your non-Roth Accounts to an eligible retirement plan, you may generally defer paying income taxes on the distribution (and avoid any early withdrawal tax) until you actually receive a distribution at a later date. If you roll over your eligible rollover distribution to a Roth IRA, the distribution will be taxed, but if you meet certain holding requirements, earnings after the rollover will not be taxed when later distributed from the Roth IRA. The early withdrawal tax will also not apply if you meet the holding requirements.

Pension Fund will be able to tell you what portion, if any, of your payment is an eligible rollover distribution. Generally, lump sum payments and installment payments made to you for a period of less than 10 years are eligible rollover distributions and can be rolled over. Hardship distributions, annuity payments, and required minimum distributions made to you after you reach age 72 (or, if later, your Severance from Employment), are not eligible rollover distributions and cannot be rolled over.

Pension Fund will provide you with a written explanation of the income tax consequences of receiving an eligible rollover distribution at least 30 days and not more than 180 days before you receive a distribution, unless you waive the 30-day notice.

A payment from the TDRA that is an eligible rollover distribution can be taken in the following ways. You can elect to have:

- all of your payment paid in a "direct rollover" (see below),
- all of your payment paid to you (see below), or

- part of your payment paid in a direct rollover and part of your payment paid to you.

### **C. Direct Rollover.**

A direct rollover is the payment of your eligible rollover distribution from the TDRA directly to an IRA or an eligible employer plan that is able to accept the direct rollover payment on your behalf. If you go to a new employer and your new employer's plan does not accept rollovers, you can choose a direct rollover to an IRA. If you do not have an IRA, you can open an IRA to receive the direct rollover.

If you choose a direct rollover, Pension Fund will send the direct rollover payment on your behalf to your IRA or, if you choose, to another eligible employer plan that accepts your rollover. You must provide Pension Fund with the name of the recipient plan, the required documentation completed by the recipient plan demonstrating that it is an eligible retirement plan able to accept a rollover on your behalf, and any other information necessary to permit Pension Fund to accomplish the direct rollover. Pension Fund will rely on the information you provide; therefore, any inaccurate information may subject your distribution to adverse income tax consequences.

### **D. Payment Made to You.**

If you choose to have your eligible rollover distribution paid to you, Pension Fund is required by federal law to withhold 20% from the taxable portion of your distribution to be applied against your federal income tax liability for the year.

Even if you have an eligible rollover distribution paid to you, you can still roll over all or part of it to an IRA or an eligible employer plan that accepts rollovers, provided that you roll it over within 60 days of payment. You may be eligible to roll over a distribution from the TDRA after the 60-day deadline if you submit a certification to the new IRA or eligible employer plan trustee and the reason

for the late rollover qualifies you for a waiver of the 60-day deadline. Unless you roll over the distribution to a Roth IRA, the taxable portion that you roll over is not taxed until distributed from the IRA or the eligible employer plan, but 20% will still be withheld.

#### **E. Payments That Cannot Be Rolled Over.**

The 20% mandatory withholding rules apply only to payments that can be rolled over. If your distribution cannot be rolled over, the taxable portion of the distribution will be subject to federal income tax withholding unless you (or your beneficiary) elect not to have withholding apply. You must complete an IRS form to elect out of withholding.

#### **F. Special Rules for Surviving Spouses, Alternate Payees, and Non-Spouse Beneficiaries.**

The rules summarized above apply to Employees. In general, these rules also apply to payments to surviving Spouses of Employees, and to Spouses or former Spouses who are Alternate Payees. You are an Alternate Payee if your interest in the TDRA results from a "qualified domestic relations order." Additionally, these rules generally apply to non-Spouse beneficiaries, except that payments can be rolled over only to an IRA.

**The rules governing the taxation of distributions from the TDRA and tax-free rollovers can be complicated. We suggest that you consult with a financial or tax advisor before requesting a distribution from the TDRA. You can find more information about the tax treatment of TDRA distributions in IRS Publication 575, Pension and Annuity Income and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORMS.**

## **MILITARY SERVICE**

In the event you are rehired following a period of qualified military service (as defined in USERRA) you will be entitled to make Elective Contributions to the TDRA from your current earnings attributable to the period of time such contributions were not otherwise allowable due to military service. These Elective Contributions will be in addition to other contributions permitted under the TDRA, and will be made as permitted under the TDRA and Code Section 414(u).

These additional Elective Contributions will be based on the amount of Compensation you would have received from your Employer had it not been for your military service, and will be subject to the TDRA's terms and conditions in effect during your period of military service. Elective Contributions may be made during the period that begins upon reemployment and extends for five years or your period of military service multiplied by three (whichever is less).

Employer Contributions will be made in accordance with the terms and conditions of the TDRA and Code Section 414(u).

To be eligible for these benefits, before leaving for military service, you are generally required to give your Employer advance notice that you are leaving the job for service in the Uniformed Services. When you return from military service, you must timely submit an application for reemployment with your Employer and request information regarding your reemployment rights. Time limits for returning to work will depend on the length of time of your military service. Contact Pension Fund for additional information.

## **ADMINISTRATION OF THE TDRA**

### **A. Administrator.**

Pension Fund has the authority to control and manage the operation and administration of the TDRA. Benefits under the TDRA will be paid only if Pension Fund, in its sole discretion, decides that the applicant is entitled to them.

Pension Fund 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 TDRA, to construe and interpret the TDRA consistent with the Code, and to correct any defect, supply any omissions, or reconcile any inconsistencies in the TDRA.

## **B. Claims Procedure.**

You or your beneficiary may file a claim for benefits with Pension Fund.

**Denial of Claims.** If the claim is denied, in whole or in part, then Pension Fund may give you or your beneficiary a written notice, within a reasonable period of time, explaining the specific reasons for the denial; identifying the TDRA document sections on which the denial is based; describing additional material necessary to perfect the claim, explaining why the material or information is necessary; and explaining the review procedure. If Pension Fund does not provide a written explanation, the claim will be deemed denied.

**Appeal of Denial of Claim.** If Pension Fund's determination to deny the claim is not acceptable to you or your beneficiary, an appeal for benefits may be filed with Pension Fund. This appeal must be in writing and filed within a reasonable period of time from the date of the determination by Pension Fund. If you do not file an appeal within a reasonable period of time, the decision of Pension Fund will be final. When reviewing an appeal, all information submitted by you will be considered, regardless of whether it was submitted in the initial determination.

Pension Fund will make a determination as to any claim for benefits within a reasonable period of time of receiving the appeal without regard to whether all information needed to make a determination is included with the appeal.

If Pension Fund denies your appeal as to any claim, you will receive a statement explaining

the specific reason for the denial. The decision will be in writing and will be final and binding on you and all other parties involved and afforded the maximum deference under the law.

For more details on the claims procedures, contact Pension Fund.

## **NONALIENATION OF BENEFITS AND DOMESTIC RELATIONS ORDERS**

### **A. Nonalienation of Benefits.**

Except as discussed below, your Account under the TDRA, 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. Tax Levy.**

Your benefits may be reduced to the extent permitted under federal law to satisfy your liability under a levy issued by the Internal Revenue Service or that is sought to be collected by the United States government under a judgment resulting from an unpaid tax assessment against you.

### **C. Domestic Relations Orders.**

A "domestic relations order" is a court order that obligates you to pay child support, alimony payments, or otherwise allocate a portion of your Account to your Spouse, former Spouse, child or other dependent (collectively known as "Alternate Payees").

If your Employer receives a domestic relations order, your Employer may be required by law to recognize obligations you incur as a result of the order if the order is determined to be "qualified."

If the domestic relations order is determined to be qualified, the TDRA will make a distribution to an Alternate Payee under the qualified domestic relations order ("QDRO")

regardless of whether you are eligible for a distribution, if directed to do so by the QDRO.

You may request written QDRO procedures from Pension Fund for more information regarding domestic relations orders.

## **PLAN EXPENSES**

Plan expenses will generally be paid from the Trust, but expenses specific to a Member, such as wire transfer charges or domestic relation order qualifications, may be charged to the Member in the discretion of Pension Fund.

## **AMENDMENT OR TERMINATION OF TDRA OR DCRA**

It is expected that the TDRA and DCRA will continue indefinitely, but the Board has reserved the right to change, modify, or discontinue the TDRA and/or DCRA at any time. However, no change may decrease the benefits already earned by you or violate any provisions of the Code.

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

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

The TDRA is a benefit under the "Defined Contribution Retirement Accounts of the Pension Fund of the Christian Church (Disciples of Christ)."

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

The TDRA is a defined contribution plan designed to satisfy the requirements of and have tax favored status under Code Section 403(b)(9). The TDRA is a church plan within the meaning of Code Section 414(e) and Section 3(33) of the Employee Retirement Income Security Act of 1974 ("ERISA") and is, therefore, exempt from ERISA.

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

The TDRA was most recently amended and restated in its entirety effective January 1, 2022.

## **D. Administrator.**

The Administrator for the TDRA is:

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

Service of legal process may be made on Pension Fund at the above address.

## **E. Plan Year.**

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

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

The TDRA is funded through contributions made by you and your Employer in amounts determined by your Employer in accordance with the TDRA. Contributions earn a base interest rate plus a Good Experience Credit, if any.

## **RISKS**

### **A. Financial Considerations.**

1. TDRA Accounts are unsecured obligations of Pension Fund and reserve funds that are held by Pension Fund in Trust for the TDRA. Reserves created for other programs of Pension Fund, including but not limited to reserves of the Pension Plan, the Traditional IRA and Roth IRA programs, and the Christian Church Health Care Benefit Trust, are held in separate trusts and are independent of the financial structure of the TDRA.
2. TDRA Accounts are administered under Code Section 403(b), which places extensive restrictions on the distribution of funds prior to age 59½, except in the event of financial hardship. Therefore, you should view the participation in the TDRA as a long-term investment.

3. Although Pension Fund strives to maintain reserves in the Trust believed to be adequate to pay all TDRA accounts at any time, market fluctuations and investment decisions could impact the Trust's ability to pay all benefits. Further, market fluctuations could negatively impact the level of Good Experience Credits, or cause the Board to forego declaring a Good Experience Credit for any given year.
4. Changes in federal laws, rules or regulations regarding 403(b) accounts may affect the availability to participate in such accounts, their expected returns, and distribution provisions, which could make it more difficult or costly to offer such tax-deferred investments to Members.
5. TDRA assets are commingled for investment purposes with Pension Plan assets and Traditional IRA and Roth IRA assets. Funds from these programs are invested based upon established investment policies and asset allocation decisions of the Board. Currently, funds are invested in an asset mix of approximately 50% equities, 35% fixed income, and 15% alternative investments, utilizing a number of independent investment managers. Administrative expenses, expected to be in the range of 50 to 100 basis points, are charged to the earnings of the Trust prior to consideration of any Good Experience Credit.

**The accounts maintained to manage and hold the assets for the DCRA and interests for the DCRA are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or States' Securities Laws. Members in the TDRA, therefore, will not be afforded the protections of those provisions.**

**Unlike federally insured bank deposits,**

**contributions to the DCRA are not insured or guaranteed by an agency of the United States Government (including FDIC) or any state of the United States.**

## **B. Cybersecurity Considerations.**

You can access and manage your TDRA Account online through the Pension Fund Member Portal. The Member Portal provides a secure and convenient way to monitor your retirement savings with Pension Fund. Visit <http://www.pensionfund.org/my-account> to log in or for assistance with your online account.

Security is important to Pension Fund. You can take steps to help reduce the risk of fraud to your Account by taking the following precautions:

1. **Register for online access to your Account through the Member Portal, and routinely monitor your online Account.** Regularly monitoring your Account reduces the risk of fraudulent access. If you believe your Account has been accessed by someone other than you without your consent, promptly notify Pension Fund.
2. **Use strong and unique passwords.** Consider using a secure password manager to help create and track passwords. Avoid sharing, reusing, or repeating passwords. Change your password every 120 days, or if there is a security breach.
3. **Use two-factor authentication.** Two-factor authentication is a security mechanism that requires two types of credentials for authentication and is designed to provide an additional layer of validation, minimizing security breaches. The Member Portal requires two-factor authentication to help protect you and your Account.

4. **Keep personal contact information current.** Update your contact information when it changes, so you can be reached if there is a problem. You can update your contact information through the Member Portal, by completing a *Changes in Personal Information Form* available at [www.pensionfund.org](http://www.pensionfund.org), or by contacting Pension Fund. This also helps to ensure that Pension Fund is able to locate you when it is time for you to receive your benefits.
5. **Be wary of free Wi-Fi.** Free Wi-Fi networks, such as the public Wi-Fi available at airports, hotels, or coffee shops pose security risks that may give criminals access to your personal information. When accessing the Member Portal, you are encouraged to use a secure network, such as your home network.
6. **Beware of phishing attacks.** Phishing attacks aim to trick you into sharing your passwords, account numbers, and sensitive information, in order to gain access to your Account. Pension Fund will **never** ask for your personal information by email or text. If you receive a message that appears to be from Pension Fund that makes you feel uneasy, please call Pension Fund to verify the message before responding.
7. **Use antivirus software and keep apps and software current.** Make sure that you have trustworthy antivirus software installed and updated to protect your computers and mobile devices from viruses and malware. Keep all of your software up to date with the latest patches and upgrades.